

PENTAIR INC
Form DEFM14A
August 03, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

Pentair, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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5500 Wayzata Boulevard, Suite 800

Minneapolis, Minnesota 55416

Dear Fellow Shareholders:

As previously announced, Pentair, Inc., which we refer to as Pentair, and Tyco International Ltd., which we refer to as Tyco, have entered into a merger agreement under which Tyco's flow control business, which we refer to as the Tyco Flow Control Business, will combine with Pentair. Prior to the closing of the proposed merger, Tyco will cause specified assets and liabilities used in the Tyco Flow Control Business to be conveyed to its wholly owned subsidiary, Tyco Flow Control International Ltd., which we refer to as New Pentair, and will change such subsidiary's name to Pentair Ltd. Tyco will then spin off New Pentair to Tyco shareholders by distributing all the New Pentair common shares owned by Tyco to Tyco shareholders. Immediately after the spin-off, Panthro Merger Sub, Inc., a newly formed, indirect subsidiary of New Pentair, will merge with and into Pentair, with Pentair surviving the merger as a wholly owned, indirect subsidiary of New Pentair. We refer to such merger as the Merger. As a result of the Merger, Pentair shareholders will receive one newly issued common share of New Pentair for every Pentair common share they hold at the time of the Merger. At the close of the Merger, former Pentair shareholders will own approximately 47.5% of New Pentair common shares and Tyco shareholders will own approximately 52.5% of New Pentair common shares, each on a fully-diluted basis (excluding treasury shares). We anticipate that New Pentair common shares will be traded on the New York Stock Exchange under the ticker symbol **PNR**, Pentair's current ticker symbol. Pentair shareholders are not expected to recognize any gain or loss for U.S. federal income tax purposes as a result of the Merger.

After careful consideration, our board of directors has determined that the merger agreement and the Merger are in the best interests of Pentair and its shareholders and has unanimously approved and authorized the execution, delivery and performance of the merger agreement and the consummation of the transactions contemplated thereby. You will be asked to vote on a proposal to approve the merger agreement and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the merger agreement and the transactions contemplated thereby, which we refer to as the Merger Agreement proposal, a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Pentair's named executive officers in connection with the Merger, which we refer to as the compensation proposal, and a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the Merger Agreement proposal, which we refer to as the meeting adjournment proposal, at a special meeting of Pentair shareholders to be held on September 14, 2012, at The Metropolitan Ballroom, 5418 Wayzata Blvd., Golden Valley, Minnesota at 9:00 a.m. local time. **Our board of directors unanimously recommends that you vote FOR the Merger Agreement proposal, FOR the compensation proposal and FOR the meeting adjournment proposal.**

Your vote is very important, regardless of the number of shares you own. We cannot complete the Merger unless the merger agreement is approved by our shareholders at the special meeting, which requires the affirmative vote of a majority of the Pentair common shares entitled to vote at the special meeting. Only shareholders who owned Pentair common shares at the close of business on July 27, 2012 will be entitled to vote at the special meeting. **Whether or not you plan to be present at the special meeting, please complete, sign, date and return your proxy card in the enclosed envelope, or authorize the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the internet as described in the instructions included with your proxy card.** If you hold your shares in street name, you should instruct your broker how to vote your shares in accordance with your voting instruction form.

This proxy statement/prospectus explains the Merger, the merger agreement and the transactions contemplated thereby and provides specific information concerning the special meeting. **Please review this document carefully. You should carefully consider, before voting, the matters discussed under the heading Risk Factors beginning on page 34 of this proxy statement/prospectus.**

On behalf of our board of directors, I thank you for your support and appreciate your consideration of this matter.

Cordially,

Randall J. Hogan

Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the transactions described in this proxy statement/prospectus, including the Merger, or the New Pentair common shares to be issued pursuant to the merger agreement, or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The date of this proxy statement/prospectus is August 3, 2012 and it is being mailed to Pentair shareholders on or about August 6, 2012.

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PENTAIR, INC.

Notice of Pentair Special Meeting

To the Shareholders of Pentair, Inc.:

NOTICE IS HEREBY GIVEN of a special meeting of shareholders of Pentair, Inc., a Minnesota corporation (Pentair), which will be held on September 14, 2012, at The Metropolitan Ballroom, 5418 Wayzata Blvd., Golden Valley, Minnesota at 9:00 a.m., local time, for the following purposes:

1. to vote on a proposal to approve the Merger Agreement, dated as of March 27, 2012, among Tyco International Ltd., Tyco Flow Control International Ltd., Panthro Acquisition Co., Panthro Merger Sub, Inc. and Pentair, as amended by Amendment No. 1, dated as of July 25, 2012 (the Merger Agreement), copies of which are attached to this proxy statement/prospectus as Annex A, and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby, which we refer to as the Merger Agreement proposal;
2. to vote on a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Pentair s named executive officers in connection with the Merger, which we refer to as the compensation proposal; and
3. to vote on a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the Merger Agreement proposal, which we refer to as the meeting adjournment proposal.

The approval of the proposal set forth in item 1 above is required for completion of the Merger. Pentair will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof.

Pentair has fixed the close of business on July 27, 2012 as the record date for the special meeting. Only Pentair shareholders of record as of the record date are entitled to receive notice of, and to vote at, the special meeting or any adjournment or postponement thereof.

THE PENTAIR BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED AND AUTHORIZED THE EXECUTION, DELIVERY AND PERFORMANCE OF THE MERGER AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED THEREBY AND UNANIMOUSLY RECOMMENDS THAT PENTAIR SHAREHOLDERS VOTE FOR THE MERGER AGREEMENT PROPOSAL, FOR THE COMPENSATION PROPOSAL AND FOR THE MEETING ADJOURNMENT PROPOSAL.

Your vote is very important. Whether or not you expect to attend the special meeting in person, to ensure your representation at the special meeting, we urge you to authorize the individuals named on your proxy card to vote your shares as promptly as possible by (1) accessing the internet site listed on the proxy card, (2) calling the toll-free number listed on the proxy card or (3) submitting your proxy card by mail by using the provided self-addressed, stamped envelope. If you hold your shares in street name, you should instruct your broker how to vote your shares in accordance with your voting instruction form. Pentair shareholders may revoke their proxy in the manner described in the accompanying proxy statement/prospectus before it has been voted at the special meeting.

By Order of the Board of Directors,

Angela D. Lageson, Secretary

Minneapolis, Minnesota

August 3, 2012

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WHERE YOU CAN FIND ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about Pentair from documents filed with the SEC that have not been included herein or delivered herewith. Pentair files reports (including annual, quarterly and current reports which contain audited financial statements), proxy statements and other information with the SEC. Copies of Pentair's filings with the SEC are available to investors without charge by request made to Pentair in writing or by telephone with the following contact information or through Pentair's website at www.pentair.com:

Pentair, Inc.

5500 Wayzata Boulevard, Suite 800

Minneapolis, Minnesota 55416

Attention: Investor Relations Department

(763) 545-1730

IN ORDER TO RECEIVE TIMELY DELIVERY OF THESE MATERIALS, YOU MUST MAKE YOUR REQUESTS NO LATER THAN FIVE BUSINESS DAYS BEFORE THE DATE OF THE SPECIAL MEETING.

You may also obtain printer-friendly versions of Pentair's SEC reports at <http://pentair.com/investors.aspx>. However, Pentair is not incorporating the information on Pentair's website other than the filings listed below into this proxy statement/prospectus or the registration statement. Pentair's filings with the SEC are available to the public over the internet at the SEC's website at www.sec.gov, or at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call 1-800-SEC-0330 for further information on the public reference facilities.

The SEC allows certain information to be incorporated by reference into this proxy statement/prospectus. This means that Pentair can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this proxy statement/prospectus, except for any information superseded by information contained directly in this proxy statement/prospectus or in any document subsequently filed by Pentair that is also incorporated or deemed to be incorporated by reference. This proxy statement/prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC and any future filings by Pentair under section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, from the date of this proxy statement/prospectus to the date the Pentair special meeting is held, except, in any such case, for any information therein which has been furnished rather than filed, which shall not be incorporated herein. Subsequent filings with the SEC will automatically modify and supersede information in this proxy statement/prospectus. These documents contain important information about Pentair and its financial condition.

This proxy statement/prospectus, and the registration statement of which this proxy statement/prospectus forms a part, hereby incorporate by reference the following documents which Pentair has filed with the SEC:

Pentair's Annual Report on Form 10-K for the year ended December 31, 2011, filed with the SEC on February 21, 2012, as amended by Amendment No. 1 to Pentair's Annual Report on Form 10-K/A, filed with the SEC on April 13, 2012;

Pentair's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, filed with the SEC on April 24, 2012 and July 24, 2012, respectively;

Pentair's Current Reports on Form 8-K, filed with the SEC on March 28, 2012, March 30, 2012, April 24, 2012, April 27, 2012, June 4, 2012 and July 24, 2012; and

Pentair's Proxy Statement on Schedule 14A, filed on March 9, 2012.

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Notwithstanding the foregoing, information furnished under Items 2.02 and 7.01 of any Current Report on Form 8-K, including the related exhibits under Item 9.01, is not incorporated by reference in this proxy statement/prospectus or the registration statement.

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If you are a Pentair shareholder and you have any questions about the proposed transactions, please contact Pentair's Investor Relations Department at (763) 545-1730.

NONE OF PENTAIR, PANTHRO MERGER SUB, PANTHRO ACQUISITION, TYCO OR NEW PENTAIR HAS AUTHORIZED ANYONE TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ABOUT THE PROPOSED TRANSACTIONS OR ABOUT PENTAIR, PANTHRO MERGER SUB, PANTHRO ACQUISITION, TYCO OR NEW PENTAIR THAT DIFFERS FROM OR ADDS TO THE INFORMATION IN THIS PROXY STATEMENT/PROSPECTUS OR THE DOCUMENTS THAT PENTAIR PUBLICLY FILES WITH THE SECURITIES AND EXCHANGE COMMISSION. THEREFORE, IF ANYONE GIVES YOU DIFFERENT OR ADDITIONAL INFORMATION, YOU SHOULD NOT RELY ON IT.

IF YOU ARE IN A JURISDICTION WHERE SOLICITATIONS OF A PROXY ARE UNLAWFUL, OR IF YOU ARE A PERSON TO WHOM IT IS UNLAWFUL TO DIRECT THESE TYPES OF ACTIVITIES, THEN THE SOLICITATION PRESENTED IN THIS PROXY STATEMENT/PROSPECTUS DOES NOT EXTEND TO YOU.

THE INFORMATION CONTAINED IN THIS PROXY STATEMENT/PROSPECTUS SPEAKS ONLY AS OF ITS DATE UNLESS THE INFORMATION SPECIFICALLY INDICATES THAT ANOTHER DATE APPLIES. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS DOCUMENT IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE HEREOF. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN ANY DOCUMENT INCORPORATED BY REFERENCE HEREIN IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE OF SUCH DOCUMENT. ANY STATEMENT CONTAINED IN A DOCUMENT INCORPORATED OR DEEMED TO BE INCORPORATED BY REFERENCE INTO THIS DOCUMENT WILL BE DEEMED TO BE MODIFIED OR SUPERSEDED TO THE EXTENT THAT A STATEMENT CONTAINED HEREIN OR IN ANY OTHER SUBSEQUENTLY FILED DOCUMENT WHICH ALSO IS OR IS DEEMED TO BE INCORPORATED BY REFERENCE INTO THIS DOCUMENT MODIFIES OR SUPERSEDES THAT STATEMENT. ANY STATEMENT SO MODIFIED OR SUPERSEDED WILL NOT BE DEEMED, EXCEPT AS SO MODIFIED OR SUPERSEDED, TO CONSTITUTE A PART OF THIS DOCUMENT. NEITHER THE MAILING OF THIS DOCUMENT TO THE SHAREHOLDERS OF PENTAIR, NOR THE TAKING OF ANY ACTIONS CONTEMPLATED HEREBY BY PENTAIR OR TYCO AT ANY TIME WILL CREATE ANY IMPLICATION TO THE CONTRARY.

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ABOUT THIS DOCUMENT

Tyco has supplied all information contained in this proxy statement/prospectus relating to Tyco, New Pentair and the Tyco Flow Control Business. Pentair has supplied all information contained in or incorporated by reference into this proxy statement/prospectus relating to Pentair. Tyco and Pentair have both contributed information relating to the Transactions.

This proxy statement/prospectus forms part of a registration statement on Form S-4 (Registration No. 333-181250) filed by New Pentair with the SEC to register with the SEC New Pentair common shares to be issued pursuant to the Merger. It constitutes a prospectus of New Pentair under Section 5 of the Securities Act of 1933, as amended, and the rules thereunder (the Securities Act), with respect to the New Pentair common shares to be issued to Pentair shareholders entitled to New Pentair common shares in the Merger. It also constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, and the rules thereunder (the Exchange Act), and a notice of meeting and action to be taken with respect to the Pentair special meeting of shareholders at which Pentair shareholders will consider and vote on the proposal to approve the Merger Agreement and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby.

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HELPFUL INFORMATION

In this document:

2012 Tax Sharing Agreement refers to the tax sharing agreement to be entered into by and among Tyco, New Pentair and ADT, the form of which is attached to this proxy statement/prospectus as Annex C;

ADT refers to The ADT Corporation, a wholly-owned, indirect subsidiary of Tyco formed to hold its residential and small business security business in the United States and Canada, and, unless otherwise indicated or the context otherwise requires, its combined subsidiaries;

ADT Distribution refers to the pro-rata distribution of 100% of the outstanding common stock of ADT to Tyco's shareholders in the form of a special dividend out of Tyco's qualifying contributed surplus;

Ancillary Agreements refers to the 2012 Tax Sharing Agreement, the Transition Services Agreement, the Licensing Agreements and certain other conveyancing and assumption instruments that are contemplated by the Separation and Distribution Agreement;

Code refers to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder;

Distribution refers to the pro-rata distribution of 100% of the outstanding common shares of New Pentair to Tyco's shareholders in the form of a special dividend out of Tyco's qualifying contributed surplus;

the Distributions refers to both the Distribution and the ADT Distribution;

Effective Time refers to the date and time when the Articles of Merger are duly filed with the Secretary of State of the State of Minnesota or such later date or time as is agreed among the parties in writing and specified in the Articles of Merger in accordance with the relevant provisions of the Minnesota Business Corporation Act (the **Minnesota Business Corporation Act**);

emerging markets refers to markets consisting of countries characterized by one or more of the following factors: low but growing per-capita income, a move toward a market-based economy, liberalized or liberalizing financial systems, strong natural resource assets and developing infrastructure; the Tyco Flow Control Business believes that this definition of **emerging markets** is generally consistent with definitions used by international banks, financial funds and economic publications;

fiscal year 2011, **fiscal year 2010**, **fiscal year 2009**, **fiscal year 2008** and **fiscal year 2007** refer to the Tyco Flow Control Business' fiscal year ended September 30, 2011, September 24, 2010, September 25, 2009, September 26, 2008 and September 28, 2007 respectively, and **fiscal year 2012** refers to the Tyco Flow Control Business' fiscal year ending September 28, 2012;

the general process industries refers to the chemical and petrochemical processing, food and beverage, marine, pulp and paper, building service, defense, water (with respect to the Tyco Flow Control Business' Valves & Controls segment only) and other smaller industries;

HSR Act refers to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

IRS refers to the U.S. Internal Revenue Service;

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Licensing Agreements refers to the transitional trademark license agreement to be entered into by and between Tyco International Services Holding GmbH and New Pentair and the transitional trademark license agreement to be entered into by and between Grinnell, LLC and New Pentair;

major capital projects with respect to the Tyco Flow Control Business Thermal Controls and Water & Environmental Systems segment refers to projects that exceed \$20 million in potential revenue to the Tyco Flow Control Business;

major manufacturing facilities refers to manufacturing facilities greater than 50,000 square feet in size;

the Merger refers to the merger of Panthro Merger Sub with and into Pentair with Pentair surviving such merger and all transactions contemplated by the Merger Agreement, except the Distribution, and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby, except the Distribution;

the Merger Agreement refers to the Merger Agreement, dated as of March 27, 2012, among Tyco, New Pentair, Panthro Acquisition, Panthro Merger Sub and Pentair, as amended by Amendment No. 1, dated as of July 25, 2012, copies of which are attached to this proxy statement/prospectus as Annex A;

MRO refers to maintenance, repair and overhaul services;

New Pentair refers to Tyco Flow Control International, Ltd., a corporation limited by shares (*Aktiengesellschaft*) organized under the laws of Switzerland and a wholly owned subsidiary of Tyco to which the Tyco Flow Control Business will be transferred, which prior to the Distribution will be re-named Pentair Ltd., and, unless otherwise indicated or the context otherwise requires, its combined subsidiaries;

New Pentair common shares, and New Pentair shares refer to New Pentair registered shares, nominal value CHF 0.50 per share;

NYSE refers to the New York Stock Exchange;

Organic Growth/(Decline) refers to the change in the Tyco Flow Control Business net revenue, expressed as a percentage, adjusted to exclude currency effects, acquisitions, divestitures and other items such as effects of the 53-week year in fiscal year 2011;

Panthro Acquisition refers to Panthro Acquisition Co., a Delaware corporation and a wholly owned subsidiary of New Pentair;

Panthro Merger Sub refers to Panthro Merger Sub, Inc., a Minnesota corporation and a wholly owned subsidiary of Panthro Acquisition;

Pentair refers to Pentair, Inc., a Minnesota corporation, and, unless otherwise indicated or the context otherwise requires, its consolidated subsidiaries;

Pentair common shares and Pentair shares refer to Pentair common shares, par value \$0.16 share;

SEC refers to the U.S. Securities and Exchange Commission;

Separation and Distribution Agreement refers to the Separation and Distribution Agreement, dated as of March 27, 2012, among Tyco International Ltd., Tyco Flow Control International Ltd. and The ADT Corporation, as amended, a copy of which is attached to this proxy statement/prospectus as Annex B;

the Spin-off refers to the Distribution, the transfer to New Pentair of the Tyco Flow Control Business and all other transactions required under the Separation and Distribution Agreement for the consummation of the separation of New Pentair from Tyco;

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Transactions refers to the Spin-off and the Merger;

Transition Services Agreement refers to the transition services agreement to be entered into by Tyco and New Pentair;

turnkey refers to a project wherein the final result is provided to the customer ready for immediate use;

Tyco refers to Tyco International Ltd., a corporation limited by shares (*Aktiengesellschaft*) organized under the laws of Switzerland, and, unless otherwise indicated or the context otherwise requires, its combined subsidiaries;

Tyco common shares or Tyco shares refers to Tyco's registered shares, nominal value CHF 6.70 per share;

Tyco Flow Control Business refers to the flow control business of Tyco;

Tyco Merger Parties refers to Tyco, New Pentair, Panthro Acquisition and Panthro Merger Sub;

the Tyco Proxy Statement refers to Tyco's proxy statement related to the Distributions and certain related matters on file with the SEC as it may be amended from time to time;

United States or U.S. with regards to the business of ADT refers to the 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands;

U.S. GAAP refers to generally accepted accounting principles in the U.S.; and

references to revenue from particular industries include sales to distributors or other channel participants whose end customers typically operate in those industries.

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS

*The following are some of the questions that Pentair shareholders may have regarding the Transactions, and brief answers to those questions. For more detailed information about the matters discussed in these questions and answers, see *The Transactions* beginning on page 72. These questions and answers, as well as the summary beginning on page 15, are not meant to be a substitute for the information contained in the remainder of this proxy statement/prospectus, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this proxy statement/prospectus. You are urged to read this proxy statement/prospectus in its entirety prior to making any decision. You should pay special attention to *Risk Factors* beginning on page 34 and *Cautionary Statement Concerning Forward-Looking Statements* beginning on page 66.*

Q: What is Pentair?

A: Pentair refers to Pentair, Inc., a Minnesota corporation.

Q: What is New Pentair?

A: New Pentair refers to Tyco Flow Control International Ltd., a wholly owned subsidiary of Tyco, organized under the laws of Switzerland. Prior to the Distribution, New Pentair will be renamed Pentair Ltd. and after the Merger, New Pentair will operate Pentair and the Tyco Flow Control Business. New Pentair will be an independent, publicly-traded company.

Q: What are the Transactions described in this proxy statement/prospectus?

A: References to the *Transactions* mean the transactions contemplated by the Merger Agreement and the Separation and Distribution Agreement, which provide for, among other things, the separation of the Tyco Flow Control Business from the other businesses of Tyco and transfer to New Pentair, the distribution of New Pentair common shares to Tyco shareholders, the merger of a wholly owned, indirect subsidiary of New Pentair with and into Pentair and the issuance of New Pentair common shares to Pentair shareholders, as described under *The Transactions* and elsewhere in this proxy statement/prospectus.

Q: What will happen in the Distribution?

A: The Distribution is the final step in the separation of the Tyco Flow Control Business from Tyco, which will be accomplished through a series of transactions that will result in New Pentair owning the Tyco Flow Control Business and Tyco shareholders owning New Pentair. The Distribution will be a pro rata distribution of New Pentair common shares by Tyco to holders of Tyco shares.

Q: What will happen in the Merger?

A: Immediately following the Distribution, a wholly owned, indirect subsidiary of New Pentair will merge with and into Pentair, with Pentair surviving the Merger as a wholly owned, indirect subsidiary of New Pentair. Upon consummation of the Merger, Pentair will cease to be a publicly-traded company. Upon effectiveness of the Merger, each outstanding Pentair common share will be converted into the right to receive one newly issued share of New Pentair and all converted Pentair common shares will be canceled. When the Merger is complete, approximately 47.5% of the New Pentair common shares will be held by former Pentair shareholders and approximately 52.5% of New Pentair common shares will be held by Tyco shareholders, each on a fully-diluted basis (excluding treasury shares).

Q: What will Pentair shareholders receive in the Merger?

A: Holders of Pentair common shares will receive one newly issued common share of New Pentair for each Pentair common share they hold at the time of the Merger. Immediately following the Merger, approximately 47.5% of the New Pentair common shares will be held by former Pentair shareholders on a fully-diluted basis (excluding treasury shares).

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Q: What will Tyco shareholders receive in the Transactions?

A: In the Distribution, Tyco will distribute all of the outstanding New Pentair common shares on a pro rata basis to holders of Tyco common shares. Holders of Tyco common shares will receive a number of New Pentair common shares determined by a formula based on the number of Pentair and Tyco shares outstanding on a fully-diluted basis (calculated in accordance with the treasury method under U.S. GAAP) at 12:01 a.m. Eastern Standard Time on the distribution date. Based on the number of fully-diluted Pentair and Tyco shares outstanding as of June 30, 2012, the distribution ratio is expected to be approximately 0.24 New Pentair common shares per each Tyco common share. Tyco shareholders will not receive any new shares in the Merger and will continue to hold the New Pentair shares they receive in the Distribution. Although the number of Pentair and Tyco shares outstanding may increase or decrease prior to the distribution date and as a result this distribution ratio may change, it will nonetheless result in Tyco shareholders owning approximately 52.5% of New Pentair common shares on a fully-diluted basis (excluding treasury shares).

Q: Who will serve as directors of New Pentair following the completion of the Merger?

A: If the Transactions are completed, New Pentair will have an 11-member board of directors, organized into three classes substantially equivalent in size. The New Pentair board will be comprised of the current board members of Pentair and one additional director who has been selected by Tyco. The current board members of Pentair are: Charles A. Haggerty, Randall J. Hogan, David A. Jones, Leslie Abi-Karam, Jerry W. Burris, Ronald L. Merriman, T. Michael Glenn, David H. Y. Ho, Glynis A. Bryan, and William T. Monahan. Tyco has identified Carol Anthony Davidson as a designee to the New Pentair board of directors.

Q: Who will serve as the executive officers of New Pentair and manage the business of the combined company following the Merger?

A: After the Transactions are completed, the current executive officers of Pentair will be the executive officers of New Pentair and will manage the combined business. These officers are Randall J. Hogan as Chief Executive Officer, Michael V. Schrock as President and Chief Operating Officer, John L. Stauch as Executive Vice President and Chief Financial Officer, Frederick S. Koury as Senior Vice President, Human Resources, Angela D. Lageson as Senior Vice President, General Counsel and Secretary, Michael G. Meyer, Vice President of Treasury and Tax, and Mark C. Borin, Corporate Controller and Chief Accounting Officer.

Q: Do any of Pentair's directors or executive officers have any interests in the Merger that are different from, or in addition to, my interests as a shareholder?

A: In considering the recommendation of the Pentair board of directors that Pentair shareholders vote to approve the Merger Agreement and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby, you should be aware that certain of Pentair's directors and executive officers have financial interests in the Merger that differ from, or are in addition to, the interests of Pentair's shareholders generally. Pentair's board of directors was aware of, and considered the interests of, Pentair's directors and executive officers in approving the Merger Agreement. For purposes of all of the agreements and plans described below, the consummation of the Merger will constitute a change in control of Pentair.

The interests of Pentair's non-employee directors include, among other things, the right to (i) accelerated vesting of certain stock options and restricted stock units and (ii) accelerated distribution of account balances under Pentair's non-qualified deferred compensation programs.

The interests of Pentair's executive officers include the rights to: (i) accelerated vesting of stock options and restricted stock units in the event of certain terminations of employment following the Merger and, solely in the case of Mr. Schrock with respect to certain restricted stock units held by him, upon the consummation of the Merger; (ii) accelerated vesting and payout of cash performance units in the event of certain terminations of employment following the Merger; (iii) certain severance payments and other benefits

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(including medical insurance, outplacement services and accounting and legal services) in the event of certain terminations of employment following the Merger; (iv) accelerated vesting and payout of amounts under the executive officer performance plan in connection with the Merger; (v) certain accelerated accrual and vesting, as well as additional service credit, under Pentair's supplemental retirement plans in the event of certain terminations of employment following the Merger; (vi) distribution of account balances under Pentair's non-qualified deferred compensation programs in connection with the Merger; (vii) certain rights to reimbursements with respect to excise taxes under Section 280G of the Code; and (viii) certain additional grants of restricted stock units to be made by Pentair in connection with the consummation of the Merger.

In connection with Pentair's entry into the Merger Agreement, Pentair's executive officers have entered into certain waivers with Pentair waiving (i) accelerated vesting of their Pentair stock options and restricted stock units (except to the extent that such waiver would result in adverse tax consequences under Section 409A of the Code) and (ii) accelerated vesting and pro rata payout of their cash performance units, in each case, upon consummation of the Merger. Awards whose acceleration is waived will continue to vest in accordance with their normal terms, provided that unvested awards will vest in full in the event of certain qualifying terminations of employment. In addition, the performance conditions with respect to Pentair cash performance units will be deemed satisfied, and the value of such cash performance units will be fixed at target, upon the consummation of the Merger, and such awards will only be subject to service-based vesting conditions. Mr. Hogan has also waived his right to have any voluntary termination of his employment during the 30-day period following the first anniversary of the consummation of the Merger treated as a qualifying termination.

Q: Will Pentair's common shares continue to be traded on the NYSE after the Merger is completed?

A: No. If the Merger is completed, Pentair's common shares will no longer be listed for trading on the NYSE. Instead, New Pentair will apply to list the New Pentair common shares on the NYSE under the ticker symbol PNR, Pentair's current ticker symbol. The approval for listing of the New Pentair common shares on the NYSE is a condition to the Merger.

It is anticipated that trading will commence on a when-issued basis on or shortly prior to the record date for the Distribution and before the distribution date. When-issued trading in the context of a spin-off refers to a sale or purchase of securities effected on or before the distribution date and made conditionally because the securities of the spun-off entity have not yet been distributed. When-issued trades generally settle within four trading days of the distribution date. On the first trading day following the distribution date, any when-issued trading in respect of the New Pentair common shares will end and regular-way trading will begin. Regular-way trading refers to trading after the security has been distributed and typically involves a trade that settles on the third full trading day following the date of the sale transaction. New Pentair cannot predict the trading prices for its common shares before or after the distribution date.

Q: Are there any conditions to the consummation of the Transactions?

A: Yes. Consummation of the Transactions is subject to a number of conditions, including (i) the approval of the Merger Agreement by Pentair's shareholders and approval of the Distribution by Tyco's shareholders, (ii) subject to certain exceptions, the accuracy of representations and warranties in the Merger Agreement and performance by the other party in all material respects of its obligations under the Merger Agreement and the Ancillary Agreements, (iii) the absence of legal impediments prohibiting the consummation of the Merger and the Transactions and agreements contemplated thereby, (iv) the expiration or termination of the applicable HSR Act waiting period and receipt of certain other regulatory approvals, (v) the Distribution having occurred, (vi) the effectiveness of the registration statements to be filed with the SEC and the approval for listing on the NYSE of New Pentair common shares, (vii) receipt of a solvency opinion with respect to Tyco and New Pentair, (viii) a maximum market capitalization of New Pentair prior to the Merger, (ix) the receipt of tax opinions from counsel and rulings by governmental authorities regarding the tax treatment of the Distribution and the Merger and (x) the absence of a material adverse effect on the other party's business (limited in the case of Tyco to the Tyco Flow Control Business) since the end of its last full fiscal year. This document describes these conditions in more detail in The Merger Agreement Conditions to the Completion of the Merger.

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Q: Will Pentair and New Pentair incur indebtedness in connection with the Transactions?

A. Prior to the Distribution, a subsidiary of New Pentair will issue an intercompany note to a subsidiary of Tyco in an amount not to exceed \$500 million. The intercompany note will be repaid at the closing of the Merger.

Prior to the Distribution, a subsidiary of New Pentair plans to issue, subject to certain conditions precedent, unsecured senior notes in an amount up to \$900 million that will be guaranteed by New Pentair. New Pentair plans to use the net proceeds from the issuance of the senior notes to repay \$500 million of Pentair private placement notes and the intercompany note. However, the issuance of the senior notes is not a condition to the Merger and New Pentair cannot provide any assurance that it will complete the issuance of the senior notes.

Effective with the closing of the Merger, it is planned that New Pentair will become a guarantor of, and a subsidiary of New Pentair will become a borrower under, an unsecured senior credit facility of up to \$1.2 billion (with an option to increase by \$500 million). New Pentair plans to use availability under this senior credit facility to repay borrowings outstanding under Pentair's existing credit facility as of the completion of the Merger and, if the senior notes are not issued, to repay the intercompany note.

If the third party financing described above is not available on terms acceptable to the parties, instead of a subsidiary of New Pentair issuing to a subsidiary of Tyco the intercompany note, a subsidiary of New Pentair will issue a one year unsecured bridge note for up to \$500 million to a subsidiary of Tyco that will bear interest at a rate of 14.0% and may be prepaid at any time.

After accounting for the issuance of either the intercompany note or the bridge note, the payment of transaction expenses and transfer of any excess cash to Tyco, but not taking into account any third party financing, New Pentair will have a net indebtedness immediately prior to the Distribution of \$275 million.

New Pentair expects to have pro forma aggregate long-term debt of approximately \$1.7 billion at the closing of the Merger.

See The Merger Agreement Financing and Debt Financing for more information regarding the financing plans of Pentair and New Pentair.

Q: Will there be a post-closing working capital adjustment?

A: Pursuant to the Separation and Distribution agreement, New Pentair is required to have working capital, defined as current assets minus current liabilities, in the amount of \$798 million, as of the close of business on the day prior to the day that the Distribution is completed. If the actual amount of the working capital exceeds \$798 million by an amount in excess of \$125 million, New Pentair will pay to Tyco the full amount of the excess. If the actual amount of the working capital is less than \$798 million by an amount in excess of \$125 million, Tyco will pay to New Pentair the full amount of the deficit.

Q: How will the rights of shareholders of Pentair and New Pentair change after the Merger?

A: After the Merger, Pentair shareholders will become New Pentair shareholders and their rights will be governed by Swiss law and New Pentair's Articles of Association, which differ in several significant respects from Minnesota corporate law and Pentair's current Articles of Incorporation and By-laws. A description of Pentair shareholder rights may be found in this proxy statement/prospectus in Comparison of Rights of Shareholders Before and After the Transactions. After the Distribution, the rights of former Tyco shareholders that hold New Pentair common shares pursuant to the Distribution will also be governed by New Pentair's Articles of Association.

Q: What are the benefits and disadvantages arising from New Pentair's domicile in Switzerland?

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- A: New Pentair anticipates that its domicile in Switzerland, a major business center known for its economic and political stability and financial sophistication, will produce important economic and operational benefits for New Pentair that help ensure its continued competitiveness in global markets, including the ability:

to maintain a competitive worldwide effective tax rate and increase the ease of global cash management to support New Pentair's global growth;

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to centrally locate New Pentair in an area that it believes will support its global growth, particularly in fast growth regions where economies are developing, as New Pentair anticipates approximately 60% of its revenues will come from outside the U.S.; and

to better integrate the Tyco Flow Control Business, which has a substantial European business and has its largest segment, Valves & Controls, headquartered in Switzerland.

Although New Pentair believes that there are significant benefits resulting from a domicile in Switzerland, it cannot provide any assurance that the anticipated benefits will be realized. See the discussion under Risk Factors Risks Related to the Transactions on pages 43-45 for a discussion of risk factors relating to New Pentair's domicile in Switzerland. New Pentair does not believe that there are any material disadvantages resulting from New Pentair's domicile in Switzerland.

Q: What are the material U.S. federal income tax consequences to Pentair shareholders resulting from the Distribution and the Merger?

A: Pentair shareholders are not expected to recognize any gain or loss, or include any amount in income, for U.S. federal income tax purposes as a result of the Merger. However, U.S. shareholders of Pentair who own five percent or more of New Pentair (including by attribution) immediately after the Merger must enter into a gain recognition agreement with the IRS to avoid the recognition of a gain on the exchange of their Pentair shares for New Pentair shares.

The Distribution and the Merger are conditioned on receipt of private letter rulings from the IRS and tax opinions from counsel regarding the U.S. federal income tax consequences of the Merger, the Distribution and certain internal transactions taken in anticipation of the Distribution. The private letter rulings and opinions will rely on certain facts and assumptions, and certain representations and undertakings, from Tyco, New Pentair and Pentair. Notwithstanding the private letter rulings and the opinions, the IRS could determine on audit that the Distribution, the internal transactions or the Merger should be treated as taxable transactions if it determines that any of these facts, assumptions, representations or undertakings is not correct or has been violated, or that the Distribution, the internal transactions or the Merger should be taxable for other reasons, including as a result of significant changes in stock or asset ownership after the Merger.

If the Distribution ultimately is determined to be taxable, Tyco would recognize a gain in an amount equal to the excess of the fair market value of New Pentair common shares distributed to Tyco shareholders on the Distribution date over Tyco's tax basis in such common shares, but such gain, if recognized, generally would not be subject to U.S. federal income tax. However, Tyco could incur significant U.S. federal income tax liabilities if it is ultimately determined that certain internal transactions undertaken in anticipation of the Distribution are taxable. Under the 2012 Tax Sharing Agreement, New Pentair may be required to indemnify Tyco for such liabilities.

If the Merger ultimately is determined to be taxable, Pentair shareholders would recognize taxable gain or loss on their disposition of Pentair common shares in the Merger.

See Risk Factors Risks Relating to the Transactions If the Merger, Distribution or certain internal transactions undertaken in anticipation of the Distribution are determined to be taxable for U.S. federal income tax purposes, Tyco, Tyco shareholders, New Pentair and/or Pentair shareholders could incur significant U.S. federal income tax liabilities and Material U.S. Federal Income Tax Considerations for more information regarding the potential tax consequences to you of the Distribution and Merger.

Pentair shareholders are urged to consult their tax advisors as to the specific tax consequences of the Distribution and the Merger to that shareholder, including the effect of any state, local or non-U.S. tax laws and of changes in applicable tax laws.

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Q: How will Pentair shareholders determine their tax basis in the New Pentair common shares?

A: A Pentair shareholder's tax basis in New Pentair common shares received in the Merger will be the same as such shareholder's tax basis in Pentair common shares exchanged therefor (except for a U.S. shareholder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS).
See Material U.S. Federal Income Tax Considerations.

Q: What are the Swiss withholding tax and income tax consequences to Pentair shareholders of the Distribution and the Merger?

A: It is a condition to closing of the Merger that, at the Effective Time, Tyco will have obtained one or more rulings from the Swiss Tax Administrations, which rulings shall be in full force and effect on the closing date of the Merger, confirming: (i) that the Merger will be a transaction that is generally tax-free for Swiss federal, cantonal, and communal tax purposes (including with respect to Swiss stamp tax and Swiss withholding tax); (ii) the relevant Swiss tax base of Panthro Acquisition for Swiss tax (including federal and cantonal and communal) purposes; (iii) the relevant amount of capital contribution reserves (*Kapitaleinlageprinzip*) which will be exempt from Swiss withholding tax in the event of a distribution to the New Pentair shareholders after the Merger; and (iv) that no Swiss stamp tax will be levied on certain post-Merger restructuring transactions. The Swiss Tax Rulings do not address the Swiss income tax consequences of the Merger to Pentair shareholders. However, it is expected that for Swiss resident individual shareholders holding their Pentair shares as private assets (*Privatvermögen*) the Merger should be tax free for federal, cantonal and communal income tax purposes. For Swiss resident individual shareholders holding their shares as business assets (*Geschäftsvermögen*) and for Swiss resident corporate shareholders the Merger may not be recognized as tax neutral by the Swiss tax authorities. In such case, the difference between the fair market value of the shares and the relevant tax basis may be treated as taxable income even if no income has been booked in the Swiss statutory profit and loss statement.

For more information regarding the potential tax consequences to you of the Distribution and the Merger, see Material Swiss Tax Considerations and Risk Factors Risks Relating to the Transactions. If the Distribution or the Merger or certain internal transactions undertaken in anticipation of the Distribution are determined to be taxable for Swiss withholding or other tax purposes, Tyco, Tyco shareholders, New Pentair, Pentair and/or Pentair shareholders could incur significant Swiss withholding tax or other tax liabilities.

Q: Does Pentair have to pay anything to Tyco if the Merger Agreement is terminated?

A: Depending on the reasons for termination of the Merger Agreement, Pentair may have to pay Tyco a termination fee of \$145 million. For a discussion of the circumstances under which the termination fee is payable by Pentair, see The Merger Agreement Fees and Expenses.

Q: Does Tyco have to pay anything to Pentair if the Merger Agreement is terminated?

A: Depending on the reasons for termination of the Merger Agreement, Tyco may have to pay Pentair a termination fee of \$145 million if the termination relates to a takeover proposal for New Pentair and a termination fee of \$370 million if the termination relates to a takeover proposal for Tyco (as opposed to New Pentair). For a discussion of the circumstances under which the termination fee is payable by Tyco, see The Merger Agreement Fees and Expenses.

Q: Are there risks that shareholders should consider in evaluating the Transactions?

A: Yes. You should read Risk Factors beginning on page 34 for a description of various risks you should carefully consider in evaluating the Transactions.

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Q: Can Pentair or Tyco shareholders demand appraisal of their shares in connection with the Transactions?

A: No. Neither Pentair nor Tyco shareholders have appraisal rights in connection with the Transactions.

Q: When do you expect to complete the Transactions?

A: If the Merger is approved by the shareholders of Pentair and the Distribution is approved by the shareholders of Tyco, we expect to complete the Distribution and the Merger as soon as possible after the satisfaction (or waiver, where permissible) of the conditions to the Distribution and the Merger. We currently anticipate that the distribution date for the Distribution will be September 28, 2012 and the Merger will occur immediately thereafter. However, it is possible that factors outside our control could require us to complete the Merger and the Distribution at a later time or not complete them at all. For a discussion of the conditions to the Transactions, see The Merger Agreement Conditions to the Completion of the Merger.

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QUESTIONS AND ANSWERS ABOUT THE PENTAIR SPECIAL MEETING

*The following are some of the questions that Pentair shareholders may have regarding the special meeting of Pentair shareholders, and brief answers to those questions. For more detailed information about the matters discussed in these questions and answers, see *The Pentair Special Meeting* beginning on page 68. These questions and answers, as well as the summary beginning on page 15, are not meant to be a substitute for the information contained in the remainder of this proxy statement/prospectus, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this proxy statement/prospectus. You are urged to read this proxy statement/prospectus in its entirety prior to making any decision. You should pay special attention to *Risk Factors* beginning on page 34 and *Cautionary Statement Concerning Forward-Looking Statements* beginning on page 66.*

Q: What are Pentair shareholders being asked to vote on at the special meeting?

A: Pentair shareholders are being asked to approve the Merger Agreement and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby (the Merger Agreement proposal), pursuant to which Panthro Merger Sub, a wholly owned, indirect subsidiary of New Pentair, will merge with and into Pentair with Pentair surviving as a wholly owned, indirect subsidiary of New Pentair. The approval by Pentair shareholders of the Merger Agreement proposal is a condition to the completion of the Transactions.

Pentair shareholders are also being asked to vote on a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Pentair's named executive officers in connection with the Merger (the compensation proposal). The approval by Pentair shareholders of the compensation proposal is not a condition to the completion of the Transactions.

Pentair shareholders are also being asked to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the Merger Agreement proposal (the meeting adjournment proposal). The approval by Pentair shareholders of the meeting adjournment proposal is not a condition to the completion of the Transactions.

Q: When and where is the special meeting of Pentair shareholders?

A: The special meeting of Pentair shareholders will be held on September 14, 2012, at The Metropolitan Ballroom, 5418 Wayzata Blvd., Golden Valley, Minnesota at 9:00 a.m., local time.

Q: Who can vote at the special meeting of Pentair shareholders?

A: Only shareholders who own Pentair common shares of record at the close of business on July 27, 2012 are entitled to vote at the special meeting. As of the record date for the Pentair special meeting, approximately 99.2 million Pentair common shares were issued and outstanding and entitled to vote at the special meeting. Each holder of Pentair common shares is entitled to one vote per share.

Q: How does the Pentair board of directors recommend that Pentair shareholders vote?

A: The Pentair board of directors has determined that the Merger and the Merger Agreement are advisable, fair to, and in the best interests of Pentair and its shareholders and unanimously recommends that the Pentair shareholders approve the Merger Agreement, the Separation and Distribution Agreement, the Ancillary Agreements, the Transactions and the other transactions contemplated by the Merger Agreement, the Separation and Distribution Agreement and the Ancillary Agreements. **The Pentair board of directors unanimously recommends that Pentair shareholders vote FOR the Merger Agreement proposal, FOR the compensation proposal and FOR the**

meeting adjournment proposal.

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Q: What vote is required to approve each proposal?

A: The approval by Pentair shareholders of the Merger Agreement proposal requires the affirmative vote of the holders of a majority of the Pentair common shares entitled to vote at the special meeting. The approval of the compensation proposal requires the affirmative vote of the holders of a majority of the Pentair common shares present in person or represented by proxy at the special meeting and entitled to vote thereon, provided a quorum is present. The approval of the meeting adjournment proposal requires the affirmative vote of the holders of a majority of the Pentair common shares present in person or represented by proxy at the special meeting and entitled to vote thereon, whether or not a quorum is present.

Q: What is a quorum?

A: The holders of a majority of the issued and outstanding Pentair common shares present either in person or represented by proxy at the meeting will constitute a quorum. Proxies received but marked as abstentions will be included in the calculation of the number of shares considered to be present at the special meeting.

Q: What should Pentair shareholders do now in order to vote on the proposals being considered at the Pentair special meeting?

A: Pentair shareholders may submit a proxy by filling out the accompanying proxy card and returning it as instructed on the proxy card. Pentair shareholders can also authorize the individuals named on the proxy card to vote their shares by telephone or the internet by following the instructions printed on the proxy card. Proxies submitted by telephone or the internet must be received by 11:59 p.m. on September 13, 2012.

Submitting a proxy means that a shareholder gives someone else the right to vote the shareholder's shares in accordance with the shareholder's instructions. In this way, the shareholder ensures that the shareholder's vote will be counted even if the shareholder is unable to attend the Pentair special meeting. If a Pentair shareholder executes a proxy, but does not include specific instructions on how to vote, the individuals named as proxies will vote the Pentair shareholder's shares as follows:

FOR the Merger Agreement proposal;

FOR the compensation proposal; and

FOR the meeting adjournment proposal.

If a Pentair shareholder holds shares in street name, which means the shares are held of record by a broker, bank or nominee, please see Q: If a Pentair shareholder's shares are held in street name by the shareholder's broker, will the broker vote the shares for the shareholder? below.

Pentair shareholders may also vote in person at the meeting. If a Pentair shareholder plans to attend the Pentair special meeting and wishes to vote in person, the shareholder will be given a ballot at the Pentair special meeting. Please note, however, that if a Pentair shareholder's shares are held in street name, and the shareholder wishes to vote in person at the Pentair special meeting, the Pentair shareholder must bring a proxy from the record holder of the shares authorizing the shareholder to vote at the Pentair special meeting. Whether or not a Pentair shareholder plans to attend the Pentair special meeting, the shareholder is encouraged to authorize the shareholder's proxy as described in this proxy statement/prospectus.

Q: What if I participate in the Pentair Employee Stock Ownership Plan?

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- A: We also are making this proxy statement/prospectus available to, and seeking voting instructions from, participants in the Pentair Employee Stock Ownership Plan who hold Pentair common shares under such plan. Fidelity Management Trust Company, as trustee of the plan and record holder of the Pentair common shares held in the plan, will vote shares attributable to you in accordance with your directions given on the proxy card, by telephone or the internet. If you hold Pentair common shares under the plan, please complete, sign and return your proxy card, or provide voting instructions by telephone or through the internet as described on the proxy card prior to 11:59 p.m. on September 10, 2012. The proxy card will serve as instructions to the plan trustee to vote the shares attributable to your interest in the manner you indicate on

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the card. If you do not submit a proxy card indicating how you want your shares to be voted, the plan trustee will vote your shares along with all other uninstructed shares in proportion to the voting by the plan shares for which instructed proxies were received.

Q: If a Pentair shareholder is not going to attend the special meeting, should the shareholder return the shareholder's proxy card or otherwise vote the shareholder's shares?

A: Yes. Completing, signing, dating and returning the proxy card by mail or submitting a proxy by calling the toll-free number shown on the proxy card or submitting a proxy by visiting the website shown on the proxy card ensures that the shareholder's shares will be represented and voted at the special meeting, even if the shareholder is unable to or does not attend.

Q: If a Pentair shareholder's shares are held in street name by the shareholder's broker, will the broker vote the shares for the shareholder?

A: If a Pentair shareholder's shares are held in street name, which means such shares are held of record by a broker, bank or nominee, the Pentair shareholder will receive instructions from the shareholder's broker, bank or other nominee that the shareholder must follow in order to have such shareholder's Pentair common shares voted. If a Pentair shareholder has not received such voting instructions or requires further information regarding such voting instructions, the shareholder should contact such shareholder's bank, broker or other nominee. Brokers, banks or other nominees who hold Pentair common shares for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers, banks and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters that are non-routine, such as approval of the Merger Agreement proposal, the compensation proposal or the adjournment proposal, without specific instructions from the beneficial owner. All proposals for the Pentair special meeting are non-routine and non-discretionary. Broker non-votes are shares held by a broker, bank or other nominee that are represented at the meeting but with respect to which the broker, bank or other nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal, and the broker, bank or other nominee does not have discretionary voting power on such proposal. If a Pentair shareholder's broker, bank or other nominee holds the shareholder's Pentair common shares in street name, the shareholder's bank, broker or other nominee will vote the shareholder's shares only if the shareholder provides instructions on how to vote by filling out the voter instruction form sent to such shareholder by such shareholder's bank, broker or other nominee with this proxy statement/prospectus.

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, YOU ARE ENCOURAGED TO GRANT YOUR PROXY AS DESCRIBED IN THIS PROXY STATEMENT/PROSPECTUS.

Q: Can Pentair shareholders change their vote?

A: Yes. Holders of record of Pentair common shares who have properly completed and submitted their proxy card or proxy by telephone or internet can change their vote before the proxy is voted at the Pentair special meeting in any of the following ways:

sending a signed written notice that is received prior to the Pentair special meeting stating that the shareholder revokes the shareholder's proxy to the corporate secretary of Pentair at 5500 Wayzata Boulevard, Suite 800, Minneapolis, Minnesota 55416;

properly completing, signing and dating a new proxy card bearing a later date and properly submitting it so that it is received prior to the Pentair special meeting; or

visiting the website shown on the proxy card and submitting a new proxy in the same manner that the shareholder would submit the shareholder's proxy via the internet or by calling the toll-free number shown on the proxy card to submit a new proxy by telephone.

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A Pentair shareholder whose shares are held in street name by such shareholder's broker and who has directed that person to vote the shareholder's shares should instruct that person to change such person's vote.

Q: What will happen if Pentair shareholders abstain from voting, fail to vote or do not direct how to vote on their proxy?

A: The failure of a Pentair shareholder to vote or to instruct the shareholder's broker to vote if the shareholder's shares are held in street name may have a negative effect on the ability of Pentair to obtain the number of votes necessary for approval of the proposals. For purposes of the shareholder vote, an abstention, which occurs when a shareholder attends a meeting, either in person or by proxy, but abstains from voting, will have the same effect as voting against the Merger Agreement proposal, voting against the compensation proposal and voting against the meeting adjournment proposal. The failure of a Pentair shareholder to vote or to instruct the shareholder's broker, bank or nominee to vote if his shares are held in street name will have the same effect as voting against the Merger Agreement proposal, but will not affect the proposals to approve the compensation proposal or the meeting adjournment proposal. All properly signed proxies that are received prior to the special meeting and that are not revoked will be voted at the special meeting according to the instructions indicated on the proxies. If a proxy is returned without an indication as to how Pentair common shares represented are to be voted with regard to a particular proposal, the Pentair common shares represented by the proxy will be voted in accordance with the recommendation of the Pentair board of directors and therefore, FOR the Merger Agreement proposal, FOR the compensation proposal and FOR the meeting adjournment proposal.

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SUMMARY

This summary, together with the sections titled **Questions and Answers About the Transactions** and **Questions and Answers about the Pentair Special Meeting** immediately preceding this summary, provides a summary of the material terms of the Spin-off and the Merger. These sections highlight selected information contained in this proxy statement/prospectus and may not include all the information that is important to you. To better understand the Spin-Off and the Merger, and the risks related with the Transactions, and for a more complete description of the legal terms of the Spin-Off and the Merger, you should read this entire proxy statement/prospectus carefully, including the annexes, as well as those additional documents to which we refer you. See also **Where You Can Find Additional Information**.

Information About Pentair (See **Information About Pentair beginning on page 163)**

Pentair is a focused diversified industrial manufacturing company comprised of two operating segments: Water & Fluid Solutions and Technical Products. Water & Fluid Solutions is a global leader in providing innovative products and systems used worldwide in the movement, storage, treatment and enjoyment of water. Technical Products is a leader in the global enclosures and thermal management markets, designing and manufacturing standard, modified and custom enclosures that house and protect sensitive electronics and electrical components and protect the people that use them. Pentair's principal executive offices are located at 5500 Wayzata Boulevard, Suite 800, Minneapolis, Minnesota 55416-1259 and its telephone number is (763) 545-1730.

Information About the Tyco Flow Control Business (See **Information About the Tyco Flow Control Business beginning on page 165)**

The Tyco Flow Control Business is a global leader in the industrial flow control market, specializing in the design, manufacture and servicing of highly engineered valves, actuation & controls, electric heat management solutions, and water transmission and distribution products. The Tyco Flow Control Business is conducted through three reportable segments: Valves & Controls, Thermal Controls and Water & Environmental Systems. The Valves & Controls segment is one of the world's largest manufacturers of valves, actuators and controls. The Thermal Controls segment is a leading provider of complete electric heat management solutions, primarily for the oil & gas, general process and power generation industries. The Water & Environmental Systems segment is a leading provider of large-scale water transmission and distribution products and water/wastewater systems in the Pacific and Southeast Asia regions. The Tyco Flow Control Business' principal executive offices are located at Freier Platz 10, CH-8200 Schaffhausen, Switzerland, and its telephone number is 41-52-633-02-44.

The Transactions (See **The Transactions beginning on page 72)**

Structure of the Spin-Off and the Merger (See **The Transactions** ***Structure of the Spin-Off and the Merger*** beginning on page 72)

Tyco and Pentair have agreed pursuant to the Merger Agreement to merge the Tyco Flow Control Business with Pentair. Prior to consummating the Merger and pursuant to the Separation and Distribution Agreement, Tyco will transfer the Tyco Flow Control Business to New Pentair, rename New Pentair Pentair Ltd. and subsequently distribute all of the outstanding New Pentair common shares to Tyco shareholders on a pro rata basis in the Distribution. Immediately following the Distribution, Tyco, New Pentair, and Pentair will consummate the Merger upon the terms and subject to the conditions of the Merger Agreement. New Pentair's wholly owned, indirect subsidiary, Panthro Merger Sub, will merge with and into Pentair and Pentair will survive the Merger as a wholly owned, indirect subsidiary of New Pentair. As consideration for the Merger, shareholders of Pentair will receive one newly issued common share of New Pentair for each Pentair common share that they hold at the time of the Merger. Immediately after consummation of the Merger, on a fully-diluted basis,

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approximately 47.5% of New Pentair common shares will be held by former Pentair shareholders and approximately 52.5% of New Pentair common shares will be held by Tyco shareholders (excluding treasury shares). After the Transactions, New Pentair will be an independent, publicly-traded company that operates Pentair and the Tyco Flow Control Business.

Shareholders are encouraged to read carefully the sections titled *The Merger Agreement* and *The Separation and Distribution Agreement and the Ancillary Agreements* as well as the *Merger Agreement and the Separation and Distribution Agreement*, which are attached to this proxy statement/prospectus and incorporated herein by reference, because they set forth the terms of the Merger and the Distribution, respectively.

Transaction Timeline (See *The Transactions Transaction Timeline* beginning on page 72)

Below is a step-by-step list illustrating the sequence of material events relating to the Spin-off and the Merger. Each of these events is discussed in more detail elsewhere in this proxy statement/prospectus. Except as further described below, it is anticipated that the steps will occur in the following order:

Step 1 Tyco will engage in a series of restructuring transactions to separate the Tyco Flow Control Business from Tyco in the manner contemplated by the Separation and Distribution Agreement and transfer the assets and liabilities comprising the Tyco Flow Control Business, with certain specifically scheduled exceptions, to New Pentair.

Step 2 A subsidiary of New Pentair will issue an intercompany note to a subsidiary of Tyco in an amount not to exceed \$500 million, which will be repaid at the closing of the Merger with proceeds to New Pentair from a third party financing upon terms negotiated by Pentair. After accounting for the issuance of the intercompany note, the payment of transaction expenses and transfer of any excess cash to Tyco, but not taking into account any third party financing, New Pentair will have a net indebtedness immediately prior to the Distribution of \$275 million.

Step 3 Tyco will receive an audit report of Deloitte AG (Zürich), as state supervised auditing enterprise, stating that the Distribution and the ordinary cash dividend to Tyco shareholders proposed in the Tyco Proxy Statement comply with Swiss law and Tyco's Articles of Association.

Step 4 Tyco, in its capacity as the sole shareholder of New Pentair, will resolve to increase the share capital of New Pentair by a conversion of freely available equity into nominal share capital and authorize the issuance of New Pentair common shares in a number permitting a one-to-one share exchange with the outstanding Pentair common shares on a fully-diluted basis. Such newly issued shares will be held in treasury by New Pentair pending delivery to the former Pentair shareholders following the Merger.

Step 5 New Pentair's Articles of Association and organizational regulations will be amended in substantially the form attached to this proxy statement/prospectus as Annex F and Annex G, respectively. New Pentair's name will be changed to Pentair Ltd. and the company will have a board of directors comprised of the board of directors of Pentair as of the date of mailing of the Tyco Proxy Statement and up to two persons selected by Tyco and reasonably acceptable to Pentair. Tyco has selected only one designee to the New Pentair board of directors.

Step 6 Tyco will then spin off New Pentair by distributing all of the outstanding common shares of New Pentair, and cash in lieu of fractional shares, to the Tyco shareholders on a pro rata basis as determined by a distribution formula.

Step 7 Panthro Merger Sub, a wholly owned, indirect subsidiary of New Pentair, will merge with and into Pentair and Pentair will cease to be a publicly-traded company. Each outstanding Pentair common share will be converted into the right to receive one New Pentair common share and all converted Pentair common shares will

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be canceled. As a result, former Pentair shareholders will own approximately 47.5% of New Pentair common shares and Tyco shareholders will own approximately 52.5% of New Pentair common shares on a fully-diluted basis (excluding treasury shares) immediately following the Merger.

The Spin-off (See The Transactions The Spin-off beginning on page 73)

Pursuant to the Separation and Distribution Agreement and certain provisions of the Merger Agreement, Tyco will, among other things, (i) engage in an internal restructuring whereby it will transfer to New Pentair certain assets related to the Tyco Flow Control Business, and New Pentair will assume from Tyco certain liabilities associated with the Tyco Flow Control Business, (ii) increase the share capital of New Pentair by a conversion of freely available equity into nominal share capital and authorize the issuance of New Pentair common shares in a number permitting a one-to-one share exchange with the outstanding Pentair common shares, (iii) prior to the Distribution, rename New Pentair Pentair Ltd. and (iv) distribute to holders of Tyco common shares all of the outstanding common shares of New Pentair through a pro-rata dividend. After the Distribution, Tyco will not own any shares of New Pentair.

Conditions to the Separation and Distribution (See The Separation and Distribution Agreement and the Ancillary Agreements Separation and Distribution Agreement Conditions and Termination beginning on page 157)

The Distribution is subject to a number of important conditions. Under Swiss law, the approval of a relative majority of Tyco's shareholders is required to effect the Distribution. Under the terms of the Separation and Distribution Agreement, the consummation of the Distribution is conditioned upon (i) the satisfaction (or waiver by Tyco) of each of the conditions to Tyco's obligation to effect the closing of the transactions contemplated by the Merger Agreement (other than the consummation of the Distribution) and (ii) each of Tyco and Pentair having irrevocably confirmed to the other that each of the conditions to its obligations to effect the closing of the Merger has been satisfied or waived and that it is prepared to proceed with the Merger. For a more detailed description of the Merger conditions, see The Merger Agreement Conditions to the Completion of the Merger.

Working Capital and Net Indebtedness (See The Separation and Distribution Agreement and the Ancillary Agreements Separation and Distribution Agreement Post Closing Working Capital and Net Indebtedness Adjustments beginning on page 148)

Pursuant to the Separation and Distribution Agreement, New Pentair is required to have working capital, defined as current assets minus current liabilities, in the amount of \$798 million, as of the close of business on the day prior to the day that the Distribution is completed. If the actual amount of the working capital exceeds \$798 million by an amount in excess of \$125 million, New Pentair will pay to Tyco the full amount of the excess. If the actual amount of the working capital is less than \$798 million by an amount in excess of \$125 million, Tyco will pay to New Pentair the full amount of the deficit.

Before the close of business on the day prior to the Distribution, a subsidiary of New Pentair will issue an intercompany note to a subsidiary of Tyco in an amount not to exceed \$500 million, which will be repaid at the closing of the Merger with proceeds to New Pentair from a third party financing upon terms negotiated by Pentair. If such third party financing is not available on terms acceptable to the parties, instead of a subsidiary of New Pentair issuing to a subsidiary of Tyco the intercompany note that would be repaid at the closing of the Merger, a subsidiary of New Pentair will issue a one year unsecured bridge note for up to \$500 million to a subsidiary of Tyco in accordance with the Merger Agreement that will bear interest at a rate of 14.0% and be prepayable at any time. New Pentair is then to transfer cash and cash equivalents to Tyco such that, immediately prior to the Distribution, the net indebtedness of New Pentair will be \$275 million.

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The Merger (See The Transactions The Merger beginning on page 73)

Pursuant to the Merger Agreement, immediately after the Distribution, Panthro Merger Sub will merge with and into Pentair. Pentair will survive the Merger as a wholly owned, indirect subsidiary of New Pentair, and will cease to be a publicly-traded company. Upon effectiveness of the Merger, each outstanding Pentair common share will be converted into the right to receive one newly issued common share of New Pentair and all converted Pentair common shares will be canceled. New Pentair will be a publicly-traded company organized under the laws of Switzerland. It is expected that New Pentair's shares will be listed for trading on the NYSE under the symbol PNR, which is currently the trading symbol for Pentair.

Calculation of the Distribution Ratio and the Exchange Ratio (See The Transactions Calculation of the Distribution Ratio and the Exchange Ratio beginning on page 73)

Pursuant to the Separation and Distribution Agreement, Tyco will effect the Distribution by distributing all outstanding New Pentair common shares it holds as the sole shareholder of New Pentair at the time of the Distribution on a pro rata basis to holders of Tyco common shares. Holders of Tyco common shares will receive a number of New Pentair common shares equal to the quotient of (i) the product of (x) the number of Pentair common shares outstanding (determined on a fully-diluted basis calculated in accordance with the treasury method under U.S. GAAP without taking into account tax consequences to any party or any applicable vesting provisions) as of 12:01 a.m. Eastern Standard Time on the distribution date, multiplied by (y) 1.10526316 divided by (ii) the number of Tyco common shares outstanding (determined on a fully-diluted basis calculated in accordance with the treasury method under U.S. GAAP without taking into account tax consequences to any party or any applicable vesting provisions) immediately prior to 12:01 a.m. Eastern Standard Time on the distribution date (the distribution ratio).

Based on the number of fully-diluted Pentair and Tyco shares outstanding as of June 30, 2012, it is expected that the distribution ratio will be approximately 0.24 New Pentair common shares per each Tyco common share. However, this amount will be finally determined at the effective time of the Distribution based on the number of Pentair common shares and the number of Tyco common shares outstanding immediately prior to the Distribution that are entitled to receive New Pentair common shares in the Distribution. Therefore, the actual number of New Pentair common shares that Tyco shareholders are entitled to receive will change if the number of Tyco common shares outstanding or Pentair common shares outstanding at those times changes because of any increase or decrease in share amounts for any reason. There is no maximum or minimum number of shares that will be issued. The number calculated above is not expected to change significantly because (1) Pentair currently has no plans to issue any of its common shares prior to the effective time of the Merger other than pursuant to previous grants of equity incentive awards or pursuant to the exercise of employee stock options and stock settled stock appreciation rights, in each case, in the ordinary course of business and (2) Tyco currently has no plans to issue any of its common shares prior to the effective time of the Merger other than pursuant to previous grants of equity incentive awards or pursuant to the exercise of employee stock options and stock settled stock appreciation rights, in each case, in the ordinary course of business.

Immediately after the Distribution, pursuant to the Merger Agreement, the Merger will occur. The Merger Agreement provides that, at the effective time of the Merger, each outstanding Pentair common share will be converted into the right to receive one newly issued common share of New Pentair. This one-to-one exchange is herein referred to as the exchange ratio.

Immediately following the consummation of the Distribution and the Merger and the application of the distribution ratio and the exchange ratio, former Pentair shareholders will own approximately 47.5% of New Pentair common shares and Tyco shareholders will own approximately 52.5% of New Pentair common shares on a fully-diluted basis (excluding treasury shares).

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Conditions to the Completion of the Merger (See The Merger Agreement Conditions to the Completion of the Merger beginning on page 143)

The obligations of Pentair, Tyco and New Pentair under the Merger Agreement are subject to the satisfaction or waiver of certain conditions including:

no order or injunction by any governmental authority preventing consummation of the Merger or the related transactions shall have been issued and remain in effect;

Tyco's shareholders shall have approved the Distribution, and the Distribution shall have been consummated in accordance with the Separation and Distribution Agreement;

Pentair's shareholders shall have approved the Merger Agreement proposal;

the New Pentair common shares to be issued in the Merger shall have been authorized for listing on the NYSE, subject to official notice of issuance;

the Form S-4 shall have become effective under the Securities Act and shall not be the subject of any stop order suspending its effectiveness, and all necessary permits and authorizations under state securities or "blue sky" laws, the Securities Act and the Exchange Act shall have been obtained;

(i) the waiting period applicable to the consummation of the Merger and the related transactions under the HSR Act shall have expired or been earlier terminated and (ii) except as otherwise provided in the Merger Agreement, all applicable approvals shall have been obtained and all waiting periods shall have expired or been terminated under certain other antitrust laws;

Tyco shall have obtained a solvency opinion from Duff & Phelps LLC, in a form reasonably satisfactory to Tyco, relating to the Transactions;

the aggregate implied market capitalization of New Pentair, before giving effect to the Merger, shall not exceed CHF 17.5 billion based on (x) the closing price of the New Pentair common shares trading on the last "when-issued" trading day prior to the Distribution or (y) in the absence of a "when-issued" trading market for the New Pentair common shares, the closing price of Pentair common shares on the last trading day prior to the Distribution;

Tyco shall have received a private letter ruling from the IRS, which ruling shall be in full force and effect on the closing date of the Merger, to the effect that (i) the Distribution will qualify as tax-free under Sections 355 and 361 of the Code, except for cash received in lieu of fractional common shares and (ii) certain internal transactions will qualify for favorable treatment under the Code;

Tyco shall have received one or more rulings from the IRS (the "IRS Supplemental Rulings"), which shall be in full force and effect on the closing date of the Merger, to the effect that (i) Section 367(a)(1) of the Code will not cause the Merger to be taxable to Pentair shareholders (except for a U.S. shareholder who is or will be a "five-percent transferee shareholder" within the meaning of applicable Treasury Regulations but who does not enter into a "gain recognition agreement" with the IRS), (ii) certain anticipated post-closing transactions will not prevent the tax-free treatment of the Distribution or the Merger; and (iii) the Merger will qualify as a reorganization pursuant to Section 368(a) of the Code; and

Tyco shall have received one or more rulings from the Swiss Tax Administrations, which rulings shall be in full force and effect on the closing date of the Merger, confirming: (i) that the Merger will be a transaction that is generally tax-free for Swiss federal, cantonal, and communal tax purposes (including with respect to Swiss stamp tax and Swiss withholding tax); (ii) the relevant Swiss tax base of Panthro Acquisition for Swiss tax (including federal and cantonal and communal) purposes; (iii) the relevant amount of capital contribution reserves (*Kapitaleinlageprinzip*) which will be exempt from Swiss withholding tax in the event of a distribution to the New Pentair shareholders after the Merger; and (iv) that no Swiss stamp tax will be levied on certain post-Merger restructuring transactions.

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In addition, the obligation of Pentair to effect the Merger is subject to the following additional conditions, among others:

each of New Pentair, Panthro Acquisition, Panthro Merger Sub and Tyco shall have complied in all material respects with all covenants required by the Merger Agreement, the Separation and Distribution Agreement and the Ancillary Agreements to be performed by them on or before closing;

the representations and warranties of Tyco in the Merger Agreement shall be true and correct as of the date of the Merger Agreement and as of the closing date of the Merger, except where their failure to be true and correct would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of the Tyco Flow Control Business as a whole or on the ability of Tyco or New Pentair to consummate the Merger (a New Pentair MAE);

no New Pentair MAE shall have occurred;

as of the Effective Time, the board of directors of New Pentair will consist of the persons serving on the board of directors of Pentair as of the mailing of the Tyco Proxy Statement and up to two persons to be selected by Tyco prior to the mailing of the Tyco Proxy Statement and reasonably acceptable to Pentair.

Pentair shall have received the opinion of Cravath, Swaine & Moore LLP to the effect that (i) the Merger will qualify as a reorganization pursuant to Section 368(a) of the Code and (ii) Section 367(a)(1) of the Code will not cause the Merger to be taxable to Pentair shareholders (except for a U.S. shareholder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS); and

Tyco shall have executed and delivered to Pentair, and caused each of its subsidiaries that is a party to an Ancillary Agreement to execute and deliver to Pentair, each of the Ancillary Agreements.

Furthermore, the obligations of the Tyco Merger Parties to effect the Merger are subject to the following additional conditions, among others:

Pentair shall have in all material respects performed all obligations and complied in all material respects with all covenants required by the Merger Agreement, and the Ancillary Agreements to be performed by it on or before closing;

the representations and warranties of Pentair in the Merger Agreement shall be true and correct both as of the date of the Merger Agreement and as of the closing date of the Merger, except where their failure to be true and correct would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of Pentair and its subsidiaries as a whole or on the ability of Pentair to consummate the Merger (a Pentair MAE);

no Pentair MAE shall have occurred;

Tyco shall have received the opinions of McDermott Will & Emery LLP (i) to the effect that (x) the Merger will qualify as a reorganization pursuant to Section 368(a) of the Code and (y) Section 367(a)(1) of the Code will not cause the Merger to be taxable to Pentair shareholders (except for a U.S. shareholder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS); and (ii) confirming that the Distributions will qualify as tax-free under Sections 355 and/or 361 of the Code, except for cash received in lieu of fractional shares; and

Pentair shall have executed and delivered to Tyco each Ancillary Agreement to which it is a party.

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Termination of the Merger Agreement (See The Merger Agreement Termination of the Merger Agreement beginning on page 146)

Tyco and Pentair may agree to terminate the Merger Agreement by mutual written consent. Additionally, either Tyco or Pentair may terminate the Merger Agreement for the following reasons, among others:

the Merger has not been consummated by February 1, 2013, provided that the terminating party's failure to perform in all material respects with the obligations set forth in the Merger Agreement or the Separation and Distribution Agreement is not the cause of the Merger not being completed by February 1, 2013;

the existence of any law that makes consummation of the transactions under the Merger Agreement illegal or otherwise prohibited;

any governmental authority has issued a final, non-appealable order, decree or ruling permanently restraining, enjoining or otherwise prohibiting any material component of the transactions under the Merger Agreement, provided, however, that such right to terminate will not be available to any party whose failure to perform certain of its obligations under the Merger Agreement resulted in such order, decree or ruling;

Pentair shareholders fail to approve the Merger Agreement and the transactions contemplated thereby at the Pentair special shareholders meeting; or

Tyco shareholders fail to approve the Distribution at the Tyco special shareholders meeting.

Pentair may also terminate the Merger Agreement at any time prior to the Merger for the following reasons, among others:

at any time before Pentair shareholders approve the Merger, to enter into a written definitive agreement relating to a Pentair Superior Proposal (as defined in The Merger Agreement No Solicitation beginning on page 137) provided it has complied with certain conditions related to a Pentair Change of Recommendation;

if Tyco's board of directors (i) fails to include its recommendation to Tyco shareholders to approve the Distribution in the Tyco Proxy Statement, (ii) withholds, withdraws, qualifies or modifies, or publicly proposes to withhold, withdraw, qualify or modify its recommendation in a manner adverse to Pentair or (iii) approves, adopts or recommends any New Pentair Takeover Proposal (as defined below) (each such action above being a Tyco Change of Recommendation); or

if Tyco breaches in any material respect any of its representations, warranties or covenants contained in the Merger Agreement or the Separation and Distribution Agreement such that any of the conditions described in the Merger Agreement and the Separation and Distribution Agreement would not be satisfied and such failure has not been cured within 60 calendar days after Pentair gives written notice thereof to Tyco or where any such condition is incapable of being satisfied.

In addition, Tyco may terminate the Merger Agreement for the following reasons, among others:

if Pentair's board of directors (i) fails to include its recommendation relating to the Merger in its proxy statement to its shareholders, (ii) withholds, withdraws, qualifies or modifies, or publicly proposes to withhold, withdraw, qualify or modify its recommendation in a manner adverse to Tyco or (iii) approves, adopts or recommends any Pentair Takeover Proposal (as defined below) (each such action being a Pentair Change of Recommendation); or

if Pentair breaches in any material respect any of its representations, warranties or covenants contained in the Merger Agreement or the Separation and Distribution Agreement such that any of the conditions described in the Merger Agreement and the Separation and Distribution Agreement would not be satisfied and such failure has not been cured within 60 calendar days after Tyco gives written notice thereof to Pentair or where any such condition is incapable of being satisfied.

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Termination Fees (See The Merger Agreement Fees and Expenses beginning on page 147)

Pentair has agreed to pay to Tyco a termination fee of \$145 million as liquidated damages in the following circumstances:

Tyco terminates the Merger Agreement due to a Pentair Change of Recommendation; or

prior to receipt of Pentair shareholders' approval of the Merger Agreement proposal, Pentair terminates the Merger Agreement to enter into a written definitive agreement for a Pentair Superior Proposal; or

more than five days prior to the Pentair shareholders' meeting any person publicly makes a Pentair Takeover Proposal and within 12 months of termination of the Merger Agreement under specified circumstances, Pentair enters into a definitive agreement to consummate or consummates a Pentair Takeover Proposal.

In addition, Tyco has agreed to pay Pentair a termination fee of \$145 million as liquidated damages in the following circumstances:

Pentair terminates the Merger Agreement due to a Tyco Change of Recommendation other than in connection with a Tyco Takeover Proposal; or

more than five days prior to the Tyco shareholders' meeting any person publicly makes a New Pentair Takeover Proposal and within 12 months of termination of the Merger Agreement under specified circumstances, Tyco enters into a definitive agreement to consummate or consummates a New Pentair Takeover Proposal or a Tyco Takeover Proposal; or

more than five days prior to the Tyco shareholders' meeting any person publicly makes a Tyco Takeover Proposal and within 12 months of termination of the Merger Agreement under specified circumstances, Tyco enters into a definitive agreement to consummate or consummates a New Pentair Takeover Proposal.

Tyco has further agreed to pay Pentair a termination fee of \$370 million as liquidated damages in the event that:

Pentair terminates the Merger Agreement due to a Tyco Change of Recommendation in connection with a Tyco Takeover Proposal; or

more than five days prior to the Tyco shareholders' meeting any person publicly makes a Tyco Takeover Proposal and within 12 months of termination of the Merger Agreement under specified circumstances, Tyco enters into a definitive agreement to consummate or consummates a Tyco Takeover Proposal.

Pentair is not, in any event, to receive both the \$145 million termination fee and the \$370 million termination fee.

For purposes of determining the termination fees as described above, a Pentair Takeover Proposal, New Pentair Takeover Proposal and Tyco Takeover Proposal apply to a transaction relating to 50% of any class of equity securities, consolidated net revenues, net income or assets of Pentair, New Pentair or Tyco, as applicable, rather than 10%.

Opinions of Pentair Financial Advisors (See The Transactions Opinions of Pentair Financial Advisors beginning on page 86)

On March 27, 2012, the Pentair board of directors received an oral opinion from Deutsche Bank Securities Inc. (Deutsche Bank), which was subsequently confirmed in writing, that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, from a financial point of view, the exchange ratio pursuant to the Merger Agreement was fair to the holders of Pentair common shares

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(other than New Pentair and any subsidiary of Pentair). The full text of Deutsche Bank's written opinion, dated as of March 27, 2012, is attached as Annex D to this proxy statement/prospectus and incorporated into this document

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by reference. Deutsche Bank's written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Deutsche Bank in rendering its opinion. This summary of Deutsche Bank's written opinion is qualified in its entirety by reference to the full text of the opinion. Deutsche Bank's opinion is addressed to Pentair's board of directors for its use in connection with its evaluation of the Merger. Deutsche Bank's opinion relates only to the fairness, from a financial point of view, to the holders of Pentair common shares (other than New Pentair and any subsidiary of Pentair) of the exchange ratio pursuant to the Merger Agreement (after giving effect to the distribution ratio pursuant to the Separation and Distribution Agreement), which Deutsche Bank assumes, with the knowledge and permission of the Pentair board of directors, will result in the diluted common shares of New Pentair at the effective time of the Merger being held approximately 47.5% by the former shareholders of Pentair and 52.5% by the shareholders of New Pentair (excluding treasury shares) immediately prior to the Merger, and does not constitute a recommendation to any shareholder of Pentair as to how such shareholder should vote or act with respect to the Merger or any other matter. You are urged to read the opinion of Deutsche Bank carefully in its entirety.

On March 27, 2012, the Pentair board of directors received an oral opinion from Greenhill & Co. (Greenhill), which was subsequently confirmed in writing, that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, from a financial point of view, the exchange ratio pursuant to the Merger Agreement was fair to the holders of Pentair common shares (other than New Pentair and any subsidiary of Pentair). The full text of Greenhill's written opinion, dated as of March 27, 2012, is attached as Annex E to this proxy statement/prospectus and incorporated into this document by reference. Greenhill's written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon, the review undertaken by Greenhill in rendering its opinion. This summary of Greenhill's written opinion is qualified in its entirety by reference to the full text of the opinion. Greenhill's opinion is addressed to Pentair's board of directors for its use in connection with its evaluation of the Merger. Greenhill's opinion relates only to the fairness, from a financial point of view, to the holders of Pentair common shares (other than New Pentair and any subsidiary of Pentair), of the exchange ratio pursuant to the Merger Agreement (after giving effect to the distribution ratio pursuant to the Separation and Distribution Agreement), which Greenhill assumes, with the knowledge and permission of the Pentair board of directors, will result in the fully-diluted common shares of New Pentair at the effective time of the Merger being held approximately 47.5% by the former shareholders of Pentair and 52.5% by the shareholders of New Pentair (excluding treasury shares) immediately prior to the Merger. Greenhill's opinion does not constitute a recommendation to any shareholder of Pentair as to how such shareholder should vote or act with respect to the Merger or any other matter. You are urged to read the opinion of Greenhill carefully in its entirety.

Interests of Certain Persons in the Merger (See The Transactions Interests of Certain Persons in the Merger beginning on page 104)

In considering the recommendation of the Pentair board of directors that Pentair shareholders vote to approve the Merger Agreement proposal, you should be aware that certain of Pentair's directors and executive officers have financial interests in the Merger that differ from, or are in addition to, the interests of Pentair's shareholders generally.

The interests of Pentair's non-employee directors include, among other things, the right to (i) accelerated vesting of certain stock options and restricted stock units and (ii) accelerated distribution of account balances under Pentair's non-qualified deferred compensation programs. The interests of Pentair's executive officers include the rights to:

accelerated vesting of stock options and restricted stock units in the event of certain terminations of employment following the Merger and, solely in the case of Mr. Schrock with respect to certain restricted stock units held by him, upon the consummation of the Merger;

accelerated vesting and payout of cash performance units in the event of certain terminations of employment following the Merger;

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certain severance payments and other benefits (including medical insurance, outplacement services and accounting and legal services) in the event of certain terminations of employment following the Merger;

accelerated vesting and payout of amounts under the executive officer performance plan in connection with the Merger;

certain accelerated accrual and vesting, as well as additional service credit, under Pentair's supplemental retirement plans in the event of certain terminations of employment following the Merger;

distribution of account balances under Pentair's non-qualified deferred compensation programs in connection with the Merger;

certain rights to reimbursements with respect to excise taxes under Section 280G of the Code; and

certain additional grants of restricted stock units to be made by Pentair in connection with the consummation of the Merger.

In connection with Pentair's entry into the Merger Agreement, Pentair's executive officers have entered into waivers with Pentair waiving (i) accelerated vesting of their Pentair stock options and restricted stock units (except to the extent that such waiver would result in adverse tax consequences under Section 409A of the Code) and (ii) accelerated vesting and pro rata payout of their cash performance units, in each case, upon consummation of the Merger. Awards whose acceleration is waived will continue to vest in accordance with their normal terms, provided that unvested awards will vest in full in the event of certain qualifying terminations of employment. In addition, the performance conditions with respect to Pentair cash performance units will be deemed satisfied, and the value of such cash performance units will be fixed at target, upon the consummation of the Merger, and such awards will only be subject to service-based vesting conditions. Mr. Hogan has also waived his right to have any voluntary termination of his employment during the 30-day period following the first anniversary of the consummation of the Merger treated as a qualifying termination.

In addition, pursuant to the Merger Agreement, at the Effective Time, Pentair's executive officers will become the executive officers of New Pentair, and Pentair's board of directors, together with up to two new directors selected by Tyco prior to the mailing of the Tyco Proxy Statement and reasonably acceptable to Pentair, will be the board of directors of New Pentair. Tyco has selected only one designee to the New Pentair board of directors.

Pentair's board of directors was aware of, and considered the interests of, Pentair's directors and executive officers in approving and authorizing the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby and making their recommendation that the Pentair shareholders approve the Merger Agreement proposal.

Regulatory Approval (See The Transactions Regulatory Approvals beginning on page 118)

Under the HSR Act and related rules, the Merger may not be completed until notifications have been given and information furnished to the Federal Trade Commission and to the Antitrust Division of the U.S. Department of Justice (Antitrust Division) and all statutory waiting period requirements have been satisfied. The HSR Act provides for an initial 30-calendar-day statutory waiting period following the necessary filings by the parties to the merger, unless the Federal Trade Commission and Antitrust Division terminate the waiting period early. Pentair and New Pentair filed Notification and Report Forms with the Federal Trade Commission and the Antitrust Division on April 17, 2012 and early termination of the HSR Act waiting period was granted on April 25, 2012.

In addition, Pentair and New Pentair are required to provide notifications to the European Union, Chinese and Turkish competition authorities. Subsequent to a notification filed on June 15, 2012, Pentair and New Pentair received on July 11, 2012 a decision from the European Commission under Council Regulation (EC)

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No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings declaring that the Merger is compatible with the internal market and with the Agreement of the European Economic Area. Pentair and New Pentair are also seeking clearance under the Chinese Anti-Monopoly Law with a notification submitted to the Anti-Monopoly Bureau of China's Ministry of Commerce on May 4, 2012. The Anti-Monopoly Bureau of China's Ministry of Commerce initiated the formal review period for the notification on July 3, 2012. Further, subsequent to a notification submitted to the Competition Board of the Turkish Competition Authority on June 27, 2012, Pentair and New Pentair received on July 19, 2012 a decision granting clearance under the Turkish Law on Protection of Competition No. 4054 and the Turkish Competition Authority Communiqué No. 2010/4 on Mergers and Acquisitions Requiring the Approval of the Competition Board. Pentair and New Pentair as appropriate also may provide notice and seek regulatory clearance in other jurisdictions.

There can be no assurance that a challenge to the Merger on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

No Dissenters or Appraisal Rights (See The Transactions Rights of Appraisal beginning on page 119)

Pentair shareholders will not be entitled to appraisal or dissenters' rights under the Minnesota Business Corporation Act in connection with the Merger.

Accounting Treatment (See The Transactions Accounting Treatment beginning on page 119).

Accounting Standards Codification (ASC) Topic 805, *Business Combinations*, requires the use of the purchase method of accounting for business combinations. In applying the purchase method, it is necessary to identify both the accounting acquiree and the accounting acquiror. In a business combination effected through an exchange of equity interests, such as the Merger, the entity that issues the interests (New Pentair in this case) is generally the acquiring entity. In identifying the acquiring entity in a combination effected through an exchange of equity interests, however, all pertinent facts and circumstances must be considered, including the following:

The relative voting interests in New Pentair after the Transactions. In this case, Tyco shareholders are expected to receive approximately 52.5% of the equity ownership and associated voting rights in New Pentair after the Transactions.

The composition of the governing body of New Pentair after the Transactions. In this case, the composition of the board of directors of New Pentair after the Transactions will be comprised of the ten current members of the board of directors of Pentair plus up to two members designated by Tyco. As more fully described in Description of New Pentair Capital Stock General Meetings of Shareholders and Voting Rights, New Pentair's board of directors will be divided into three classes substantially equivalent in size, with each class serving a three-year term. One class will be elected at each annual general meeting of shareholders. As a result, any significant shift in the composition of the board of directors proposed by New Pentair would take at least two years.

The composition of senior management of New Pentair after the Transactions. In this case, New Pentair's executive officers following the Merger will be the current executive officers of Pentair.

Pentair and New Pentair have determined that Pentair will be the accounting acquiror in this combination based on the pertinent facts and circumstances, including those outlined above. New Pentair will apply purchase accounting to the assets and liabilities of the Tyco Flow Control Business upon consummation of the Transactions. Upon completion of the Transactions, the historical financial statements of New Pentair will be those of Pentair.

Tax Sharing Agreement (See The Separation and Distribution Agreement and Ancillary Agreements Tax Sharing Agreement beginning on page 158)

New Pentair intends to enter into the 2012 Tax Sharing Agreement with Tyco and ADT that will govern the respective rights, responsibilities and obligations of Tyco, ADT and New Pentair after the Spin-off with respect

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to tax liabilities and benefits, tax attributes, tax contests and other tax matters regarding income taxes, other taxes and related tax returns. Because certain of New Pentair's subsidiaries are members of one of Tyco's U.S. consolidated groups, it has (and will continue to have following the Spin-off) several liability with Tyco to the IRS for the consolidated U.S. federal income taxes of such consolidated group relating to the taxable periods in which its subsidiaries were part of such consolidated group. New Pentair expects that the 2012 Tax Sharing Agreement will provide that New Pentair, Tyco and ADT will share the Shared Tax Liabilities, as defined below in The Separation and Distribution Agreement and Ancillary Agreements Tax Sharing Agreement. Tyco will be responsible for the first \$500 million of Shared Tax Liabilities. New Pentair and ADT will share 42% and 58%, respectively, of the next \$225 million of Shared Tax Liabilities. New Pentair, ADT and Tyco will share 20%, 27.5% and 52.5%, respectively, of Shared Tax Liabilities above \$725 million.

Material U.S. Federal Income Tax Considerations (See Material U.S. Federal Income Tax Considerations beginning on page 120)

Pentair shareholders are not expected to recognize any gain or loss, or include any amount in income, for U.S. federal income tax purposes as a result of the Merger. However, U.S. shareholders of Pentair who own five percent or more of New Pentair (including by attribution) immediately after the Merger must enter into a gain recognition agreement with the IRS to avoid the recognition of a gain on the exchange of their Pentair shares for New Pentair shares.

Tyco shareholders are not expected to recognize any gain or loss, or include any amount in income, for U.S. federal income tax purposes as a result of the Distribution, except to the extent of cash received in lieu of fractional shares.

The Distribution and the Merger are conditioned on receipt of private letter rulings from the IRS and tax opinions from counsel regarding the U.S. federal income tax consequences of the Merger, the Distribution and certain internal transactions undertaken in anticipation of the Distribution. The private letter rulings and opinions will rely on certain facts and assumptions, and certain representations and undertakings, from Tyco, New Pentair and Pentair. Notwithstanding the private letter rulings and the opinions, the IRS could determine on audit that the Distribution, the internal transactions or the Merger should be treated as taxable transactions if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated, or that the Distribution, the internal transactions or the Merger should be taxable for other reasons, including as a result of significant changes in stock or asset ownership after the Merger.

If the Distribution ultimately is determined to be taxable, the Distribution could be treated as a taxable dividend or capital gain to Tyco shareholders for U.S. federal income tax purposes, and Tyco shareholders could incur significant U.S. federal income tax liabilities. In addition, Tyco would recognize gain in an amount equal to the excess of the fair market value of New Pentair common shares distributed to Tyco shareholders on the Distribution date over Tyco's tax basis in such common shares, but such gain, if recognized, generally would not be subject to U.S. federal income tax. However, Tyco could incur significant U.S. federal income tax liabilities if it is ultimately determined that certain internal transactions undertaken in anticipation of the Distribution are taxable. Under the 2012 Tax Sharing Agreement, New Pentair may be required to indemnify Tyco for such liabilities. If the Merger ultimately is determined to be taxable, Pentair shareholders would recognize taxable gain or loss on their disposition of Pentair common shares in the Merger.

Tyco shareholders and Pentair shareholders are urged to consult their tax advisors as to the specific tax consequences of the Distribution and the Merger to that shareholder, including the effect of any state, local or non-U.S. tax laws and of changes in applicable tax laws.

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Material Swiss Tax Considerations (See Material Swiss Tax Considerations beginning on page 126)

Pentair shareholders are not expected to recognize any gain or loss, or include any amount in income, for Swiss income tax purposes as a result of the Merger.

The Distribution and the Merger are conditioned on receipt of tax rulings from the Swiss Federal Tax Administration and tax opinions from counsel regarding the Swiss income tax consequences of the Merger and the Distribution. The rulings and opinions will rely on certain facts and assumptions, and certain representations and undertakings, from Tyco, New Pentair and Pentair. Notwithstanding the tax ruling and the opinions, the Swiss Federal Tax Administration could determine on audit that the Distribution, the internal transactions or the Merger should be treated as taxable transactions if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated, or that the Distribution the internal transactions or the Merger should be taxable for other reasons.

Tyco shareholders and Pentair shareholders are urged to consult their tax advisors as to the specific tax consequences of the Distribution and the Merger to that shareholder, including the effect of any tax laws and of changes in applicable tax laws.

Voting by Pentair Directors and Executive Officers (See The Pentair Special Meeting Voting by Pentair Directors and Executive Officers beginning on page 71)

At the close of business on the record date of the Pentair special meeting, Pentair directors and executive officers and their affiliates were entitled to vote 804,348 Pentair common shares or approximately 1% of the Pentair common shares outstanding on that date. Pentair currently expects that its directors and executive officers and their affiliates will vote their shares in favor of all proposals, but none of them has entered into any agreement obligating him or her to do so.

Vote Required for Approval of the Merger (See The Pentair Special Meeting Required Vote beginning on page 69)

Pentair shareholders may vote FOR or AGAINST, or may abstain from voting, on the Merger Agreement proposal. Consummation of the Transactions requires the approval of the Merger Agreement proposal by Pentair shareholders. The approval by Pentair shareholders of the Merger Agreement proposal requires the affirmative vote of the holders of a majority of the voting power of all Pentair common shares entitled to vote at the meeting. Therefore, if Pentair shareholders abstain or fail to vote, it will have the same effect as a vote AGAINST the Merger Agreement proposal.

Board of Directors and Executive Officers of New Pentair Following the Merger (See The Transactions Board of Directors and Executive Officers of New Pentair Following the Merger; Operations Following the Merger beginning on page 103)

Immediately after the completion of the Merger, the New Pentair board of directors will be composed of the members of the board of directors of Pentair as of the mailing of the Tyco Proxy Statement and one member who has been selected by Tyco and is reasonably acceptable to Pentair.

The executive officers of Pentair immediately prior to the completion of the Merger will be the executive officers of New Pentair immediately following the completion of the Merger.

Following the completion of the Merger, the location of the main U.S. offices of New Pentair will be Pentair's executive offices in Minneapolis, Minnesota.

Risk Factors (See Risk Factors beginning on page 34)

Pentair shareholders should carefully consider the matters described in Risk Factors, as well as other information included in this proxy statement/prospectus and the other documents to which they have been referred.

Table of Contents**SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF PENTAIR**

The following table sets forth summary historical consolidated financial information of Pentair. The consolidated statement of income data for the six months ended June 30, 2012 and July 2, 2011 and the consolidated balance sheet data as of June 30, 2012 and July 2, 2011 have been derived from Pentair's unaudited consolidated financial statements which are incorporated by reference in this proxy statement/prospectus. The consolidated statement of income data for the years ended December 31, 2011, December 31, 2010 and December 31, 2009 and the consolidated balance sheet data as of December 31, 2011 and December 31, 2010 are derived from Pentair's audited consolidated financial statements incorporated by reference into this proxy statement/prospectus. The consolidated balance sheet data as of December 31, 2009 is derived from Pentair's audited consolidated financial statements that are not included or incorporated by reference in this proxy statement/prospectus. The unaudited consolidated financial statements have been prepared on the same basis as the audited financial statements and, in the opinion of Pentair's management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth herein.

The summary historical consolidated financial data presented below should be read in conjunction with Pentair's consolidated financial statements and accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations of Pentair incorporated by reference into this proxy statement/prospectus. The Pentair consolidated financial data may not be indicative of future performance.

	Six Months Ended		Fiscal Year Ended		
	June 30, 2012 ⁽¹⁾	July 2, 2011 ⁽¹⁾	December 31, 2011 ⁽¹⁾⁽²⁾	December 31, 2010	December 31, 2009
	(\$ in millions, except per share data)				
Statement of Income Data:					
Net sales	\$ 1,800	\$ 1,700	\$ 3,457	\$ 3,031	\$ 2,692
Operating income	203	196	169	334	220
Net income from continuing operations attributable to Pentair, Inc.	133	117	34	198	116
Per Share Data:					
Basic:					
Earnings per share from continuing operations attributable to Pentair, Inc.	\$ 1.34	\$ 1.19	\$ 0.35	\$ 2.02	\$ 1.19
Weighted average shares	99	98	98	98	97
Diluted:					
Earnings per share from continuing operations attributable to Pentair, Inc.	\$ 1.32	\$ 1.17	\$ 0.34	\$ 2.00	\$ 1.17
Weighted average shares	101	100	100	99	99
Cash dividends declared per common share	\$ 0.44	\$ 0.40	\$ 0.80	\$ 0.76	\$ 0.72
Balance Sheet Data:					
Total assets	\$ 4,586	\$ 5,052	\$ 4,586	\$ 3,974	\$ 3,911
Total debt	1,235	1,407	1,309	707	806
Total shareholders' equity	2,118	2,367	2,047	2,205	2,126

- (1) In May 2011, Pentair acquired as part of Water & Fluid Solutions, the Clean Process Technologies division of privately held Norit Holding B.V.
- (2) In the fourth quarter of 2011, Pentair recorded a pre-tax non-cash goodwill impairment charge of \$200.5 million.

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**SUMMARY HISTORICAL COMBINED FINANCIAL DATA OF
THE TYCO FLOW CONTROL BUSINESS**

The following table sets forth summary historical combined financial and other operating data of the Tyco Flow Control Business. The summary historical combined financial and other operating data have been prepared to include all of the Tyco Flow Control Business, and are a combination of the assets and liabilities that have been used in managing and operating this business. The combined statement of operations data for the six months ended March 30, 2012 and March 25, 2011 and the combined balance sheet data as of March 30, 2012 have been derived from the Tyco Flow Control Business unaudited combined financial statements included elsewhere in this proxy statement/prospectus. The combined statement of operations data set forth below for the fiscal years ended September 30, 2011, September 24, 2010 and September 25, 2009 and the combined balance sheet data as of September 30, 2011 and September 24, 2010 are derived from the Tyco Flow Control Business audited combined financial statements included elsewhere in this proxy statement/prospectus. The combined balance sheet data as of March 25, 2011 and September 25, 2009 are derived from the Tyco Flow Control Business unaudited combined financial statements that are not included in this proxy statement/prospectus. The unaudited combined financial statements have been prepared on the same basis as the audited combined financial statements and, in the opinion of the Tyco Flow Control Business management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth herein. The Tyco Flow Control Business has a 52- or 53-week fiscal year that ends on the last Friday in September. Fiscal years 2010 and 2009 were both 52-week years, while fiscal year 2011 was a 53-week year.

The selected historical combined financial and other operating data presented below should be read in conjunction with the Tyco Flow Control Business combined financial statements and accompanying notes and Management Discussion and Analysis of Financial Condition and Results of Operations of the Tyco Flow Control Business presented elsewhere in this proxy statement/prospectus.

The Tyco Flow Control Business historical combined financial data may not be indicative of future performance and does not necessarily reflect what financial condition and results of operations would have been had the Tyco Flow Control Business operated as an independent, publicly-traded company during the periods presented, including changes that will occur in the Tyco Flow Control Business operations and capitalization as a result of the Spin-off.

	For the Six Months Ended		Fiscal Year Ended		
	March 30, 2012 ⁽¹⁾	March 25, 2011 ⁽¹⁾⁽²⁾	September 30, 2011 ⁽¹⁾	September 24, 2010 ⁽¹⁾	September 25, 2009
(\$ in millions)					
Combined Statement of Operations Data:					
Net revenue	\$ 1,924	\$ 1,634	\$ 3,648	\$ 3,381	\$ 3,492
Gross profit	623	546	1,170	1,130	1,233
Operating income	192	119	306	331	451
Income from continuing operations	114	50	153	184	233
Income from discontinued operations, net of income taxes		168	172	17	29
Net income attributable to parent company equity	113	218	324	201	262
Combined Balance Sheet Data:					
Total assets	\$ 5,322	\$ 4,609	\$ 5,144	\$ 4,682	\$ 4,846
Long-term debt ⁽³⁾⁽⁴⁾	893	795	876	689	856
Total liabilities ⁽³⁾	2,142	1,953	2,132	2,045	2,126
Total parent company equity	3,086	2,656	2,919	2,637	2,719
Combined Other Operating Data:					
Orders	\$ 2,073	\$ 1,750	\$ 3,785	\$ 3,200	\$ 3,100
Backlog	\$ 1,898	\$ 1,654	\$ 1,744	\$ 1,581	\$ 1,781

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- (1) Income from continuing operations and net income attributable to parent company equity include \$24 million and \$27 million of corporate expense allocated from Tyco for the six months ended March 30, 2012 and March 25, 2011, respectively. Income from continuing operations and Net income attributable to parent company equity include \$52 million, \$54 million and \$55 million of corporate expense allocated from Tyco for the years ended September 30, 2011, September 24, 2010 and September 25, 2009, respectively.
- (2) Income from continuing operations and net income attributable to parent company equity include a goodwill impairment charge of \$35 million in the Water & Environmental Systems segment of the Tyco Flow Control Business related to its Water Systems reporting unit.
- (3) Long-term debt and total liabilities include \$877 million and \$776 million of allocated debt for the six months ended March 30, 2012 and March 25, 2011, respectively. Long-term debt and total liabilities include \$859 million, \$671 million and \$836 million of allocated debt for the years ended September 30, 2011, September 24, 2010 and September 25, 2009, respectively.
- (4) Amounts have been allocated from Tyco and are not indicative of debt that will be incurred in the future as an independent, publicly-traded company.

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The following table presents summary unaudited pro forma combined financial information about Pentair's consolidated balance sheet and statements of income, and gives effect to the Transactions. The information under **Statement of Income Data** in the table below combines the six months ended June 30, 2012 for Pentair and the six months ended March 30, 2012 for the Tyco Flow Control Business and the fiscal year ended December 31, 2011 for Pentair and September 30, 2011 for the Tyco Flow Control Business and gives effect to the Transactions as if they had been consummated on January 1, 2011, the beginning of the earliest period presented. The information under **Balance Sheet Data** in the table below combines the historical consolidated balance sheets of Pentair as of June 30, 2012 and the historical combined balance sheets of the Tyco Flow Control Business as of March 30, 2012 and assumes the Transactions had been consummated on June 30, 2012. This unaudited pro forma combined financial information was prepared using the acquisition method of accounting with Pentair considered the acquirer of the Tyco Flow Control Business. See **The Transactions Accounting Treatment** beginning on page 119.

In addition, the unaudited pro forma combined financial information includes adjustments which are preliminary and will likely be revised. There can be no assurance that such revisions will not result in material changes. The unaudited pro forma combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company.

The information presented below should be read in conjunction with the historical consolidated financial statements of Pentair and the historical combined financial statements of the Tyco Flow Control Business, including the related notes and with the pro forma condensed combined financial statements of Pentair and the Tyco Flow Control Business, including the related notes, appearing elsewhere or incorporated by reference in this proxy statement/prospectus. See **Where You Can Find Additional Information** and **Selected Unaudited Pro Forma Condensed Combined Financial Information** beginning on page 212. The unaudited pro forma condensed combined financial data are not necessarily indicative of results that actually would have occurred or that may occur in the future had the Transactions been completed on the dates indicated.

	Six Months Ended June 30, 2012	Fiscal Year Ended December 31, 2011
	(\$ in millions, except per share data)	
Statement of Income Data:		
Net sales	\$ 3,724	\$ 7,105
Operating income	\$ 348	\$ 323
Net income from continuing operations attributable to shareholders	\$ 230	\$ 116
Earnings per share from continuing operations attributable to shareholders: Basic	\$ 1.09	\$ 0.55
Diluted	\$ 1.08	\$ 0.55

	As of June 30, 2012 (\$ in millions)
Balance Sheet Data:	
Total assets	\$ 11,215
Total debt	\$ 1,685
Total shareholders' equity and parent company investment	\$ 6,492

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Presented below are Pentair's historical per share data for the six months ended June 30, 2012 and the year ended December 31, 2011 and New Pentair unaudited pro forma combined per share data for the six months ended June 30, 2012 and the year ended December 31, 2011. This information should be read together with the consolidated financial statements and related notes of Pentair that are incorporated by reference into this proxy statement/prospectus and with the unaudited pro forma combined financial data included in Selected Unaudited Pro Forma Condensed Combined Financial Information beginning on page 212. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results that would have occurred if the Transactions had been completed as of the beginning of the periods presented, nor is it necessarily indicative of the future operating results of the combined company. The historical book value per share is computed by dividing total stockholders' equity for Pentair by the number of Pentair common shares outstanding at the end of the period. The pro forma earnings per share of the combined company is computed by dividing the pro forma income by the pro forma weighted average number of New Pentair common shares outstanding. The pro forma book value per share of the combined company is computed by dividing total pro forma stockholders' equity by the pro forma number of New Pentair common shares outstanding at the end of the respective periods.

	Six Months Ended June 30, 2012	Fiscal Year Ended December 31, 2011
Pentair Historical		
Earnings per share attributable to Pentair, Inc.:		
Basic	\$ 1.34	\$ 0.35
Diluted	\$ 1.32	\$ 0.34
Book value per common share	\$ 21.35	\$ 20.76
Cash dividends	\$ 0.44	\$ 0.80

	Six Months Ended June 30, 2012	Fiscal Year Ended December 31, 2011
Pentair Unaudited Pro Forma Combined Amounts		
Earnings per share from continuing operations attributable to shareholders:		
Basic	\$ 1.09	\$ 0.55
Diluted	\$ 1.08	\$ 0.55
Book value per common share	\$ 30.71	N/A
Cash dividends	\$ 0.44	\$ 0.80

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Pentair common shares currently trade on the NYSE under the ticker symbol PNR. On March 27, 2012, the last trading day before the announcement of the signing of the Merger Agreement, the last sale price of Pentair common shares reported by the NYSE was \$40.26. On August 1, 2012, the last practicable trading day for which information is available as of the date of this proxy statement/prospectus, the last sale price of Pentair common shares reported by the NYSE was \$43.07. The following table sets forth the high and low prices of Pentair common shares for the periods indicated. For current price information, Pentair shareholders are urged to consult publicly available sources.

	Pentair Common Shares		
	High	Low	Dividends Declared
Calendar Year Ending December 31, 2012			
Third Quarter (through August 1, 2012)	\$ 45.03	\$ 37.43	\$ 0.22
Second Quarter	\$ 47.59	\$ 36.31	\$ 0.22
First Quarter	\$ 48.77	\$ 33.88	\$ 0.22
Calendar Year Ended December 31, 2011			
Fourth Quarter	\$ 38.62	\$ 30.38	\$ 0.20
Third Quarter	\$ 42.43	\$ 29.73	\$ 0.20
Second Quarter	\$ 41.38	\$ 36.74	\$ 0.20
First Quarter	\$ 38.97	\$ 34.85	\$ 0.20
Calendar Year Ended December 31, 2010			
Fourth Quarter	\$ 37.22	\$ 31.89	\$ 0.19
Third Quarter	\$ 35.68	\$ 29.41	\$ 0.19
Second Quarter	\$ 39.32	\$ 30.62	\$ 0.19
First Quarter	\$ 36.40	\$ 29.55	\$ 0.19

Market price data for New Pentair common shares has not been presented as New Pentair common shares do not trade separately from Tyco common shares.

It is expected that New Pentair will initially pay a quarterly cash dividend of \$0.22 per share. The Merger Agreement provides that Tyco, as the sole shareholder of New Pentair, will authorize the quarterly cash dividends to be paid prior to the 2013 New Pentair annual general meeting. Any dividend after that time that may be proposed by the New Pentair board of directors will be subject to approval by the New Pentair shareholders at the New Pentair annual general meeting if and as proposed by the New Pentair board of directors. Under Swiss law, the New Pentair board of directors may propose to shareholders that a dividend be paid but cannot itself authorize the dividend. However, whether the New Pentair board of directors exercises its discretion to propose any dividends to holders of New Pentair common shares in the future will depend on many factors, including New Pentair's financial condition, earnings, capital requirements of New Pentair's business, covenants associated with debt obligations, legal requirements, regulatory constraints, industry practice and other factors that the New Pentair board of directors deems relevant. There can be no assurance that New Pentair will continue a dividend in the future. See Description of New Pentair Capital Stock Dividends.

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RISK FACTORS

Risks Related to the Transactions

The calculation of the consideration payable pursuant to the Merger will not be adjusted based on the performance of Pentair or the Tyco Flow Control Business. Accordingly, the relative market value of the New Pentair common shares that Pentair shareholders receive in the Merger may not reflect the performance of Pentair and the Tyco Flow Control Business.

In the Merger, holders of Pentair common shares will receive one common share of New Pentair for every Pentair common share they hold at the time of the Merger with the result that former Pentair shareholders will own approximately 47.5% of New Pentair common shares and Tyco shareholders will own approximately 52.5% of New Pentair common shares, on a fully-diluted basis (excluding treasury shares) after giving effect to the Merger. Tyco shareholders who receive New Pentair common shares in the Distribution will not receive any new shares in the Merger and will continue to hold their existing shares of Tyco and New Pentair. The one-to-one exchange ratio and overall allocation of New Pentair common shares will not be adjusted for changes in the economic performance of the Tyco Flow Control Business and Pentair or the market price of Pentair common shares. If the economic performance of the Tyco Flow Control Business relative to Pentair declines (or the economic performance of Pentair relative to the Tyco Flow Control Business improves) prior to completion of the Merger, Pentair shareholders will not receive any additional compensation or adjustment to account for the effective diminishment in the value of their New Pentair common shares received in the Merger.

New Pentair may not realize the anticipated growth opportunities and cost synergies from the Merger.

The success of the Transactions will depend, in part, on the ability of New Pentair to realize the anticipated growth opportunities and cost synergies as a result of the Merger. New Pentair's success in realizing these growth opportunities and cost synergies, and the timing of this realization, depends on the successful integration of Pentair and the Tyco Flow Control Business. Even if New Pentair is able to integrate Pentair and the Tyco Flow Control Business successfully, this integration may not result in the realization of the full benefits of the growth opportunities and cost synergies that Pentair and New Pentair currently expect from this integration or that these benefits will be achieved within the anticipated time frame or at all. For example, New Pentair may not be able to eliminate duplicative costs. Moreover, New Pentair may incur substantial expenses in connection with the integration of Pentair and the Tyco Flow Control Business. While it is anticipated that certain expenses will be incurred, such expenses are difficult to estimate accurately, and may exceed current estimates. Accordingly, the benefits from the Merger may be offset by costs incurred or delays in integrating the businesses.

The integration of Pentair and the Tyco Flow Control Business following the Merger may present significant challenges.

There is a significant degree of difficulty and management distraction inherent in the process of establishing New Pentair as an independent public company and integrating Pentair and the Tyco Flow Control Business. These difficulties include:

the challenge of establishing New Pentair as a separately traded independent public company while integrating Pentair and the Tyco Flow Control Business and carrying on the ongoing operations of each entity;

the necessity of coordinating geographically separate organizations;

the challenge of integrating the business cultures of Pentair and the Tyco Flow Control Business, which may prove to be incompatible;

the challenge and cost of integrating the information technology systems of Pentair and the Tyco Flow Control Business; and

the potential difficulty in retaining key officers and personnel of Pentair and the Tyco Flow Control Business.

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The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of Pentair and the Tyco Flow Control Business. Members of New Pentair senior management may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage the combined company, service existing customers, attract new customers and develop new products or strategies. If senior management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, Pentair and the Tyco Flow Control Business could suffer. There can be no assurance that New Pentair will successfully or cost-effectively integrate Pentair and the Tyco Flow Control Business. The failure to do so could have a material adverse effect on New Pentair's business, financial condition and results of operations.

New Pentair's accounting and other management systems and resources may not be adequately prepared to quickly integrate and update the financial reporting systems of the Tyco Flow Control Business following the Transactions.

The financial results of the Tyco Flow Control Business previously were included within the consolidated results of Tyco, and were not directly subject to the reporting and other requirements of the Exchange Act. As a result of the Transactions, New Pentair will be directly subject to reporting and other obligations under the Exchange Act. The Exchange Act requires that New Pentair file annual, quarterly and current reports with respect to New Pentair's business and financial condition. Following the Merger, New Pentair will be responsible for ensuring that all aspects of its business comply with Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), which will require annual management assessments of the effectiveness of internal control over financial reporting and a report by an independent registered public accounting firm addressing these assessments. Although the management of New Pentair has experience with these reporting and related obligations, ensuring compliance with respect to the Tyco Flow Control Business may place significant demands on management, administrative and operational resources, including accounting systems and resources.

Under the Sarbanes-Oxley Act, New Pentair is required to maintain effective disclosure controls and procedures and internal controls over financial reporting. To comply with these requirements with respect to the Tyco Flow Control Business, New Pentair may need to upgrade its systems; implement additional financial and management controls, reporting systems and procedures; and hire additional accounting and finance staff. It is expected that New Pentair will incur annual expenses for the purpose of addressing these requirements, and those expenses may be significant. If New Pentair is unable to upgrade its financial and management controls, reporting systems, information technology systems and procedures in a timely and effective fashion, New Pentair's ability to comply with its financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired. Any failure to achieve and maintain effective internal controls could have a material adverse effect on New Pentair's business, financial condition, results of operations and cash flows.

There is currently no public market for New Pentair common shares and New Pentair cannot be certain that an active trading market will develop or be sustained after the Spin-off and the Merger, and following the Spin-Off and the Merger New Pentair's share price may fluctuate significantly.

Although Pentair's common shares trade on the NYSE, there is currently no public market for New Pentair common shares. New Pentair intends to list its common shares on the NYSE under the symbol "PNR," which is currently the trading symbol for Pentair. It is anticipated that on or shortly before the record date for the Distribution, trading of the New Pentair common shares will begin on a "when-issued" basis and such trading will continue up to and including the distribution date. However, there can be no assurance that an active trading market for New Pentair common shares will develop as a result of the Spin-off and the Merger or be sustained in the future. The lack of an active market may make it more difficult for New Pentair shareholders to sell their common shares and could lead to the price of New Pentair common shares being depressed or more volatile. Pentair, Tyco and New Pentair cannot predict the prices at which New Pentair common shares may trade after the

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Spin-off and the Merger. The market price of New Pentair common shares may fluctuate widely, depending on many factors, some of which may be beyond New Pentair's control, including:

New Pentair's business profile and market capitalization may not fit the investment objectives of some Pentair and Tyco shareholders and, as a result, these shareholders may sell New Pentair's shares after the Transactions are completed;

actual or anticipated fluctuations in the operating results of New Pentair due to factors related to New Pentair's business;

success or failure of New Pentair's combined business strategy;

New Pentair's quarterly or annual earnings, or those of other companies in New Pentair's industry;

New Pentair's ability to obtain third-party financing as needed;

announcements by New Pentair or New Pentair's competitors of significant acquisitions or dispositions;

changes in accounting standards, policies, guidance, interpretations or principles;

the failure of securities analysts to cover New Pentair's common shares after the Transactions are completed;

changes in earnings estimates by securities analysts or New Pentair's ability to meet those estimates;

the operating and stock price performance of other comparable companies;

investor perception of New Pentair;

natural or other environmental disasters that investors believe may affect New Pentair;

overall market fluctuations;

results from any material litigation, including asbestos claims, government investigations or environmental liabilities;

changes in laws and regulations affecting New Pentair's business; and

general economic conditions and other external factors. Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations could adversely affect the trading price of New Pentair common shares. Until an orderly market develops, the trading prices for New Pentair common shares may fluctuate significantly. New Pentair common shares will be freely transferable, except for those shares received or held by affiliates of New Pentair as the term "affiliate" is defined under the Securities Act of 1933. See "The Transactions – Federal Securities Law Consequences; Resale Restrictions."

Substantial sales of New Pentair common shares may occur in connection with the Spin-off and the Merger, which could cause New Pentair stock price to decline.

The New Pentair common shares that Tyco distributes to its shareholders in the Distribution and that are issued to Pentair shareholders in the Merger generally may be sold immediately in the public market. Although Pentair and Tyco have no actual knowledge of any plan or intention on the part of any significant shareholder to sell New Pentair common shares following the Spin-off and the Merger, it is likely that some Tyco shareholders and some Pentair shareholders, including some large shareholders, will sell New Pentair common shares received in the Distribution and the Merger, respectively, for various reasons such as if New Pentair's business profile or market capitalization as a combined company following the Transactions does not fit their investment objectives. In particular, Tyco is a member of the S&P 500 Index, while New Pentair may not be in the future. Accordingly, certain Tyco and Pentair shareholders may elect or be required to sell New Pentair shares following the Spin-off.

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and the Merger due to investment guidelines or other reasons. The sales of significant amounts of New Pentair common shares or the perception in the market that this will occur may result in the lowering of the market price of New Pentair common shares.

Regulatory agencies may delay or impose conditions on the approval of the Spin-off and the Merger, which may diminish the anticipated benefits of the Transactions.

Completion of the Spin-off and the Merger is conditioned upon the receipt of required government consents and approvals, including required approvals from foreign regulatory agencies. While Pentair and Tyco intend to pursue vigorously all required governmental approvals and do not know of any reason why they would not be able to obtain the necessary approvals in a timely manner, the requirement to receive these approvals before the Spin-off and the Merger could delay the completion of the Distribution and the Merger, possibly for a significant period of time after Tyco shareholders have approved the Distribution and after Pentair shareholders have approved the Merger. In addition, these governmental agencies may attempt to condition their approval of the Merger on the imposition of conditions that could have a material adverse effect on New Pentair's operating results or the value of New Pentair common shares after the Spin-off and Merger are completed. Any delay in the completion of the Spin-off and the Merger could diminish anticipated benefits of the Transactions or result in additional transaction costs, loss of revenue or other effects associated with uncertainty about the Transactions. Any uncertainty over the ability of Tyco and Pentair to complete the Spin-off and the Merger could make it more difficult for Tyco and Pentair to retain key employees or to pursue business strategies. In addition, until the Distribution and the Merger are completed, the attention of Pentair and Tyco management may be diverted from ongoing business concerns and regular business responsibilities to the extent management is focused on matters relating to the Transactions, such as obtaining regulatory approvals.

New Pentair shares to be issued to the holders of Pentair common shares must be registered in the Commercial Register of the Canton of Schaffhausen, Switzerland. Under Swiss law registration may be blocked, thereby delaying or preventing the issuance of the shares and completion of the Merger.

Prior to the issuance of New Pentair shares to be delivered to the holders of Pentair common shares, New Pentair must register the increase in its share capital with the Commercial Register of the Canton of Schaffhausen, Switzerland. Under Swiss law, this registration may be blocked for reasons beyond New Pentair's control if a petition to this effect is filed with the Commercial Register by any third party. If within ten calendar days of receipt of the blockage request by the Commercial Register the petitioner does not submit to the Commercial Register evidence that a request for interim relief was filed with the competent court, the blockage of the Commercial Register will be lifted, and the registration of the capital increase will occur. However, if such evidence is provided, the blockage of the Commercial Register will be lifted, and the registration of the capital increase will occur, only upon the competent court's final rejection of the petitioner's request for interim relief. Any blockage or delay to the registration of the newly issued New Pentair shares would result in delays to the issuance of the shares and therefore to the completion of the Merger, which, if substantial, could have an adverse effect to the business, financial condition, results of operations or cash flows of Pentair, Tyco and the Tyco Flow Control Business.

The pendency of the Merger could potentially adversely affect the business and operations of Pentair and the Tyco Flow Control Business.

In connection with the pending Merger, some customers of each of Pentair and the Tyco Flow Control Business may delay or defer decisions or may end their relationships with Pentair and the Tyco Flow Control Business, which could negatively affect the revenues, earnings and cash flows of Pentair and the Tyco Flow Control Business, regardless of whether the Merger is completed. Similarly, it is possible that current and prospective employees of Pentair and the Tyco Flow Control Business could experience uncertainty about their future roles with the combined company following the Merger, which could materially adversely affect the ability of each of Pentair and the Tyco Flow Control Business to attract and retain key personnel during the pendency of the Merger.

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Failure to complete the Merger could adversely impact the market price of Pentair as well as Pentair's business and operating results.

If the Merger is not completed for any reason, the price of Pentair common shares may decline to the extent that the market price of Pentair common shares reflects positive market assumptions that the Distribution and the Merger will be completed and the related benefits will be realized. Pentair may also be subject to additional risks if the Merger is not completed, including:

depending on the reasons for termination of the Merger Agreement, the requirement that Pentair pay Tyco a termination fee of \$145 million;

substantial costs related to the Merger, such as legal, accounting, filing, financial advisory and financial printing fees, must be paid regardless of whether the Merger is completed; and

potential disruption to Pentair's business and distraction of its workforce and management team.

The transaction structure may discourage other companies from trying to acquire Pentair or the Tyco Flow Control Business before or for a period of time following completion of the Transactions.

The Merger Agreement contains provisions that may discourage a third party from submitting an acquisition or business combination proposal to Pentair that might result in greater value to Pentair shareholders than the Merger. The Merger Agreement generally prohibits Pentair from soliciting any business combination or acquisition proposal. In addition, if the Merger Agreement is terminated by Pentair or Tyco in circumstances that obligate Pentair to pay a termination fee, its financial condition may be adversely affected as a result of the payment of the termination fee, which might deter third parties from proposing alternative business combination proposals. Further, certain provisions of the 2012 Tax Sharing Agreement, which are intended to preserve, for U.S. federal income tax purposes, the tax-free nature of the Distribution to Tyco, may discourage a third party from submitting an acquisition or business combination proposal to New Pentair for a period of time following the Transactions. Under the 2012 Tax Sharing Agreement, New Pentair will be prohibited from taking or failing to take any action that prevents the Distribution and related transactions from being tax-free. Further, for the two-year period following the Distribution, without obtaining the consent of Tyco and ADT, a private letter ruling from the IRS or an unqualified opinion of a nationally recognized law firm, New Pentair may be prohibited from, among other things:

approving or allowing any transaction that results in a change in ownership of more than 35% of New Pentair common shares, when combined with any other changes in ownership of New Pentair's common shares,

redeeming equity securities,

selling or otherwise disposing of more than 35% of New Pentair assets, or

engaging in certain internal transactions.

These restrictions may discourage a third party from submitting an acquisition or business combination proposal to New Pentair during this two-year period for a transaction that shareholders of New Pentair might consider favorable. See The Separation and Distribution Agreement and the Ancillary Agreements Tax Sharing Agreement.

The historical financial information of the Tyco Flow Control Business may not be representative of its results if it had been operated independently of Tyco and, as a result, may not be a reliable indicator of its future results. In addition, the pro forma combined financial data of New Pentair may not be representative of its results if it had operated the Tyco Flow Control Business and Pentair on a combined basis and, as a result, may not be a reliable indicator for its future performance.

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The historical and pro forma financial data included in this proxy statement/prospectus may not reflect what the Tyco Flow Control Business results of operations, financial condition and cash flows would have been had

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the Tyco Flow Control Business been an independent, publicly-traded company during the periods presented, or what the Tyco Flow Control Business' results of operations, financial condition and cash flows will be in the future when New Pentair will be an independent company. This is primarily because:

The Tyco Flow Control Business is operated by Tyco as part of its broader corporate organization, rather than as an independent, publicly-traded company. In addition, prior to the Distribution, Tyco, or one of its affiliates, performed significant corporate functions for the Tyco Flow Control Business, including tax and treasury administration and certain governance functions, including internal audit and external reporting. The Tyco Flow Control Business' historical and pro forma financial statements reflect allocations of corporate expenses from Tyco for these and similar functions and may not reflect the costs that New Pentair will incur for similar services in the future as an independent company.

The working capital and other capital required by the Tyco Flow Control Business for its general corporate purposes, including acquisitions and capital expenditures, historically have been satisfied as part of the company-wide cash management practices of Tyco. Following the completion of the Transactions, New Pentair will need to generate its own funds to finance working capital or other cash requirements and may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities or other arrangements.

Other significant changes may occur in the cost structure, management, financing and business operations of the Tyco Flow Control Business as a result of the operation of New Pentair as a company separate from Tyco.

The pro forma financial data included in this proxy statement/prospectus is based in part upon a number of estimates and assumptions. These estimates and assumptions may prove not to be accurate, and accordingly, the pro forma financial data should not be assumed to be indicative of what the Tyco Flow Control Business' financial condition and results of operations actually would have been as a stand-alone company nor to be a reliable indicator of what New Pentair's financial condition or results of operations actually may be in the future.

For additional information about the Tyco Flow Control Business' past financial performance and the basis of presentation of its financial statements, see Summary Historical Combined Financial Data of the Tyco Flow Control Business, Management Discussion and Analysis of Financial Condition and Results of Operations of the Tyco Flow Control Business and the financial statements and the notes thereto in this proxy statement/prospectus.

New Pentair may be unable to provide the benefits and services and access to financial strength and resources to the Tyco Flow Control Business that historically have been provided by Tyco.

The Tyco Flow Control Business is currently a business unit of Tyco. As such, the Tyco Flow Control Business has received benefits and services from Tyco and has been able to benefit from Tyco's financial strength and extensive business relationships. After the Transactions are consummated, the Tyco Flow Control Business will be owned by New Pentair and will no longer benefit from Tyco's resources. While New Pentair has entered into separation-related agreements and certain subsidiaries of Tyco are expected to provide transition services for specified periods following the Transactions, it cannot be assured that New Pentair will be able to adequately replace those resources or replace them at the same cost. If New Pentair is not able to replace the resources provided by Tyco or is unable to replace them at the same cost or is delayed in replacing the resources provided by Tyco, New Pentair's results of operations may be negatively impacted.

Additionally, there is a risk that New Pentair will be more susceptible to market fluctuations and other adverse events than Tyco historically has been. As part of Tyco, the Tyco Flow Control Business enjoys certain benefits from Tyco's operating diversity, purchasing power, available capital for investments and opportunities to pursue integrated strategies with Tyco's other businesses. New Pentair will not be as diverse as Tyco's business is currently and may not enjoy comparable integration opportunities, purchasing power or access to capital markets.

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If the Merger, Distribution or certain internal transactions undertaken in anticipation of the Distribution are determined to be taxable for U.S. federal income tax purposes, Tyco, Tyco shareholders, New Pentair and/or Pentair shareholders could incur significant U.S. federal income tax liabilities.

The Distribution and the Merger are conditioned on receipt of private letter rulings from the IRS regarding the U.S. federal income tax consequences of the Distribution and the Merger to the effect that, for U.S. federal income tax purposes: the Distribution will qualify as tax-free under Sections 355 and 361 of the Code, except for cash received in lieu of fractional shares; certain internal transactions undertaken in anticipation of the Distribution will qualify for favorable treatment under the Code; the Merger will qualify as a reorganization under Section 368(a) of the Code; certain anticipated post-closing transactions will not prevent the tax-free treatment of the Distribution or the Merger; and Section 367(a)(1) of the Code will not cause the Merger to be taxable to Pentair shareholders (except for a U.S. shareholder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS). In addition, the Distribution is conditioned on receipt of an opinion from the law firm of McDermott Will & Emery LLP, counsel to Tyco, confirming the tax-free status of the Distribution for U.S. federal income tax purposes and the Merger is conditioned on receipt of an opinion from McDermott Will & Emery LLP and an opinion from Cravath, Swaine & Moore LLP, counsel to Pentair, to the effect that the Merger will qualify as a reorganization under section 368(a) of the Code and that Section 367(a)(1) of the Code will not cause the Merger to be taxable to Pentair shareholders (except for a U.S. shareholder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS).

The private letter rulings and opinions will rely on certain facts and assumptions, and certain representations and undertakings, from Tyco, New Pentair and Pentair. Notwithstanding the private letter rulings and the opinions, the IRS could determine on audit that the Distribution, the internal transactions or the Merger should be treated as taxable transactions if it determines that any of these facts, assumptions, representations or undertakings is not correct or has been violated, or that the Distribution, the internal transactions or the Merger should be taxable for other reasons, including as a result of significant changes in stock or asset ownership after the Merger.

If the Distribution ultimately is determined to be taxable, the Distribution could be treated as a taxable dividend or capital gain to Tyco shareholders for U.S. federal income tax purposes, and Tyco shareholders could incur significant U.S. federal income tax liabilities. In addition, Tyco would recognize a gain in an amount equal to the excess of the fair market value of New Pentair common shares distributed to Tyco shareholders on the Distribution date over Tyco's tax basis in such common shares, but such gain, if recognized, generally would not be subject to U.S. federal income tax. However, Tyco could incur significant U.S. federal income tax liabilities if it is ultimately determined that certain internal transactions undertaken in anticipation of the Distribution are taxable. If the Merger ultimately is determined to be taxable, Pentair shareholders would recognize taxable gain or loss on their disposition of Pentair common shares in the Merger. See Material U.S. Federal Income Tax Considerations.

In addition, under the terms of the 2012 Tax Sharing Agreement, in the event the Distribution, the ADT Distribution, the internal transactions or the Merger were determined to be taxable as a result of actions taken after the Distribution by New Pentair, ADT or Tyco, the party responsible for such failure would be responsible for all taxes imposed as a result thereof. If such failure is not the result of actions taken after the Distribution by New Pentair, ADT or Tyco, then New Pentair, ADT and Tyco would be responsible for any taxes imposed as a result of such determination in the same manner and in the same proportions as New Pentair, ADT and Tyco are responsible for Shared Tax Liabilities as defined below in The Separation and Distribution Agreement and the Ancillary Agreements Tax Sharing Agreement. Such tax amounts could be significant. In the event that any party to the 2012 Tax Sharing Agreement defaults in its obligation to pay certain taxes to another party that arise as a result of no party's fault, each non-defaulting party would be responsible for an equal amount of the defaulting party's obligation to make a payment to another party in respect of such other party's taxes.

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If the Distribution or the Merger or certain internal transactions undertaken in anticipation of the Distribution are determined to be taxable for Swiss withholding or other tax purposes, Tyco, Tyco shareholders, New Pentair, Pentair and/or Pentair shareholders could incur significant Swiss withholding tax or other tax liabilities.

Generally, Swiss withholding tax of 35% is due on dividends and similar distributions to Tyco's shareholders, regardless of the place of residency of the shareholder. As of January 1, 2011, distributions to shareholders out of qualifying contributed surplus (*Kapitaleinlage*) accumulated on or after January 1, 1997 are exempt from Swiss withholding tax if certain conditions are met (*Kapitaleinlageprinzip*). Tyco has obtained a ruling from the Swiss Federal Tax Authorities confirming that the Distribution qualifies as payment out of such qualifying contributed surplus and no amount will be withheld by Tyco when making the Distribution.

It is a condition to closing of the Merger that, at the Effective Time, Tyco shall have obtained one or more rulings from the Swiss Tax Administrations, which rulings shall be in full force and effect on the closing date of the Merger, confirming: (i) that the Merger will be a transaction that is generally tax-free for Swiss federal, cantonal, and communal tax purposes (including with respect to Swiss stamp tax and Swiss withholding tax); (ii) the relevant Swiss tax base of Panthro Acquisition for Swiss tax (including federal and cantonal and communal) purposes; (iii) the relevant amount of capital contribution reserves (*Kapitaleinlageprinzip*) which will be exempt from Swiss withholding tax in the event of a distribution to the New Pentair shareholders after the Merger; and (iv) that no Swiss stamp tax will be levied on certain post-Merger restructuring transactions.

These tax rulings rely on certain facts and assumptions, and certain representations and undertakings, from Tyco. Notwithstanding these tax rulings, the Swiss Federal Tax Administration could determine on audit that the Distribution or the Merger or certain internal transactions undertaken in anticipation of the Distribution should be treated as a taxable transaction for withholding tax or other tax purposes if it determines that any of these facts, assumptions, representations or undertakings is not correct or has been violated. If the Distribution or the Merger or certain internal transactions undertaken in anticipation of the Distribution ultimately is determined to be taxable for withholding tax or other tax purposes, Tyco, Tyco shareholders, New Pentair, Pentair and/or Pentair shareholders could incur material Swiss withholding tax or other tax liabilities that could significantly detract from, or eliminate, the benefits of the Distribution and the Merger. In addition, New Pentair could become liable to indemnify Tyco for part of any Swiss withholding tax liabilities to the extent provided under the 2012 Tax Sharing Agreement. See Material Swiss Tax Considerations.

New Pentair might not be able to engage in desirable strategic transactions and equity issuances following the Distribution because of restrictions relating to U.S. federal income tax requirements for tax-free distributions.

New Pentair's ability to engage in significant equity transactions could be limited or restricted after the Distribution in order to preserve, for U.S. federal income tax purposes, the tax-free nature of the Distribution to Tyco. Even if the Distribution otherwise qualifies for tax-free treatment under Section 355 of the Code, it may result in corporate-level gain to Tyco under Section 355(e) of the Code if 50% or more, by vote or value, of New Pentair's shares or Tyco's shares are acquired or issued as part of a plan or series of related transactions that includes the Distribution. Any acquisitions or issuances of New Pentair's shares or Tyco's shares within two years after the Distribution are generally presumed to be part of such a plan, although New Pentair or Tyco may be able to rebut that presumption. For purposes of this test, the Merger might be treated as part of such a plan or series of related transactions but if so would not, by itself, cause the Distribution to be taxable to Tyco since Pentair shareholders will acquire less than 50% of the New Pentair common shares in the Merger. The change in ownership resulting from the Merger, if treated as part of a plan or series of related transactions that includes the Distribution, would be aggregated with other acquisitions or issuances of our shares that occur as part of a plan or series of related transactions that include the Distribution in determining whether a 50% change in ownership has occurred. The process for determining whether a change of ownership has occurred under the tax rules is complex, inherently factual and subject to interpretation of the facts and circumstances of a particular case. If New Pentair does not carefully monitor its compliance with these rules, New Pentair could inadvertently cause or permit a change of ownership to occur, triggering its obligation to indemnify Tyco or ADT pursuant to the 2012 Tax Sharing Agreement.

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To preserve the tax-free treatment to Tyco of the Distribution, under the 2012 Tax Sharing Agreement, New Pentair will be prohibited from taking or failing to take any action that prevents the Distribution and related transactions from being tax-free. Further, for the two-year period following the Distribution, without obtaining the consent of Tyco and ADT, a private letter ruling from the IRS or an unqualified opinion of a nationally recognized law firm, New Pentair may be prohibited from, among other things:

approving or allowing any transaction that results in a change in ownership of more than 35% of New Pentair common shares, when combined with any other changes in ownership of New Pentair common shares,

redeeming equity securities,

selling or otherwise disposing of more than 35% of New Pentair's assets or

engaging in certain internal transactions.

These restrictions may limit New Pentair's ability to pursue strategic transactions or engage in new business or other transactions that may maximize the value of its business. Moreover, the 2012 Tax Sharing Agreement also will provide that New Pentair is responsible for any taxes imposed on Tyco or any of its affiliates or on ADT or any of its affiliates as a result of the failure of the Distribution or the internal transactions to qualify for favorable treatment under the Code if such failure is attributable to certain actions taken after the Distribution by or in respect of New Pentair, any of its affiliates or its shareholders.

The business strategy of Pentair and Tyco Flow Control includes acquiring companies and making investments that complement its existing businesses. These acquisitions and investments could be unsuccessful or consume significant resources, which could adversely affect New Pentair's operating results.

After the Merger, New Pentair will continue to analyze and evaluate the acquisition of strategic businesses or product lines with the potential to strengthen its industry position or enhance its existing set of product and services offerings. There can be no assurance that New Pentair will identify or successfully complete transactions with suitable acquisition candidates in the future. Nor can there be assurance that completed acquisitions will be successful. Acquisitions and investments may involve significant cash expenditures, debt incurrence, operating losses and expenses that could have a material adverse effect on New Pentair's business, financial condition, results of operations and cash flows. Acquisitions involve numerous other risks, including:

diversion of management time and attention from daily operations;

difficulties integrating acquired businesses, technologies and personnel into New Pentair's business;

difficulties in obtaining and verifying the financial statements and other business information of acquired businesses;

inability to obtain required regulatory approvals and/or required financing on favorable terms;

potential loss of key employees, key contractual relationships or key customers of acquired companies or of New Pentair;

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assumption of the liabilities and exposure to unforeseen liabilities of acquired companies, including risks related to the U.S. Foreign Corrupt Practices Act (the "FCPA"); and

dilution of interests of holders of Pentair common shares through the issuance of equity securities or equity-linked securities. It may be difficult for New Pentair to complete transactions quickly and to integrate acquired operations efficiently into its business operations. Any acquisitions or investments may ultimately harm New Pentair's business or financial condition, as such acquisitions may not be successful and may ultimately result in impairment charges.

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New Pentair's business, financial condition and results of operations may be adversely affected if Pentair, New Pentair and Tyco are unable to obtain required third party consents for certain contracts.

Certain contracts which are required by the Separation and Distribution Agreement to be transferred or assigned to New Pentair by Tyco and its subsidiaries contain provisions which require the consent of a third party to the Transactions to effect such transfer or assignment. Similarly, certain of Pentair's existing contracts contain provisions which require the consent of a third party to the Merger. If Pentair, Tyco and New Pentair are unable to obtain these consents on commercially reasonable and satisfactory terms or at all, New Pentair's ability to obtain the benefit of such contracts in the future may be impaired.

As a result of the Transactions, current Pentair shareholder's ownership interest in Pentair will be diluted from 100% of Pentair to less than a majority of New Pentair.

Pentair shareholders immediately prior to the Merger will, in the aggregate, own a significantly smaller percentage of New Pentair after the Merger's completion. Following completion of the Merger, Pentair shareholders immediately prior to the Merger collectively will own approximately 47.5% of New Pentair on a fully-diluted basis. Consequently, Pentair shareholders immediately after the Merger, collectively, will be able to exercise less influence over the management and policies of New Pentair than they could exercise over the management and policies of Pentair immediately prior to the Merger. The directors of Pentair prior to the Merger will comprise ten of the eleven members of the board of directors of New Pentair following the Merger.

New Pentair's status as a Swiss corporation may limit New Pentair's flexibility with respect to certain aspects of capital management and may cause New Pentair to be unable to make distributions without subjecting New Pentair's shareholders to Swiss withholding tax.

Swiss law allows shareholders to authorize share capital that can be issued by the board of directors without additional shareholder approval. This authorization is limited to 50% of the existing registered share capital and must be renewed by the shareholders every two years. Additionally, subject to specified exceptions, Swiss law grants preemptive rights to existing shareholders to subscribe to any new issuance of shares. Swiss law also does not provide as much flexibility in the various terms that can attach to different classes of shares as the laws of some other jurisdictions. Swiss law also reserves for approval by shareholders certain corporate actions over which a board of directors would have authority in some other jurisdictions. For example, dividends must be approved by shareholders. These Swiss law requirements relating to New Pentair's capital management may limit New Pentair's flexibility, and situations may arise where greater flexibility would have provided substantial benefits to New Pentair's shareholders.

Under Swiss law, a Swiss corporation may pay dividends only if the corporation has sufficient distributable profits from previous fiscal years, or if the corporation has distributable reserves, each as evidenced by its audited statutory balance sheet. Distributable reserves are generally booked either as free reserves or as qualifying contributed surplus (contributions received from shareholders) in the reserve from capital contributions. Distributions may be made out of registered share capital—the aggregate par value of a company's registered shares—only by way of a capital reduction. Before the date of the Distribution, New Pentair will have outstanding 120,000,000 registered shares, par value CHF 0.50 each, and a qualifying contributed surplus of between approximately CHF 3,959,600,000 and CHF 4,454,550,000.

In addition, because of the requirement to distribute approximately 99,205,000 shares to Pentair shareholders pursuant to the Merger, New Pentair plans to increase its registered share capital by approximately 94,000,000 shares with an aggregate par value of approximately CHF 47,000,000 through the conversion of qualifying contributed surplus. The approximately 94,000,000 newly issued New Pentair shares to be delivered to the Pentair shareholders will not be considered outstanding at the date of the Distribution, as they will be held in trust subject to completion of the Merger. The aggregate of the qualifying contributed surplus of between approximately CHF 3,959,600,000 and CHF 4,454,550,000 minus the amount of the aggregate par value of the new New Pentair shares to be delivered to the holders of Pentair common shares (less the minimum registered

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share capital of CHF 100,000) is expected to represent the amount available for future dividends or capital reductions on a Swiss withholding tax free basis. Accordingly, it is presently estimated that the amount available for future dividends or capital reductions on a Swiss withholding tax free basis at the date of the Distribution will be between approximately CHF 3,912,500,000 and CHF 4,407,450,000.

An additional amount of qualifying contributed surplus will likely result from the Merger in the amount of the market capitalization of Pentair as reported on the NYSE at the Effective Time. Upon the delivery of approximately 99,205,000 New Pentair shares to Pentair shareholders pursuant to the Merger, it is presently estimated that after the Merger, the amount available for future dividends or capital reductions on a Swiss withholding tax free basis will be between approximately CHF 8,479,078,326 and CHF 8,974,028,326. New Pentair will not be able to pay dividends or make other distributions to shareholders on a Swiss withholding tax free basis in excess of that amount unless New Pentair increases its share capital or its reserves from capital contributions. New Pentair would also be able to pay dividends out of distributable profits or freely distributable reserves, but such dividends would be subject to Swiss withholding tax. There can be no assurance that New Pentair will have sufficient distributable profits, free reserves, reserves from capital contributions or registered share capital to pay a dividend or effect a capital reduction, that New Pentair's shareholders will approve dividends or capital reductions proposed by New Pentair or that New Pentair will be able to meet the other legal requirements for dividend payments or distributions as a result of capital reductions.

Generally, Swiss withholding tax of 35% is due on dividends and similar distributions to New Pentair's shareholders, regardless of the place of residency of the shareholder, unless the distribution is made to shareholders out of (i) a reduction of par value or (ii) assuming certain conditions are met, qualifying contributed surplus accumulated on or after January 1, 1997. A U.S. holder that qualifies for benefits under the Convention between the United States of America and the Swiss Confederation for the Avoidance of Double Taxation with Respect to Taxes on Income (the U.S.-Swiss Treaty) may apply for a refund of the tax withheld in excess of the 15% treaty rate (or in excess of the 5% reduced treaty rate for qualifying corporate shareholders with at least 10% participation in New Pentair's voting shares, or for a full refund in the case of qualified pension funds). There can be no assurance that New Pentair will have sufficient qualifying contributed surplus to pay dividends free from Swiss withholding tax or that Swiss withholding rules will not be changed in the future. In addition, there can be no assurance that the current Swiss law with respect to distributions out of qualifying contributed surplus will not be changed or that a change in Swiss law will not adversely affect New Pentair or its shareholders, in particular as a result of distributions out of qualifying contributed surplus becoming subject to additional corporate law or other restrictions. There are currently motions pending in the Swiss Parliament that purport to limit the distribution of qualifying contributed surplus. In addition, over the long term, the amount of par value available to New Pentair for par value reductions or qualifying contributed surplus available to New Pentair to pay out as distributions is limited. If New Pentair is unable to make a distribution through a reduction in par value or out of qualifying contributed surplus, New Pentair may not be able to make distributions without subjecting its shareholders to Swiss withholding taxes.

Under present Swiss tax laws, repurchases of shares for the purposes of cancellation are treated as a partial liquidation subject to 35% Swiss withholding tax on the difference between the repurchase price and the par value except, since January 1, 2011, to the extent attributable to qualifying contributed surplus (*Kapitaleinlagereserven*) if any. If, and to the extent that, the repurchase of shares is out of retained earnings or other taxable reserves, the Swiss withholding becomes due. No partial liquidation treatment applies and no withholding tax is triggered if the shares are not repurchased for cancellation but held by New Pentair as treasury shares. However, should New Pentair not resell such treasury shares within six years, the withholding tax becomes due at the end of the six year period.

Although New Pentair may follow a share repurchase process for future share repurchases, if any, similar to a second trading line on the SIX Swiss Exchange in which Swiss institutional investors sell shares to New Pentair and are generally able to receive a refund of the Swiss withholding tax, if New Pentair is unable to use this process successfully, it may not be able to repurchase shares for the purposes of capital reduction without triggering Swiss withholding tax if and to the extent that the repurchase of shares is made out of retained earnings or other taxable reserves. No withholding tax would be applicable if and to the extent that tax free qualifying contributed surplus is attributable to the share repurchase.

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There can be no assurance that New Pentair will pay dividends on its common shares, and New Pentair's indebtedness could limit its ability to pay dividends on its common shares.

Any dividend that may be proposed by New Pentair's board of directors will be subject to approval by New Pentair's shareholders at its annual general meeting. Whether New Pentair's board of directors exercises its discretion to propose any dividends to holders of New Pentair common shares will depend on many factors, including New Pentair's financial condition, earnings, capital requirements of New Pentair's business, covenants associated with debt obligations, legal requirements, regulatory constraints, industry practice and other factors that New Pentair's board of directors deems relevant. See Description of New Pentair Capital Stock Capital Structure Dividends. There can be no assurance that New Pentair will pay a dividend or continue to pay any dividend if it does commence the payment of dividends. Additionally, indebtedness that New Pentair incurs in connection with the Spin-off could have important consequences for holders of New Pentair common shares. If New Pentair cannot generate sufficient cash flow from operations to meet its debt-payment obligations, then New Pentair's ability to pay dividends, if so determined by the board of directors, will be impaired and New Pentair may be required to attempt to restructure or refinance its debt, raise additional capital or take other actions such as selling assets, reducing or delaying capital expenditures or reducing its dividend. There can be no assurance, however, that any such actions could be effected on satisfactory terms, if at all, or would be permitted by the terms of New Pentair's new debt or its other credit and contractual arrangements.

Swiss laws differ from the laws in effect in the United States and may afford less protection to holders of New Pentair's securities.

Because of differences between Swiss law and U.S. state and federal laws and differences between the governing documents of Swiss companies and those incorporated in the U.S., it may not be possible to enforce in Switzerland court judgments obtained in the United States against New Pentair based on the civil liability provisions of the federal or state securities laws of the United States. As a result, in a lawsuit based on the civil liability provisions of the U.S. federal or state securities laws, U.S. investors may find it difficult to:

effect service within the United States upon New Pentair or its directors and officers located outside the United States;

enforce judgments obtained against those persons in U.S. courts or in courts in jurisdictions outside the United States; and

enforce against those persons in Switzerland, whether in original actions or in actions for the enforcement of judgments of U.S. courts, civil liabilities based solely upon the U.S. federal or state securities laws.

Original actions against persons in Switzerland based solely upon the U.S. federal or state securities laws are governed, among other things, by the principles set forth in the Swiss Federal Act on International Private Law. This statute provides that the application of provisions of non-Swiss law by the courts in Switzerland shall be precluded if the result was incompatible with Swiss public policy. Also, mandatory provisions of Swiss law may be applicable regardless of any other law that would otherwise apply.

Switzerland and the United States do not have a treaty providing for reciprocal recognition of and enforcement of judgments in civil and commercial matters. The recognition and enforcement of a judgment of the courts of the United States in Switzerland is governed by the principles set forth in the Swiss Federal Act on Private International Law. This statute provides in principle that a judgment rendered by a non-Swiss court may be enforced in Switzerland only if:

the non-Swiss court had jurisdiction pursuant to the Swiss Federal Act on Private International Law;

the judgment of such non-Swiss court has become final and non-appealable;

the judgment does not contravene Swiss public policy;

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the court procedures and the service of documents leading to the judgment were in accordance with the due process of law; and

no proceeding involving the same position and the same subject matter was first brought in Switzerland, or adjudicated in Switzerland, or that it was earlier adjudicated in a third state and this decision is recognizable in Switzerland.

Table of Contents**Risks Related to the Combined Business****Risks Relating to the Tyco Flow Control Business**

The Tyco Flow Control Business depends on the levels of capital investment and maintenance expenditures by its customers, which in turn are affected by numerous factors, including growth rates in developed and developing markets, the cyclical nature of the industries the Tyco Flow Control Business serves, global energy demand, commodity prices, the Tyco Flow Control Business customers liquidity, the condition of global credit and capital markets.

Demand for most of the Tyco Flow Control Business products and services depends on the level of new capital investment and planned maintenance expenditures by its customers. Capital investment and maintenance expenditures are, in turn, influenced by several factors, including general and industry-specific economic conditions, volatility in energy and commodity prices, availability of credit, expectations of future market behavior, and, in the case of the Tyco Flow Control Business customers that are governments or that rely on public funding, a variety of political factors.

The businesses of many of the Tyco Flow Control Business customers in all of the markets it serves are to varying degrees cyclical and have experienced periodic economic downturns. During such economic downturns customers whose demand for the Tyco Flow Control Business products and services is primarily profit-driven historically have tended to delay major capital projects, including greenfield construction, expensive maintenance projects and upgrades. Additionally, demand for the Tyco Flow Control Business products and services may be affected by volatility in energy and commodity prices and fluctuating demand forecasts, as, under these circumstances, the Tyco Flow Control Business customers tend to be more conservative in their capital planning. Reduced demand for the Tyco Flow Control Business products and services could result in the delay or cancellation of existing orders, which could adversely affect its level of backlog and its ability to convert backlog to revenue, lead to excess manufacturing capacity, which unfavorably impacts the Tyco Flow Control Business absorption of fixed manufacturing and distribution costs, or erode average selling prices in its industry. Any of these results could materially and adversely affect the Tyco Flow Control Business and its financial condition, results of operations and cash flows.

Additionally, some of the Tyco Flow Control Business customers may delay capital investment and maintenance even during favorable conditions in their end-markets if they are unable to obtain sufficient financing. Access by the Tyco Flow Control Business customers to local, regional and global credit and capital markets could be hindered by disruptions in financial and banking systems, such as recent disruptions related to the European sovereign debt crisis, raising the cost of new debt for the Tyco Flow Control Business customers to prohibitive levels. Any difficulty in accessing these markets and the increased associated costs can have a negative effect on investment in major capital projects, including greenfield construction, necessary maintenance projects and upgrades, even during periods of favorable end-market conditions. In addition, the liquidity and financial position of the Tyco Flow Control Business customers could impact their ability to pay in full and/or on a timely basis. Any of these factors, whether individually or in the aggregate, could materially and adversely affect the Tyco Flow Control Business customers and, in turn, its business, financial condition, results of operations and cash flows.

Certain of segments within the Tyco Flow Control Business are affected by seasonality. Demand for products and services in the Tyco Flow Control Business Thermal Controls and Water & Environmental Systems segments is impacted by seasonal factors, with the Tyco Flow Control Business Thermal Controls business generally experiencing increased demand for products and services during the fall and winter months in the Northern Hemisphere and the Tyco Flow Control Business Water & Environmental Systems generally experiencing increased demand during Australia's prime agricultural seasons. These seasonal effects coincide with the Tyco Flow Control Business first two fiscal quarters (from October through March) and may vary from year-to-year based on weather conditions, including temperatures and precipitation. Deviations from usual weather patterns can adversely affect the Tyco Flow Control Business results of operations, financial condition

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and cash flows. Unusually warm winter weather conditions in the Northern Hemisphere can negatively impact order flow in the Tyco Flow Control Business Thermal Controls segment. Likewise, unusually wet weather conditions in Australia during its summer months, along with holiday slowdowns, can result in the Tyco Flow Control Business inability to access customer work sites and lead to decreased revenue during these periods.

The Tyco Flow Control Business future revenue depends in part on the existence of and its ability to win new contracts for major capital projects. The Tyco Flow Control Business failure to effectively obtain such future contracts could adversely affect its growth prospects.

An increasing portion of the Tyco Flow Control Business revenue in its Thermal Controls and Water & Environmental Systems segments is derived from major capital projects, including water pipeline and desalination projects in the Tyco Flow Control Business Water & Environmental Systems segment. Accordingly, the Tyco Flow Control Business future revenue and overall results of operations require it to successfully win new contracts for major capital projects. The number of such projects the Tyco Flow Control Business wins in any year fluctuates, and is dependent upon the general availability of such projects and its ability to bid successfully for them. Contract proposals and negotiations are complex and frequently involve a multi-year technical specification phase and bidding and selection process. The length of this process and the ultimate decision by a customer to proceed is affected by a number of factors, such as market conditions, financing arrangements and required governmental approvals. For example, a customer may require the Tyco Flow Control Business to provide a bond or letter of credit to protect the customer should the Tyco Flow Control Business fail to perform under the terms of the contract. If negative market conditions arise, fewer such projects may be available, and if the Tyco Flow Control Business fails to secure adequate financial arrangements or required governmental approvals it may not be able to pursue particular projects. Either condition could materially and adversely affect the Tyco Flow Control Business and its financial condition, results of operations and cash flows.

The Tyco Flow Control Business maintains a sizable backlog and the timing of its conversion of revenue out of backlog is uncertain. The Tyco Flow Control Business inability to convert backlog into revenue, whether due to factors that are within or outside of its control, could adversely affect the Tyco Flow Control Business revenue and profitability.

Backlog represents the accumulation of uncompleted customer orders that the Tyco Flow Control Business has not yet recognized as revenue. At March 30, 2012, the Tyco Flow Control Business backlog was \$1.9 billion. The Tyco Flow Control Business typically converts approximately 85% of its backlog to revenue within 12 months. However, the timing of the Tyco Flow Control Business conversion of revenue out of backlog is subject to a variety of factors that may cause delays, many of which, including fluctuations in the Tyco Flow Control Business customers delivery schedules, are beyond its control. This is especially true with respect to major global capital projects, where the extended timeline for project completion and invoice satisfaction increases the likelihood for delays in the conversion of backlog related to modifications and order cancellations. Such delays may lead to significant fluctuations in results of operations and cash flows from quarter to quarter, making it difficult to predict the Tyco Flow Control Business financial performance on a quarterly basis. For example, during the second fiscal quarter of 2011, severe weather-related events and flooding in Australia significantly impacted shipments to customers, resulting in lost productivity and delays in converting backlog into revenue in the Tyco Flow Control Business Water & Environmental Systems business. Further, while the Tyco Flow Control Business believes that historical order cancellations have not been significant, if the Tyco Flow Control Business were to experience a significant amount of cancellations of or reductions in orders, it would reduce the Tyco Flow Control Business backlog and, consequently, its future sales and results of operations.

The Tyco Flow Control Business ability to meet customer delivery schedules for backlog is dependent on a number of factors including sufficient manufacturing plant capacity, adequate access to raw materials and other inventory required for production, a trained and capable workforce and effective scheduling of manufacturing resources. Many of the contracts the Tyco Flow Control Business enters into with its customers are long-lead and

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contain penalty clauses related to on-time delivery. Any untimely delivery could subject the Tyco Flow Control Business to financial penalties, damage the Tyco Flow Control Business' relationship with existing customers and tarnish its reputation among existing and potential customers. If any of these risks materializes, the Tyco Flow Control Business and its financial condition, results of operation and cash flows could be materially and adversely affected.

The Tyco Flow Control Business competes in attractive markets with a high level of competition, which may result in pressure on its profit margins and limit its ability to maintain or increase the market share of its products.

The markets for the Tyco Flow Control Business' products and services are geographically diverse and highly competitive. The Tyco Flow Control Business competes against large and well-established national and global companies, as well as regional and local companies and lower cost manufacturers. The Tyco Flow Control Business competes based on technical expertise, reputation for quality and reliability, timeliness of delivery, previous installation history, contractual terms and price. Some of the Tyco Flow Control Business' competitors, in particular smaller companies, attempt to compete based primarily on price, localized expertise and local relationships, especially with respect to products and applications that do not require a great deal of engineering or technical expertise. In addition, during economic downturns average selling prices tend to decrease as market participants compete more aggressively on price. If the Tyco Flow Control Business is unable to continue to differentiate its products, services and solutions based on such factors as the Tyco Flow Control Business' reputation, technical expertise and ability to deliver on time, its business, financial condition, results of operations and cash flows could be materially and adversely affected.

Some of the Tyco Flow Control Business' customers have been attempting to reduce the number of vendors from which they procure products and services in order to reduce the size and diversity of their supplier base. Although the Tyco Flow Control Business has strategically pursued and executed frame agreements with some of its large customers, whereby it is selected as one of a few designated providers of specified products on a global or regional basis, there is a risk that the Tyco Flow Control Business' competitors could be awarded such agreements to the Tyco Flow Control Business' exclusion. In addition, a number of engineering, procurement and construction (EPC) integrators have recently positioned themselves as providers of vertically integrated solutions covering the spectrum of project design, planning and execution in the markets the Tyco Flow Control Business serves. The Tyco Flow Control Business believes that its success depends partly on maintaining close relationships with its customers and working with them on specific solutions that best serve their processes, applications and cost considerations. The successful encroachment of intermediaries, including EPCs, could disrupt these relationships. If the Tyco Flow Control Business is unable to successfully manage competitive developments in the industries it serves, its business, financial condition, results of operations and cash flows could be materially and adversely affected.

In addition, to remain competitive, the Tyco Flow Control Business must continue to invest in R&D, manufacturing, marketing, customer service, its distribution networks and its global network of after-market service centers. Currently, key components of the Tyco Flow Control Business' competitive position are its ability to adapt to changing competitive environments and to manage expenses successfully. This, however, requires continuous management focus on reducing costs and improving efficiency through cost controls, productivity enhancements and regular appraisal of the Tyco Flow Control Business' asset portfolio. If the Tyco Flow Control Business is unable to achieve appropriate levels of scalability or cost-effectiveness, or if the Tyco Flow Control Business is otherwise unable to manage and react to changes in the global marketplace, its business, financial condition, results of operations and cash flows could be materially and adversely affected.

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The Tyco Flow Control Business is subject to tort, product liability and warranty claims and may suffer reputational damage relating to products it manufactures or installs. Because many of the Tyco Flow Control Business products perform mission-critical functions in potentially dangerous environments, these claims could result in significant costs and liabilities and reduce the Tyco Flow Control Business profitability.

The Tyco Flow Control Business may be exposed to tort, product liability and warranty claims and may suffer reputational damage among customers, potential customers, regulatory bodies and the public in the event that the use of any of the Tyco Flow Control Business products results in, or is alleged to result in, injury to people or damage to property or the environment, or actually or allegedly fails to perform as expected. In particular, many of the Tyco Flow Control Business products perform mission-critical functions in large and complex facilities or systems, including oil & gas rigs and pipelines, nuclear power plants, petroleum refineries, chemical processing plants and other potentially dangerous environments. The Tyco Flow Control Business maintains rigorous quality testing procedures and its products adhere to demanding regulatory specifications, and historically the Tyco Flow Control Business has not encountered financially material failure costs. However, given the nature of the markets the Tyco Flow Control Business serves and the mission-critical application of the Tyco Flow Control Business products, there is an inherent risk that a product failure could cause serious damage to people, property or the environment. Moreover, the Tyco Flow Control Business customers are generally not required to obtain service, repair or maintenance work from the Tyco Flow Control Business, which could result in unqualified persons performing after-market services on the Tyco Flow Control Business products. While the Tyco Flow Control Business maintains insurance coverage with respect to certain product liability claims, its insurance may not provide adequate coverage against all product liability claims and would not compensate the Tyco Flow Control Business for damage to its reputation and any resulting loss of business. Furthermore, warranty claims are not generally covered by insurance, and the Tyco Flow Control Business may incur significant warranty costs in the future for which it would not be reimbursed. The Tyco Flow Control Business also may not be able to obtain insurance on acceptable terms in the future. Tort, product liability and warranty claims can be expensive to defend and can divert the attention of management and other personnel for significant periods of time, regardless of the ultimate outcome. Any unsuccessful defense of such a claim could have a material and adverse effect on the Tyco Flow Control Business, financial condition, results of operations and cash flows. Even if the Tyco Flow Control Business is successful in defending against a claim relating to its products, the Tyco Flow Control Business customers may lose confidence in its products and the Tyco Flow Control Business. One or more of these factors could adversely affect the Tyco Flow Control Business and its financial condition, results of operations or cash flows.

The Tyco Flow Control Business is exposed to liquidated damages in many of its customer contracts.

Many of the Tyco Flow Control Business customer contracts contain liquidated damages provisions in the event that the Tyco Flow Control Business fails to perform its obligations thereunder in a timely manner or in accordance with the agreed terms, conditions and standards. Liquidated damages provisions applicable to the Tyco Flow Control Business typically provide for a payment to be made by it to the customer if the Tyco Flow Control Business fails to deliver a product or service on time. The Tyco Flow Control Business generally tries to limit its exposure to a maximum penalty within a contract. However, because the Tyco Flow Control Business products are often components of large and complex systems or capital projects, if the Tyco Flow Control Business incurs liquidated damages they may materially and adversely affect its business, financial condition, results of operations and cash flows.

Certain of the Tyco Flow Control Business products require certifications by regulators or standards organizations, and its failure to obtain or maintain such certifications could negatively impact its business.

In certain industries and for certain applications, in particular with respect to the Tyco Flow Control Business pressure relief valves and valves used in the nuclear power generation industry, the Tyco Flow Control Business must obtain certifications for its products or installations by regulators or standards organizations. For example, the Tyco Flow Control Business products used in the nuclear power generation industry must carry an

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N Stamp certification from the American Society of Mechanical Engineers and many of the Tyco Flow Control Business Water & Environmental Systems products require the approval of the Water Services Association of Australia prior to any sale in the country. In addition, as the Tyco Flow Control Business expands its products offering into emerging markets, the Tyco Flow Control Business will need to comply with additional and potentially different certification requirements. If the Tyco Flow Control Business fails to obtain required certifications for its products, or if the Tyco Flow Control Business fails to maintain such certifications on its products after they have been certified, its business, financial condition, results of operations and cash flows could be materially and adversely affected.

The Tyco Flow Control Business has significant operations outside of the United States, which are subject to political, economic and other risks inherent in operating outside of the United States.

The Tyco Flow Control Business net revenue derived from sales in non-U.S. markets for fiscal year 2011 was 79% of its total net revenue, and the Tyco Flow Control Business expects revenue from non-U.S. markets to continue to represent a significant portion of its total net revenue. Business operations outside of the United States are subject to political, economic and other risks inherent in operating in certain countries, such as:

the difficulty of enforcing agreements, collecting receivables and protecting assets, especially the Tyco Flow Control Business intellectual property rights, through non-U.S. legal systems;

the difficulty of communicating and monitoring standards and directives across the Tyco Flow Control Business global network of after-market service centers and manufacturing facilities;

trade protection measures and import or export licensing requirements;

difficulty in staffing and managing widespread operations and the application of certain labor regulations outside of the United States;

compliance with a wide variety of non-U.S. laws and regulations;

changes in the general political and economic conditions and political and social unrest in the countries where the Tyco Flow Control Business operates, particularly in emerging markets;

the threat of nationalization and expropriation;

the presence of corruption in certain countries;

increased costs and risks of doing business in a wide variety of jurisdictions, including compliance with local compensation programs, employment policies and other administrative programs;

cultural and language barriers and different business practices;

changes in enacted tax laws and tax treaties;

limitations on repatriation of earnings;

fluctuations in revenue, operating margins and other financial measures due to changes in currency exchange rates; and

fluctuations in available funding in those instances where a project is government financed (for example, by a regional water authority).

One or more of these factors could adversely affect the Tyco Flow Control Business and its financial condition, results of operations or cash flows.

Volatility in currency exchange rates, commodity prices and interest rates may adversely affect the Tyco Flow Control Business financial condition, results of operations and cash flows.

The Tyco Flow Control Business is exposed to a variety of market risks, including the effects of changes in currency exchange rates, commodity prices and interest rates.

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The Tyco Flow Control Business net revenue derived from sales in non-U.S. markets for fiscal year 2011 was 79% of its total net revenue, and the Tyco Flow Control Business expects revenue from non-U.S. markets to continue to represent a significant portion of its total net revenue. The Tyco Flow Control Business financial statements reflect translation of items denominated in non-U.S. currencies to U.S. dollars, the Tyco Flow Control Business functional currency (using year-end exchange rates for balance sheet data and average exchange rates for statement of operations data). Therefore, if the U.S. dollar strengthens in relation to the principle non-U.S. currencies from which the Tyco Flow Control Business derives revenue as compared to a prior period, the Tyco Flow Control Business U.S. dollar reported revenue and income will effectively be decreased to the extent of the change in currency valuations, and vice-versa. Changes in the relative values of currencies occur regularly and in some instances, may have a significant effect on the Tyco Flow Control Business financial condition, results of operations and cash flows.

In addition, the Tyco Flow Control Business is a large buyer of metals (including steel, ductile iron and copper) and other non-metallic commodities, specialty polymers, synthetic rubber and other raw materials for the Tyco Flow Control Business manufacturing operations, the prices of which have fluctuated significantly in recent years. Increases in the prices of some of these commodities could increase the costs of manufacturing the Tyco Flow Control Business products and providing its services. The Tyco Flow Control Business may not be able to pass on these costs to its customers or otherwise effectively manage price volatility and this could have a material adverse effect on the Tyco Flow Control Business and its financial condition, results of operations and cash flows.

The Tyco Flow Control Business monitors these exposures as an integral part of its overall risk management program. In some cases, the Tyco Flow Control Business enters into hedge contracts to insulate its results of operations from these fluctuations. These hedges are subject to the risk that the Tyco Flow Control Business counterparty may not perform. As a result, changes in currency exchange rates, commodity prices and interest rates could have a material adverse effect on the Tyco Flow Control Business and its financial condition, results of operations and cash flows.

The Tyco Flow Control Business future growth is dependent upon its ability to continue to adapt its products, services and organization to meet the demands of local markets in both developed and emerging economies and by developing or acquiring new technologies that achieve market acceptance with acceptable margins.

The Tyco Flow Control Business operates in global markets that are characterized by customer demand that is often global in scope but localized in delivery. The Tyco Flow Control Business competes with thousands of smaller regional and local companies that may be positioned to offer products produced at lower cost than ours, or to capitalize on highly localized relationships and knowledge that are difficult for the Tyco Flow Control Business to replicate. For example, the Tyco Flow Control Business Water & Environmental Systems segment has recently faced pricing competition from ductile iron pipe and fittings offered by companies who source their products from lower-cost countries. The Tyco Flow Control Business has also found that in several emerging markets potential customers prefer local suppliers, in some cases because of existing relationships and in other cases because of local legal restrictions or incentives that favor local businesses. Accordingly, the Tyco Flow Control Business future success depends upon a number of factors, including its ability to accomplish the following: adapt the Tyco Flow Control Business products, services, organization, workforce and sales strategies to fit localities throughout the world, particularly in high growth emerging markets; identify emerging technological and other trends in the Tyco Flow Control Business target end-markets; and develop or acquire competitive products and services and bring them to market quickly and cost-effectively. Adapting the Tyco Flow Control Business to serve more local markets will require it to invest considerable resources in building and expanding its network of after-market service centers and engineering and manufacturing facilities in those markets, as well as developing or acquiring new products and services. These expansion and development efforts divert resources from other potential investments in the Tyco Flow Control Business, and they may not lead to the desired outcome. As a result, the failure to effectively adapt the Tyco Flow Control Business products or services to the needs of local markets, the failure of the Tyco Flow Control Business technology, products or

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services to gain market acceptance, the potential for product defects or the obsolescence of its products and services could significantly reduce the Tyco Flow Control Business revenue, increase its operating costs or otherwise materially and adversely affect the Tyco Flow Control Business and its financial condition, results of operations and cash flows.

Inability to protect the Tyco Flow Control Business intellectual property and expiration of its patents could negatively affect the Tyco Flow Control Business competitive position.

The Tyco Flow Control Business relies on a combination of patents, copyrights, trademarks, trade secrets, know-how, confidentiality provisions and licensing arrangements to establish and protect its proprietary rights. Although the Tyco Flow Control Business has taken steps to protect its intellectual property, it cannot assure you that these will be adequate to prevent infringement of the Tyco Flow Control Business rights or misappropriation of the Tyco Flow Control Business technology, trade secrets or know-how. For example, effective patent, trademark, copyright and trade secret protection may be unavailable or limited in some of the countries in which the Tyco Flow Control Business operates. In addition, while the Tyco Flow Control Business generally enters into confidentiality agreements with its employees and third parties to protect its trade secrets, know-how, business strategy and other proprietary information, such confidentiality agreements could be breached or otherwise may not provide meaningful protection. Any proceedings to protect the Tyco Flow Control Business intellectual property rights could be burdensome and costly, and the Tyco Flow Control Business may not prevail. Further, adequate remedies may not be available in the event of an unauthorized use or disclosure of the Tyco Flow Control Business trade secrets and manufacturing expertise. Finally, for those products in the Tyco Flow Control Business portfolio that rely on patent protection, once a patent has expired the product is generally open to competition. Products under patent protection usually generate significantly higher revenue than those not protected by patents. If the Tyco Flow Control Business fails to successfully enforce its intellectual property rights or register new patents, its competitive position could suffer, which could harm the Tyco Flow Control Business and its financial condition, results of operations and cash flows.

If the Tyco Flow Control Business cannot obtain sufficient quantities of materials, components and equipment required for its manufacturing activities at competitive prices and quality and on a timely basis, or if the Tyco Flow Control Business manufacturing capacity does not meet demand, its financial condition, results of operations and cash flows may suffer.

The Tyco Flow Control Business purchases materials, components and equipment from unrelated parties for use in its manufacturing operations. If the Tyco Flow Control Business cannot obtain sufficient quantities of these items at competitive prices and quality and on a timely basis, it may not be able to produce sufficient quantities of product to satisfy market demand, product shipments may be delayed or the Tyco Flow Control Business material or manufacturing costs may increase. In addition, because the Tyco Flow Control Business cannot always immediately adapt its cost structures to changing market conditions, its manufacturing capacity may at times exceed or fall short of its production requirements. Further, the costs of certain raw materials, such as copper and nickel, have been volatile historically and are influenced by factors that are outside the Tyco Flow Control Business control. In addition, while the Tyco Flow Control Business manufactures certain of the highly-engineered castings and forgings which are essential to its fabrication of valves for the Tyco Flow Control Business customers at its foundries, the Tyco Flow Control Business also purchases other castings and forgings from qualified and approved sources. Because the Tyco Flow Control Business and many of its competitors rely on the same foundries to supply castings and forgings for its respective products, during periods of growth in the worldwide market for valves, the Tyco Flow Control Business and its competitors have experienced delays in the supply of components in the past and could potentially experience such delays in the future. While the Tyco Flow Control Business strives to offset its increased costs from material inflation and avoid component shortages through effective supply chain management and contractual provisions, it may be unable to pass increases in the costs of its raw materials on to the Tyco Flow Control Business customers or achieve operational efficiencies. Any of these problems could result in the loss of customers, provide an opportunity for competing products to gain market acceptance and otherwise materially and adversely affect the Tyco Flow Control Business and its financial condition, results of operations and cash flows.

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Failure to attract, motivate, train and retain qualified personnel could adversely affect the Tyco Flow Control Business. The Tyco Flow Control Business also relies on certain key personnel, the loss of whose services would adversely affect the Tyco Flow Control Business.

The Tyco Flow Control Business' culture and guiding principles focus on continuously training, motivating and developing employees, and in particular the Tyco Flow Control Business strives to attract, motivate, train and retain qualified engineers and managers to handle the day-to-day operations of a highly diversified organization. Many of the Tyco Flow Control Business' manufacturing processes, and many of the integrated solutions the Tyco Flow Control Business offers, are highly technical in nature. The Tyco Flow Control Business' ability to expand or maintain its business depends on its ability to hire, train and retain engineers with the skills necessary to understand and adapt to the continuously developing needs of the Tyco Flow Control Business' customers. The increasing demand for qualified personnel worldwide, and particularly in emerging markets, makes it more difficult for the Tyco Flow Control Business to attract and retain employees with requisite technical skill sets. If the Tyco Flow Control Business fails to attract, motivate, train and retain qualified personnel, or if the Tyco Flow Control Business experiences excessive turnover, the Tyco Flow Control Business may experience declining sales, manufacturing delays or other inefficiencies, increased recruiting, training and relocation costs and other difficulties, and its business, financial condition, results of operations and cash flows could be materially and adversely affected.

In addition, certain aspects of the Tyco Flow Control Business depend on the efforts, skills, reputations and business relationships of certain key personnel who are not obligated to remain employed with the Tyco Flow Control Business. The loss of these personnel, particularly to competitors, could jeopardize the Tyco Flow Control Business' relationships with customers and materially and adversely affect its business, financial condition, results of operations and cash flows.

The Tyco Flow Control Business has recognized, and may recognize in the future, substantial impairment charges.

Pursuant to accounting principles generally accepted in the United States, the Tyco Flow Control Business is required to assess its goodwill, intangibles and other long-lived assets periodically to determine whether they are impaired. Disruptions to the Tyco Flow Control Business, unfavorable end-market conditions, protracted economic weakness, unexpected significant declines in operating results of reporting units, divestitures and market capitalization declines may result in material charges for goodwill and other asset impairments. For example, in the first quarter of 2011, the Tyco Flow Control Business recorded a noncash impairment charge of \$35 million in its Water & Environmental Systems business segment. As of March 30, 2012, the Tyco Flow Control Business maintained over \$2 billion of goodwill and intangible assets on its balance sheet, which the Tyco Flow Control Business believes is recoverable. However, fair value determinations require considerable judgment and are sensitive to change. Impairments to one or more of the Tyco Flow Control Business' reporting units could occur in future periods whether or not connected with the annual impairment analysis that the Tyco Flow Control Business conducts in the fourth quarter of each year. Future impairment charges could materially affect the Tyco Flow Control Business' reported earnings in the periods of such charges and could adversely affect the Tyco Flow Control Business' financial condition and results of operations.

A material disruption of the Tyco Flow Control Business' operations, particularly at some of its manufacturing facilities, could adversely affect the Tyco Flow Control Business.

Many of the Tyco Flow Control Business' products are sourced from multiple manufacturing facilities. However, certain products, such as the Tyco Flow Control Business' Raychem brand of heat-tracing products, are sole-sourced from one manufacturing facility. If operations at the Tyco Flow Control Business' facilities, and in particular the Tyco Flow Control Business' sole-source facilities, were to be disrupted as a result of significant equipment failures, natural disasters, power outages, fires, explosions, terrorism, sabotage, adverse weather conditions, public health crises, labor disputes or other reasons, the Tyco Flow Control Business may be unable

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to fill customer orders and otherwise meet customer demand for its products, which could adversely affect the Tyco Flow Control Business financial performance. Interruptions in production could increase the Tyco Flow Control Business costs and reduce its sales. Any interruption in production capability could require the Tyco Flow Control Business to make substantial capital expenditures to fill customer orders, which could negatively affect the Tyco Flow Control Business profitability and financial condition. The Tyco Flow Control Business maintains property damage insurance that it believes to be adequate to provide for reconstruction of facilities and equipment, as well as business interruption insurance to mitigate losses resulting from any production interruption or shutdown caused by an insured loss. However, any recovery under the Tyco Flow Control Business insurance policies may not offset the lost sales or increased costs that may be experienced during the disruption of operations, which could adversely affect the Tyco Flow Control Business and its financial condition, results of operations and cash flow.

The Tyco Flow Control Business may be adversely affected by work stoppages, union negotiations, labor disputes and other matters associated with its labor force.

As of September 30, 2011, the Tyco Flow Control Business employed approximately 15,500 people worldwide, of which approximately 3,700 were employed in the United States and 11,800 were employed outside the United States. Approximately 4,800 of the Tyco Flow Control Business employees were covered by collective bargaining agreements or works councils as of September 30, 2011. Although the Tyco Flow Control Business believes that its relations with the labor unions and work councils that represent its employees are generally good and the Tyco Flow Control Business has experienced no material strikes and only minor work stoppages recently, no assurances can be made that the Tyco Flow Control Business will not experience in the future these and other types of conflicts with labor unions, works councils, other groups representing employees or the Tyco Flow Control Business employees generally, or that any future negotiations with the Tyco Flow Control Business labor unions will not result in significant increases in the Tyco Flow Control Business cost of labor. Additionally, a work stoppage at one of the Tyco Flow Control Business suppliers could materially and adversely affect the Tyco Flow Control Business operations if an alternative source of supply were not readily available. Stoppages by employees of the Tyco Flow Control Business customers also could result in reduced demand for the Tyco Flow Control Business products.

If the Tyco Flow Control Business does not successfully maintain and/or upgrade its information and technology networks, or if the Tyco Flow Control Business is unable to maintain the security of its information and technology networks, the Tyco Flow Control Business operations could be disrupted.

The Tyco Flow Control Business relies on various information technology systems to manage its operations. The Tyco Flow Control Business is continuously upgrading and consolidating its systems, including making changes to legacy systems, replacing legacy systems with successor systems with new functionality and acquiring new systems with new functionality. These types of activities subject the Tyco Flow Control Business to inherent costs and risks associated with replacing and changing these systems, including impairment of the Tyco Flow Control Business ability to fulfill customer orders, potential disruption of its internal control structure, substantial capital expenditures, additional administration and operating expenses, retention of sufficiently skilled personnel to implement and operate the systems, demands on management time and other risks and costs of delays or difficulties in transitioning to new systems or of integrating new systems into the Tyco Flow Control Business current systems. The Tyco Flow Control Business system implementations may not result in productivity improvements at a level that outweighs the costs of implementation, or at all. In addition, the implementation of new technology systems may cause disruptions in the Tyco Flow Control Business operations and have an adverse effect on the Tyco Flow Control Business and its operations, if not anticipated and appropriately mitigated.

The Tyco Flow Control Business depends on the Internet and its information technology infrastructure for electronic communications among the Tyco Flow Control Business locations around the world and between its personnel and suppliers and customers. Security breaches of this infrastructure can create system disruptions,

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shutdowns or unauthorized disclosure of confidential information. If the Tyco Flow Control Business is unable to prevent such breaches, its operations could be disrupted or it may suffer financial damage or loss because of lost or misappropriated information.

Risks Relating to Legal, Regulatory and Compliance Matters

New Pentair will share responsibility for certain of ADT's, Tyco's and New Pentair's income tax liabilities for tax periods prior to and including the date of the Distribution, and such liabilities may include a portion of Tyco's obligations under its tax sharing agreement with Covidien Ltd. (Covidien) and TE Connectivity Ltd. (TE Connectivity) for tax liabilities for tax periods prior to and including June 29, 2007.

In connection with the Distribution, New Pentair expects to enter into the 2012 Tax Sharing Agreement with Tyco and ADT which will govern the rights and obligations of ADT, Tyco and New Pentair for certain pre-Distribution tax liabilities, including Tyco's obligations under a separate tax sharing agreement entered into by Tyco, Covidien and TE Connectivity (the 2007 Tax Sharing Agreement) in connection with the 2007 distributions of Covidien and TE Connectivity by Tyco (the 2007 Separation). The 2012 Tax Sharing Agreement is described more fully in The Separation and Distribution Agreement and the Ancillary Agreements Tax Sharing Agreement below. To the extent New Pentair is responsible for any liability under the 2012 Tax Sharing Agreement, there could be a material adverse impact on New Pentair's financial position, results of operations, cash flows or New Pentair's effective tax rate in future reporting periods.

The 2007 Tax Sharing Agreement governs the rights and obligations of Tyco, Covidien and TE Connectivity with respect to certain pre-2007 Separation tax liabilities and certain tax liabilities arising in connection with the 2007 Separation. More specifically, Tyco, Covidien and TE Connectivity share 27%, 42% and 31%, respectively, of income tax liabilities that arise from adjustments made by tax authorities to Tyco's, Covidien's and TE Connectivity's U.S. and certain non-U.S. income tax returns and certain taxes attributable to internal transactions undertaken in anticipation of the 2007 Separation. In addition, in the event that the 2007 Separation or certain related transactions are determined to be taxable as a result of actions taken after the 2007 Separation by Tyco, Covidien or TE Connectivity, the party responsible for such failure would be responsible for all taxes imposed on Tyco, Covidien or TE Connectivity as a result thereof. If none of the companies is responsible for such failure, then Tyco, Covidien and TE Connectivity would be responsible for such taxes, in the same manner and in the same proportions as other shared tax liabilities under the 2007 Tax Sharing Agreement. Costs and expenses associated with the management of these shared tax liabilities are generally shared equally among the parties.

With respect to years prior to and including the 2007 Separation, tax authorities have raised issues and proposed tax adjustments that are generally subject to the sharing provisions of the 2007 Tax Sharing Agreement and which may require Tyco to make a payment to a taxing authority, Covidien or TE Connectivity. Tyco has recorded a liability of \$411 million as of March 30, 2012 which it has assessed and believes is adequate to cover the payments that Tyco may be required to make under the 2007 Tax Sharing Agreement. Tyco is reviewing and contesting certain of the proposed tax adjustments.

With respect to adjustments raised by the IRS, although Tyco has resolved a substantial number of these adjustments, a few significant items remain open with respect to the audit of the 1997 through 2004 years. As of the date hereof, Tyco has not been able to resolve certain open items, which primarily involve the treatment of certain intercompany debt issued during the period, through the IRS appeals process. As a result, Tyco expects to litigate these matters once it receives the requisite statutory notices from the IRS, which is likely to occur within the next six months. However, the ultimate resolution of these matters is uncertain and could result in Tyco being responsible for a greater amount than it expects under the 2007 Tax Sharing Agreement. Any payment that Tyco is required to make under the 2007 Tax Sharing Agreement could result in a material liability for New Pentair under the 2012 Tax Sharing Agreement.

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The Tyco Flow Control Business is party to asbestos-related product litigation that could adversely affect the Tyco Flow Control Business financial condition, results of operations and cash flows.

The Tyco Flow Control Business, along with numerous other companies, are named as defendants in a substantial number of lawsuits based on alleged exposure to asbestos-containing materials. These cases typically involve product liability claims based primarily on allegations of manufacture, sale or distribution of industrial products that either contained asbestos or were attached to or used with asbestos-containing components manufactured by third parties. Each case typically names between dozens to hundreds of corporate defendants. Historically, the Tyco Flow Control Business and its subsidiaries have been identified as defendants in asbestos-related claims along with other Tyco subsidiaries. The Tyco Flow Control Business has experienced an increase in the number of asbestos-related lawsuits over the past several years, including lawsuits by plaintiffs with mesothelioma-related claims. A large percentage of these suits have not presented viable legal claims and, as a result, have been dismissed or withdrawn. The Tyco Flow Control Business strategy has been, and continues to be, to mount a vigorous defense aimed at having unsubstantiated suits dismissed, and, only where appropriate, settling claims before trial. As of March 30, 2012, there were approximately 1,700 lawsuits pending, some involving multiple claimants, against entities that New Pentair will acquire in connection with the Spin-off. The Tyco Flow Control Business cannot predict with certainty the extent to which it will be successful in litigating or otherwise resolving lawsuits in the future and the Tyco Flow Control Business continues to evaluate different strategies related to asbestos claims filed against it including entity restructuring and judicial relief. Unfavorable rulings, judgments or settlement terms could have a material adverse impact on the Tyco Flow Control Business and its financial condition, results of operations and cash flows.

The Tyco Flow Control Business currently records an estimated liability related to pending claims and claims estimated to be received over the next seven years, including related defense costs, based on a number of key assumptions and estimation methodologies. These assumptions are derived from claims experience over the past five years and reflect the Tyco Flow Control Business expectations about future claim activities over the next seven years. These assumptions about the future may or may not prove accurate, and accordingly, the Tyco Flow Control Business may incur additional liabilities in the future. A change in one or more of the inputs or the methodology that the Tyco Flow Control Business uses to estimate the asbestos liability could materially change the estimated liability and associated cash flows for pending and future claims. Although it is possible that the Tyco Flow Control Business will incur additional costs for asbestos claims filed beyond the next seven years, the Tyco Flow Control Business does not believe there is a reasonable basis for estimating those costs at this time. On a quarterly and annual basis, the Tyco Flow Control Business reviews and updates as appropriate, such estimated asbestos liabilities and assets and the underlying assumptions. Such an update could result in a material change in such estimated assets and liabilities.

The Tyco Flow Control Business also records an asset that represents its best estimate of probable recoveries from insurers or other responsible parties for the estimated asbestos liabilities. There are significant assumptions made in developing estimates of asbestos-related recoveries, such as policy triggers, policy or contract interpretation, success in litigation in certain cases, the methodology for allocating claims to policies and the continued solvency of the insurers or other responsible parties. The assumptions underlying the recorded asset may not prove accurate, and as a result, actual performance by the Tyco Flow Control Business insurers and other responsible parties could result in lower receivables and cash flows expected to reduce the Tyco Flow Control Business asbestos costs. Due to these uncertainties, as well as the Tyco Flow Control Business inability to reasonably estimate any additional asbestos liability for claims that may be filed beyond the next seven years, it is not possible to predict with certainty the ultimate outcome of the cost, nor potential recoveries, of resolving the pending and all unasserted asbestos claims. Additionally, the Tyco Flow Control Business believes it is possible that the cost of asbestos claims filed beyond the next seven years, net of expected recoveries, could have a material adverse effect on the Tyco Flow Control Business financial position, results of operations and cash flows.

Table of Contents***The Tyco Flow Control Business could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws outside the United States.***

The FCPA and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. Recent years have seen a substantial increase in anti-bribery law enforcement activity, with more frequent and aggressive investigations and enforcement proceedings by both the U.S. Department of Justice (DOJ) and the SEC, increased enforcement activity by non-U.S. regulators and increases in criminal and civil proceedings brought against companies and individuals. The Tyco Flow Control Business policies mandate compliance with these anti-bribery laws. The Tyco Flow Control Business operates in many parts of the world that are recognized as having governmental and commercial corruption and in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. Because many of the Tyco Flow Control Business customers and end users are involved in infrastructure construction and energy production, they are often subject to increased scrutiny by regulators. The Tyco Flow Control Business cannot assure you that its internal control policies and procedures will always protect the Tyco Flow Control Business from reckless or criminal acts committed by the Tyco Flow Control Business employees or third-party intermediaries. In the event that the Tyco Flow Control Business believes or has reason to believe that its employees or agents have or may have violated applicable anti-corruption laws, including the FCPA the Tyco Flow Control Business may be required to investigate or have outside counsel investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Violations of these laws may result in criminal or civil sanctions, which could disrupt the Tyco Flow Control Business and result in a material adverse effect on the Tyco Flow Control Business reputation, business, financial condition, results of operations or cash flows.

Furthermore, the Tyco Flow Control Business is subject to investigations by the DOJ and the SEC related to allegations that improper payments have been made by the Tyco Flow Control Business subsidiaries and third-party intermediaries in recent years in violation of the FCPA. The Tyco Flow Control Business has continued to report to the DOJ and the SEC the remedial measures that it has taken in response to the allegations and the Tyco Flow Control Business own internal investigations, and in February 2010, the Tyco Flow Control Business initiated discussions with the DOJ and SEC aimed at resolving these matters, which remain ongoing. Although the Tyco Flow Control Business has recorded its best estimate of potential loss related to these or other similar matters, it is possible that this estimate may differ from the ultimate loss determined in connection with the resolution of this matter, as the Tyco Flow Control Business may be required to pay material fines, consent to injunctions on future conduct, consent to the imposition of a compliance monitor, or suffer other criminal or civil penalties or adverse impacts, including being subject to lawsuits brought by private litigants, each of which could have a material adverse effect on the Tyco Flow Control Business and its financial condition, results of operations and cash flows.

The Tyco Flow Control Business failure to satisfy international trade compliance regulations may adversely affect the Tyco Flow Control Business.

The Tyco Flow Control Business global operations require importing and exporting goods and technology across international borders on a regular basis. Certain of the products the Tyco Flow Control Business manufactures are dual use products, which are products that may have both civil and military applications, or may otherwise be involved in weapons proliferation, and are often subject to more stringent export controls. From time to time, the Tyco Flow Control Business obtains or receives information alleging improper activity in connection with imports or exports. The Tyco Flow Control Business policy mandates strict compliance with U.S. and non-U.S. trade laws applicable to the Tyco Flow Control Business products. However, even when the Tyco Flow Control Business is in strict compliance with law and its policies, it may suffer reputational damage if certain of the Tyco Flow Control Business products are sold through various intermediaries to entities operating in sanctioned countries. When the Tyco Flow Control Business receives information alleging improper activity, the Tyco Flow Control Business policy is to investigate that information and respond appropriately, including, if

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warranted, reporting its findings to relevant governmental authorities. Nonetheless, the Tyco Flow Control Business cannot provide assurance that its policies and procedures will always protect it from actions that would violate U.S. and/or non-U.S. laws. Any improper actions could subject the Tyco Flow Control Business to civil or criminal penalties, including material monetary fines, or other adverse actions including denial of import or export privileges, and could damage the Tyco Flow Control Business' reputation and its business prospects.

Legislative action by the U.S. Congress could adversely affect the Tyco Flow Control Business.

Legislative action could be taken by the U.S. Congress which, if ultimately enacted, could override tax treaties, or modify statutes or regulation upon which the Tyco Flow Control Business relies, which could materially adversely affect the Tyco Flow Control Business' effective corporate tax rate. The Tyco Flow Control Business cannot predict the outcome of any specific legislative proposals. If proposals were enacted that had the effect of disregarding the Tyco Flow Control Business' incorporation in Switzerland or limiting its ability as a Swiss company to take advantage of the tax treaties between Switzerland and the United States, the Tyco Flow Control Business' could be subject to increased taxation.

Changes in legislation or governmental regulations or policies can have a significant impact on the Tyco Flow Control Business' financial condition, results of operations and cash flows.

The Tyco Flow Control Business operates in regulated industries and due to the international scope of the Tyco Flow Control Business operations, the system of laws and regulations to which the Tyco Flow Control Business is subject is complex. The Tyco Flow Control Business U.S. operations are subject to regulation by a number of federal, state and local governmental agencies with respect to safety of operations and equipment, labor and employment matters and financial responsibility. Intrastate operations in the United States are subject to regulation by state regulatory authorities, and the Tyco Flow Control Business' international operations are regulated by the countries in which they operate and by extra-territorial laws. The Tyco Flow Control Business and its employees are subject to various U.S. federal, state and local laws and regulations, as well as non-U.S. laws and regulations. Changes in laws or regulations could require the Tyco Flow Control Business to change the way it operates, which could increase costs or otherwise disrupt operations. No assurances can be made that the Tyco Flow Control Business will continue to be found to be operating in compliance with, or be able to detect violations of, any such laws or regulations. In addition, the Tyco Flow Control Business cannot predict the nature, scope or effect of future regulatory requirements to which its international operations might be subject or the manner in which existing laws might be administered or interpreted. Failure to comply with any applicable laws or regulations could result in substantial fines or revocation of the Tyco Flow Control Business' operating permits and licenses. If laws and regulations changed or the Tyco Flow Control Business failed to comply, the Tyco Flow Control Business' financial condition, results of operations and cash flows could be materially and adversely affected.

The Tyco Flow Control Business' operations expose it to the risk of material environmental liabilities, litigation and violations.

The Tyco Flow Control Business is subject to numerous U.S. federal, state and local and non-U.S. environmental protection and health and safety laws governing, among other things:

the generation, storage, use and transportation of hazardous materials;

emissions or discharges of substances into the environment;

the investigation and remediation of contaminated sites; and

the health and safety of the Tyco Flow Control Business' employees.

The Tyco Flow Control Business cannot assure you that it has been or will be at all times in compliance with environmental and health and safety laws. If the Tyco Flow Control Business violates these laws, it could be fined, criminally charged or otherwise sanctioned by regulators.

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Certain environmental laws impose liability on current or previous owners or operators of real property for the cost of removal or remediation of hazardous substances at their properties or at properties at which they have disposed of hazardous substances. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances. The Tyco Flow Control Business has projects underway at several current and former manufacturing facilities to investigate and remediate environmental contamination resulting from past operations by the Tyco Flow Control Business or by other businesses that previously owned or used the properties. These projects relate primarily to hazardous substance contamination cleanup.

In addition, the Tyco Flow Control Business remains responsible for certain environmental issues at manufacturing locations previously sold by the Tyco Flow Control Business. The Tyco Flow Control Business also is currently the plaintiff in several lawsuits to recover remediation costs from other businesses that previously owned or used properties that the Tyco Flow Control Business owns or previously owned, but these lawsuits may not be successful or, if successful, the Tyco Flow Control Business may not be able to enforce any judgments awarded in its favor.

The ultimate cost of cleanup at disposal sites and manufacturing facilities is difficult to accurately predict given uncertainties regarding the extent of the required cleanup, the interpretation of applicable laws and regulations and alternative cleanup methods. Based upon the Tyco Flow Control Business' experience, current information regarding known contingencies and applicable laws, the Tyco Flow Control Business concluded that it is probable that it would incur remedial costs in the range of approximately \$10 million to \$33 million as of March 30, 2012. As of March 30, 2012, the Tyco Flow Control Business concluded that the best estimate within this range is \$14 million, of which \$9 million is included in accrued and other current liabilities and \$5 million is included in other liabilities in the Combined Balance Sheet. Environmental laws are complex, change frequently and have tended to become more stringent over time. While the Tyco Flow Control Business has budgeted for future capital and operating expenditures to maintain compliance with such laws, the Tyco Flow Control Business cannot provide assurance that its costs of complying with current or future environmental protection and health and safety laws, or its liabilities arising from past or future releases of, or exposures to, hazardous substances, will not exceed the Tyco Flow Control Business' estimates or materially adversely affect the Tyco Flow Control Business' financial condition, results of operations and cash flows. The Tyco Flow Control Business may also be subject to material liabilities for additional environmental claims for personal injury or cleanup in the future based on its past, present or future business activities or for existing environmental conditions of which it is not presently aware.

Enacted and proposed climate protection regulations and legislation may impact the Tyco Flow Control Business' operations or those of its customers.

Government authorities and agencies in the United States and in other jurisdictions have in recent years promulgated or considered promulgating climate-related legislation and regulations that are focused on restricting greenhouse gas emissions. To the extent the Tyco Flow Control Business' customers, particularly those involved in the oil & gas, power generation, petrochemical processing or petroleum refining industries, are subject to any of these or other similar proposed or newly enacted laws and regulations, the Tyco Flow Control Business is exposed to risks that the additional costs by customers to comply with such laws and regulations could impact their ability or desire to continue to operate at similar levels in certain jurisdictions as historically seen or as currently anticipated, which could negatively impact their demand for the Tyco Flow Control Business' products and services. For example, new laws and regulations establishing an emissions cap-and-trade regime and those that might favor the increased use of non-fossil fuels, including nuclear, wind, solar and bio-fuels or that are designed to increase energy efficiency, could dampen demand for oil & gas production or power generation resulting in lower spending by customers for the Tyco Flow Control Business' products and services. Finally, the Tyco Flow Control Business could be negatively affected by physical changes or changes in weather patterns related to climate change, which could result in damages to or loss of the Tyco Flow Control Business' physical assets, impact to its ability to conduct operations and/or disrupt its customers' operations.

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The Tyco Flow Control Business is subject to a variety of claims and litigation that could cause a material adverse effect on its business, financial condition, results of operations and cash flows.

In the normal course of business, the Tyco Flow Control Business is subject to claims and lawsuits, including from time to time claims for damages related to product liability and warranties, litigation alleging the infringement of intellectual property rights, litigation alleging anti-competitive behavior and litigation related to employee matters and commercial disputes. In addition, the Separation and Distribution Agreement will require the Tyco Flow Control Business to indemnify Tyco and ADT for certain claims related to the Tyco Flow Control Business activities (including its activities as subsidiaries of Tyco prior to the Distribution) and also provide that under certain circumstances the Tyco Flow Control Business may be liable for certain legal liabilities incurred by Tyco or ADT following the spin-off. See Information About the Tyco Flow Control Business Legal Proceedings and The Separation and Distribution Agreement and the Ancillary Agreements for additional information regarding the Tyco Flow Control Business potential legal liabilities. In certain circumstances, patent infringement and antitrust laws permit successful plaintiffs to recover treble damages. The defense of these lawsuits may divert the Tyco Flow Control Business management s attention, and the Tyco Flow Control Business may incur significant expenses in defending these lawsuits. In addition, the Tyco Flow Control Business may be required to pay damage awards or settlements, or become subject to injunctions or other equitable remedies, that could have a material adverse effect on the Tyco Flow Control Business and its financial condition, results of operations and cash flows. Moreover, any insurance or indemnification rights that the Tyco Flow Control Business has may be insufficient or unavailable to protect it against potential loss exposures.

Risks Relating to Pentair

General economic conditions, including difficult credit and residential construction markets, affect demand for Pentair s products.

Pentair competes in various geographic regions and product markets around the world. Among these, the most significant are global industrial markets (for both Technical Products and Water & Fluid Solutions) and residential markets (for Water & Fluid Solutions). Important factors for Pentair s businesses include the overall strength of the economy and its customers confidence in the economy; industrial and governmental capital spending; the strength of the residential and commercial real estate markets; unemployment rates; availability of consumer and commercial financing for its customers and end-users; and interest rates. New construction for housing and home improvement activity fell in 2007, 2008 and 2009, which reduced revenue growth in the residential business within Water & Fluid Solutions. While Pentair saw some stabilization in 2010 and 2011, it believes that weakness in this market could negatively impact its revenues and margins in future periods. While Pentair attempts to minimize its exposure to economic or market fluctuations by serving a balanced mix of end markets and geographic regions, it cannot assure you that a significant or sustained downturn in a specific end market or geographic region would not have a material adverse effect on it.

Pentair is exposed to political, regulatory, economic and other risks that arise from operating a multinational business.

Sales outside of the United States, including export sales from Pentair s domestic businesses, accounted for approximately 40% of its net sales in 2011. Further, most of Pentair s businesses obtain some products, components and raw materials from foreign suppliers. Accordingly, Pentair s business is subject to the political, regulatory, economic and other risks that are inherent in operating in numerous countries. These risks include:

changes in general economic and political conditions in countries where Pentair operates, particularly in emerging markets;

relatively more severe economic conditions in some international markets than in the United States;

the difficulty of enforcing agreements and collecting receivables through foreign legal systems;

trade protection measures and import or export licensing requirements and restrictions;

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the possibility of terrorist action affecting Pentair or its operations;

the imposition of tariffs, exchange controls or other trade restrictions;

difficulty in staffing and managing widespread operations in non-U.S. labor markets;

changes in tax laws or rulings could have an adverse impact on Pentair's effective tax rate;

the difficulty of protecting intellectual property in foreign countries; and

changes in and required compliance with a variety of foreign laws and regulations.

As a result of its international operations and sales, Pentair is subject to the Foreign Corrupt Practices Act, the United Kingdom Bribery Act and other laws that prohibit improper payments or offers of improper payments. Pentair's international activities create risk under such laws because its employees, consultants, sales agents or distributors are not always subject to its direct control. Any violations or alleged violations of these laws could result in significant fines or settlements, criminal sanctions against Pentair or its employees, reputational damage and prohibitions on the conduct of its business, including its business with the U.S. government.

Pentair's business success depends in part on its ability to anticipate and effectively manage these and other risks. Pentair cannot assure you that these and other factors will not have a material adverse effect on its international operations or on its business as a whole.

Pentair's international operations are subject to foreign market and currency fluctuation risks and the European Union debt crisis could adversely affect its results.

Pentair expects the percentage of its sales outside of the United States to continue to increase in the future. In some cases, foreign markets are susceptible to greater political, economic and social volatility than in Pentair's other markets. Furthermore, its increased foreign business operations expose Pentair to currency fluctuations which could materially affect its financial results. The European Union currently accounts for the majority of Pentair's foreign sales and income. The current debt crisis in Europe could lead to the re-introduction of individual currencies in certain European Union countries or in the wholesale dissolution of the euro currency. The resulting impact on euro-denominated obligations and assets is impossible to predict, but it could adversely affect the value of such obligations and assets. Also, the effect of the debt crisis in Europe could have an adverse affect on the capital markets generally, specifically impacting the ability of Pentair's business and financial partners to finance their businesses on acceptable terms, if at all, the availability of materials and supplies and demand for Pentair's products.

Pentair's inability to sustain organic growth could adversely affect its financial performance.

Over the past five years, Pentair's organic growth has been generated in part from expanding international sales, entering new distribution channels, introducing new products and price increases. To grow more rapidly than its end markets, Pentair would have to continue to expand its geographic reach, further diversify its distribution channels, continue to introduce new products and increase sales of existing products to its customer base. Difficult economic and competitive factors may materially and adversely impact Pentair's financial performance. Pentair has chosen to focus its growth initiatives in specific end markets and geographies. Pentair cannot provide assurance that these growth initiatives will be sufficient to offset revenue declines in other markets.

Pentair has significant goodwill and intangible assets and future impairment of its goodwill and intangible assets could have a material negative impact on its financial results.

Pentair tests goodwill and indefinite-lived intangible assets for impairment on an annual basis, by comparing the estimated fair value of each of its reporting units to their respective carrying values on their

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balance sheets. At December 31, 2011 Pentair's goodwill and intangible assets were approximately \$2,866.2 million and represented approximately 62.5% of its total assets. Long-term declines in projected future cash flows could result in future goodwill and intangible asset impairments. Because of the significance of Pentair's goodwill and intangible assets, any future impairment of these assets could have a material adverse effect on its financial results.

In the fourth quarter of 2011, Pentair completed its annual goodwill impairment review. As a result, Pentair recorded a pre-tax non-cash impairment charge of \$200.5 million in the fourth quarter of 2011. This represents impairment of goodwill in its Residential Filtration reporting unit, part of Water & Fluid Solutions. The impairment charge resulted from changes in Pentair's forecasts in light of economic conditions prevailing in these markets and due to continued softness in the end-markets served by residential water treatment components.

Material cost and other inflation have adversely affected and could continue to affect Pentair's results of operations.

In the past, Pentair has experienced material cost and other inflation in a number of its businesses. Pentair strives for productivity improvements and implements increases in selling prices to help mitigate cost increases in raw materials (especially metals and resins), energy and other costs such as pension, health care and insurance. Pentair continues to implement operational initiatives in order to mitigate the impacts of this inflation and continuously reduce its costs. Pentair cannot provide assurance, however, that these actions will be successful in managing its costs or increasing its productivity. Continued cost inflation or failure of Pentair's initiatives to generate cost savings or improve productivity would likely negatively impact its results of operations.

Pentair's businesses operate in highly competitive markets, so Pentair may be forced to cut prices or to incur additional costs.

Pentair's businesses generally face substantial competition in each of their respective markets. Competition may force Pentair to cut prices or to incur additional costs to remain competitive. Pentair competes on the basis of product design, quality, availability, performance, customer service and price. Present or future competitors may have greater financial, technical or other resources which could put Pentair at a disadvantage in the affected business or businesses. Pentair cannot provide assurance that these and other factors will not have a material adverse effect on its future results of operations.

Seasonality of sales and weather conditions may adversely affect Pentair's financial results.

Pentair experiences seasonal demand in a number of markets within Water & Fluid Solutions. End-user demand for pool equipment in Pentair's primary markets follows warm weather trends and is at seasonal highs from April to August. The magnitude of the sales increase is partially mitigated by employing some advance sale or "early buy" programs (generally including extended payment terms and/or additional discounts). Demand for residential and agricultural water systems is also impacted by weather patterns, particularly by heavy flooding and droughts. Pentair cannot provide assurance that seasonality and weather conditions will not have a material adverse effect on its results of operations.

Intellectual property challenges may hinder Pentair's ability to develop, engineer and market its products.

Patents, non-compete agreements, proprietary technologies, customer relationships, trademarks, trade names and brand names are important to Pentair's business. Intellectual property protection, however, may not preclude competitors from developing products similar to Pentair's or from challenging Pentair's names or products. Pentair's pending patent applications, and its pending copyright and trademark registration applications, may not be allowed or competitors may challenge the validity or scope of its patents, copyrights or trademarks. In addition, Pentair's patents, copyrights, trademarks and other intellectual property rights may not provide it a

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significant competitive advantage. Over the past few years, Pentair has noticed an increasing tendency for participants in its markets to use conflicts over and challenges to intellectual property as a means to compete. Patent and trademark challenges increase Pentair's costs to develop, engineer and market its products. Pentair may need to spend significant resources monitoring its intellectual property rights and it may or may not be able to detect infringement by third parties.

Pentair's results of operations may be negatively impacted by litigation.

Pentair's businesses expose it to potential litigation, such as product liability claims relating to the design, manufacture and sale of its products. While Pentair currently maintains what it believes to be suitable product liability insurance, Pentair cannot provide assurance that it will be able to maintain this insurance on acceptable terms or that this insurance will provide adequate protection against potential or previously existing liabilities. In addition, Pentair self-insures a portion of product liability claims. A series of successful claims against Pentair for significant amounts could materially and adversely affect its product reputation, financial condition, results of operations and cash flows.

Pentair is exposed to potential environmental and other laws, liabilities and litigation.

Pentair is subject to federal, state, local and foreign laws and regulations governing its environmental practices, public and worker health and safety, and the indoor and outdoor environment. Compliance with these environmental, health and safety regulations could require Pentair to satisfy environmental liabilities, increase the cost of manufacturing its products or otherwise adversely affect its business, financial condition and results of operations. Any violations of these laws by Pentair could cause it to incur unanticipated liabilities that could harm its operating results and cause its business to suffer. Pentair is also required to comply with various environmental laws and maintain permits, some of which are subject to discretionary renewal from time to time, for many of its businesses and it could suffer if Pentair is unable to renew existing permits or to obtain any additional permits that it may require. Compliance with environmental requirements also could require significant operating or capital expenditures or result in significant operational restrictions.

Pentair has been named as defendant, target or a potentially responsible party (PRP) in a number of environmental clean-ups relating to its current or former business units. Pentair has disposed of a number of businesses in recent years and in certain cases, Pentair has retained responsibility and potential liability for certain environmental obligations. Pentair has received claims for indemnification from certain purchasers. Pentair may be named as a PRP at other sites in the future for existing business units, as well as both divested and acquired businesses.

The cost of cleanup and other environmental liabilities can be difficult to accurately predict. In addition, environmental requirements change and tend to become more stringent over time. Thus, Pentair cannot provide assurance that its eventual environmental clean-up costs and liabilities will not exceed the amount of its current reserves.

Pentair is exposed to certain regulatory and financial risks related to climate change.

Climate change is receiving ever increasing attention worldwide. Many scientists, legislators and others attribute global warming to increased levels of greenhouse gases, including carbon dioxide, which has led to significant legislative and regulatory efforts to limit greenhouse gas emissions. The U.S. Congress and federal and state regulatory agencies have been considering legislation and regulatory proposals that would regulate and limit greenhouse gas emissions. It is uncertain whether, when and in what form a federal mandatory carbon dioxide emissions reduction program may be adopted. Similarly, certain countries have adopted the Kyoto Protocol and this and other existing international initiatives or those under consideration could affect Pentair's international operations. These actions could increase costs associated with Pentair's operations, including costs for raw materials and transportation. Because it is uncertain what laws will be enacted, Pentair cannot predict the potential impact of such laws on its future consolidated financial condition, results of operations or cash flows.

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Risks Relating to the Liquidity of the Combined Business and Financial Markets

Disruptions in the financial markets could adversely affect New Pentair, its customers and its suppliers by increasing funding costs or reducing availability of credit.

In the normal course of New Pentair's business, it may access credit markets for general corporate purposes, which may include repayment of indebtedness, acquisitions, additions to working capital, repurchase of common shares, capital expenditures and investments in its subsidiaries. Although New Pentair expects to have sufficient liquidity to meet its foreseeable needs after completing the financing transactions contemplated in connection with the Transactions, New Pentair's access to and the cost of capital could be negatively impacted by disruptions in the credit markets. In 2009 and 2010, credit markets experienced significant dislocations and liquidity disruptions, and similar disruptions in the credit markets could make financing terms for borrowers unattractive or unavailable. These factors may make it more difficult or expensive for New Pentair to access credit markets if the need arises. In addition, these factors may make it more difficult for New Pentair's suppliers to meet demand for their products or for prospective customers to commence new projects, as customers and suppliers may experience increased costs of debt financing or difficulties in obtaining debt financing. Disruptions in the financial markets have had adverse effects on other areas of the economy and have led to a slowdown in general economic activity that may continue to adversely affect New Pentair's businesses. These disruptions may have other unknown adverse affects. One or more of these factors could adversely affect New Pentair's business, financial condition, results of operations or cash flows.

New Pentair's customers, prospective customers and suppliers may need assurances that New Pentair's financial stability on a stand-alone basis is sufficient to satisfy their requirements for doing or continuing to do business with them.

Some of New Pentair's customers, prospective customers and suppliers may need assurances that New Pentair's financial stability following the Transactions is sufficient to satisfy their requirements for doing or continuing to do business with them. If New Pentair's customers, prospective customers or suppliers are not satisfied with New Pentair's financial stability, it could have a material adverse effect on New Pentair's ability to bid for and obtain or retain projects, New Pentair's business, financial condition, results of operations and cash flows.

Covenants in New Pentair's debt instruments may adversely affect New Pentair.

As discussed under Debt Financing, New Pentair expects to complete financing transactions in connection with the completion of the Transactions, as a result of which New Pentair would incur new indebtedness under one or more credit agreements or indentures. New Pentair expects its credit agreements and indentures will contain customary financial covenants.

New Pentair's ability to meet the financial covenants can be affected by events beyond New Pentair's control, and New Pentair cannot provide assurance that it will meet those tests. A breach of any of these covenants could result in a default under New Pentair's credit agreements or indentures. Upon the occurrence of an event of default under any of New Pentair's credit facilities or indentures, the lenders or trustees could elect to declare all amounts outstanding thereunder to be immediately due and payable and, in the case of credit facility lenders, terminate all commitments to extend further credit. If the lenders or trustees accelerate the repayment of borrowings, New Pentair cannot provide assurance that it will have sufficient assets to repay New Pentair's credit facilities and New Pentair's other indebtedness. Furthermore, acceleration of any obligation under any of New Pentair's material debt instruments will permit the holders of New Pentair's other material debt to accelerate their obligations, which could have a material adverse affect on New Pentair's financial condition.

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New Pentair expects to incur new indebtedness at or prior to consummation of Transactions, and the degree to which New Pentair will be leveraged following completion of the Transactions could have a material adverse effect on the combined business, financial condition or results of operations.

The Tyco Flow Control Business has historically relied upon Tyco for working capital requirements on a short-term basis and for other financial support functions. After the Transactions, New Pentair will not be able to rely on the earnings, assets or cash flow of Tyco, and New Pentair will be responsible for servicing its own debt, and obtaining and maintaining sufficient working capital. As discussed under Debt Financing, New Pentair expects to complete financing transactions in connection with the completion of the Transactions, as a result of which New Pentair would incur new indebtedness under one or more credit agreements or indentures.

New Pentair's ability to make payments on and to refinance its indebtedness, including the debt incurred pursuant to the Transactions as well as any future debt that New Pentair may incur, will depend on New Pentair's ability to generate cash in the future from operations, financings or asset sales. New Pentair's ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond New Pentair's control. If New Pentair is not able to repay or refinance its debt as it becomes due, New Pentair may be forced to sell assets or take other disadvantageous actions, including (i) reducing financing in the future for working capital, capital expenditures and general corporate purposes or (ii) dedicating an unsustainable level of New Pentair's cash flow from operations to the payment of principal and interest on its indebtedness. The lenders who hold such debt could also accelerate amounts due, which could potentially trigger a default or acceleration of any of New Pentair's other debt.

New Pentair may increase its debt or raise additional capital in the future, which could affect New Pentair's financial health, and may decrease its profitability.

At the Effective Time, New Pentair expects the combined company to have approximately \$1.8 billion of total debt outstanding. New Pentair may increase its debt or raise additional capital in the future, subject to restrictions expected to be in New Pentair's debt agreements. If New Pentair's cash flow from operations is less than New Pentair anticipates, or if New Pentair's cash requirements are more than New Pentair expects, New Pentair may require more financing. However, debt or equity financing may not be available to New Pentair on terms acceptable to New Pentair, if at all. If New Pentair incurs additional debt or raises equity through the issuance of additional capital shares, the terms of the debt or capital shares issued may give the holders rights, preferences and privileges senior to those of holders of New Pentair's common shares, particularly in the event of liquidation. The terms of the debt may also impose additional and more stringent restrictions on New Pentair operations than it currently has. If New Pentair raises funds through the issuance of additional equity, your percentage ownership in New Pentair would decline. If New Pentair is unable to raise additional capital when needed, it could affect New Pentair's financial health, which could negatively affect your investment in New Pentair. Also, regardless of the terms of New Pentair's debt or equity financing, the amount of New Pentair's shares that New Pentair can issue may be limited because the issuance of New Pentair's shares may cause the Distribution to be a taxable event for Tyco under Section 355(e) of the Code, and under the 2012 Tax Sharing Agreement New Pentair could be required to indemnify Tyco for that tax. See New Pentair might not be able to engage in desirable strategic transactions and equity issuances following the Distribution because of restrictions relating to U.S. federal income tax requirements for tax-free distributions.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains certain forward-looking statements regarding business strategies, market potential, future financial performance and other matters with respect to Pentair, New Pentair and Tyco. Without limitation, words such as targets, plans, believes, expects, intends, will, likely, may, anticipates, estimates, projects, should, would, expect, positioned, strategy, future or word substance or the negative thereof, are forward-looking statements. The forward-looking statements included in this proxy statement/prospectus are made only as of the date of this proxy statement/prospectus. These forward-looking statements are based on Pentair's and New Pentair's management's current expectations and beliefs about future events. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances. Except for the ongoing obligations to disclose material information under the U.S. federal securities laws, neither Pentair, New Pentair nor Tyco are under any obligation to, and expressly disclaim any obligation to, update or alter any forward-looking statements whether as a result of such changes, new information, subsequent events or otherwise.

Various factors could adversely affect Pentair's and New Pentair's operations, business or financial results in the future and cause Pentair's and New Pentair's actual results to differ materially from those contained in the forward-looking statements, including those factors discussed in detail in Risk Factors beginning on page 34 of this proxy statement/prospectus. Pentair's and New Pentair's actual results could differ materially from management's expectations because of these factors, including:

overall economic and business conditions;

competition in the markets Pentair and the Tyco Flow Control Business serve;

conditions in the North American housing market;

increase in product liability and warranty claims;

failure to maintain required certifications;

delay in, or inability to, deliver backlog;

failure to win future project work;

economic and political conditions in international markets, including governmental changes and restrictions on the ability to transfer capital across borders;

volatility in currency exchange rates, commodity prices and interest rates;

inability to maintain, upgrade and protect information and technology networks;

failure to adapt products, services and organization to meet the demands of local markets in both developed and emerging economies;

failure of market to accept new product introductions and enhancements;

inability to protect intellectual property;

inability to attract and retain qualified personnel;

potential impairment of goodwill, intangibles and/or long-lived assets;

failure to realize expected benefits from divestitures and acquisitions;

disruptions at manufacturing facilities, including work stoppages, union negotiations and labor disputes;

inability to source raw material commodities and components from third parties without interruption and at reasonable prices;

the outcome of litigation, arbitrations and governmental proceedings, including any asbestos-related and environmental liability litigation;

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changes in U.S. and non-U.S. government laws and regulations;

risks associated with adherence to international trade compliance regulations;

results and consequences of internal investigations and governmental investigations concerning Pentair's, New Pentair's or Tyco's governance, management, internal controls and operations including Pentair's, New Pentair's and Tyco's business operations outside the United States;

other capital market conditions, including availability of funding sources;

failure to fully realize expected benefits from the Spin-off or the Merger;

inability to generate savings from excellence in operations initiatives consisting of lean enterprise, supply management and cash flow practices;

difficulty in operating New Pentair as an independent public company separate from Tyco;

the possible effects on New Pentair of future legislation in the United States that may limit or eliminate potential U.S. tax benefits resulting from New Pentair's Swiss incorporation; and

risks associated with New Pentair's Swiss incorporation, including increased or different regulatory burdens, and the possibility that New Pentair may not realize anticipated tax benefits.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this proxy statement/prospectus. If one or more of these or other risks or uncertainties materialize, or if Pentair or New Pentair's underlying assumptions prove to be incorrect, actual results may vary materially from what is projected. Consequently, actual events and results may vary significantly from those included in or contemplated or implied by the forward-looking statements.

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THE PENTAIR SPECIAL MEETING

General

This proxy statement/prospectus is being provided to Pentair shareholders as part of a solicitation of proxies by the Pentair board of directors for use at the Pentair special meeting. This proxy statement/prospectus provides Pentair shareholders with important information they need to know to be able to vote, or instruct their brokers or other nominees to vote, at the Pentair special meeting.

Date, Time and Place

The Pentair special meeting will be held on September 14, 2012, at The Metropolitan Ballroom, 5418 Wayzata Blvd., Golden Valley, Minnesota at 9:00 a.m., local time.

Matters for Consideration

At the special meeting, Pentair shareholders will be asked to vote on the following proposals:

a proposal to approve the Merger Agreement and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby (the Merger Agreement proposal);

a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Pentair's named executive officers in connection with the Merger (the compensation proposal); and

a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the Merger Agreement proposal (the meeting adjournment proposal).

Completion of the Transactions is conditioned on Pentair shareholder approval of the Merger Agreement proposal, but is not conditioned on the approval of the compensation proposal or the meeting adjournment proposal.

THE PENTAIR BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED AND AUTHORIZED THE EXECUTION, DELIVERY AND PERFORMANCE OF THE MERGER AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED THEREBY AND UNANIMOUSLY RECOMMENDS THAT PENTAIR SHAREHOLDERS VOTE FOR THE MERGER AGREEMENT PROPOSAL.

THE PENTAIR BOARD OF DIRECTORS ALSO UNANIMOUSLY RECOMMENDS THAT PENTAIR SHAREHOLDERS VOTE FOR THE COMPENSATION PROPOSAL AND FOR THE MEETING ADJOURNMENT PROPOSAL.

Record Date; Voting Information

The record date for the Pentair special meeting is July 27, 2012. Only holders of record of Pentair common shares at the close of business on the record date will be entitled to notice of, and to vote at, the special meeting or any adjournment or postponement thereof. As of the record date, approximately 99.2 million Pentair common shares were issued and outstanding and entitled to notice of, and to vote at, the special meeting and there were approximately 3,562 holders of record of Pentair common shares. Each Pentair common share shall entitle the holder to one vote on each matter to be considered at the special meeting.

If you are a record holder of Pentair common shares on the record date, you may vote your Pentair common shares in person at the special meeting or by proxy as described below in Voting by Proxy.

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Quorum

The holders of a majority of the issued and outstanding Pentair common shares present either in person or by proxy at the meeting will constitute a quorum. A quorum must be present before a vote can be taken on the Merger Agreement proposal and the compensation proposal, but is not required for a vote on the meeting adjournment proposal. Proxies received but marked as abstentions will be included in the calculation of the number of shares considered to be present at the special meeting.

If a quorum is not present or if there are not sufficient votes for the approval of the Merger Agreement proposal, Pentair expects that the Pentair special meeting will be adjourned to solicit additional proxies, subject to approval of the meeting adjournment proposal by the affirmative vote of the holders of a majority of the Pentair common shares present in person or represented by proxy at the Pentair special meeting. At any subsequent reconvening of the Pentair special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Pentair special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

Required Vote

You may vote FOR or AGAINST, or you may abstain from voting on each of the proposals.

Completion of the Transactions requires the approval of the Merger Agreement proposal by Pentair shareholders. Pentair's Restated Articles of Incorporation provide that an agreement for a merger with another corporation may be authorized by the vote of the shareholders entitled to exercise at least two-thirds of the shares entitled to vote unless the vote required is reduced by the Pentair board of directors. In accordance with the Restated Articles of Incorporation, the Pentair board of directors approved reducing the vote required to approve the Merger Agreement proposal to a majority of the Pentair common shares entitled to vote. Accordingly, in accordance with the Minnesota Business Corporation Act and Pentair's governing documents, the approval by Pentair shareholders of the Merger Agreement proposal requires the affirmative vote of the holders of a majority of the voting power of all Pentair common shares entitled to vote at the special meeting. Therefore, if you abstain or if you fail to vote, it will have the same effect as a vote AGAINST the Merger Agreement proposal.

The approval of the compensation proposal requires the affirmative vote of the holders of a majority of the Pentair common shares present or represented by proxy at the special meeting, provided a quorum is present. Therefore, if you abstain, it will have the same effect as a vote AGAINST the adoption of the meeting adjournment proposal and if you fail to vote, it will have no effect on the outcome of the proposal.

The approval of the meeting adjournment proposal requires the affirmative vote of the holders of a majority of the Pentair common shares present or represented by proxy at the special meeting, whether or not a quorum is present. Therefore, if you abstain, it will have the same effect as a vote AGAINST the adoption of the meeting adjournment proposal and if you fail to vote, it will have no effect on the outcome of the proposal.

Voting by Proxy

If you were a record holder of Pentair common shares at the close of business on the record date of the special meeting, a proxy card is enclosed for your use. Pentair requests that you submit your proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the proxy card, (ii) calling the toll-free number listed on the proxy card or (iii) submitting your proxy card by mail by using the provided self-addressed, stamped envelope. Information and applicable deadlines for voting through the internet or by telephone are set forth on the enclosed proxy card. When the accompanying proxy is returned properly executed, the Pentair common shares represented by it will be voted at the special meeting or any adjournment or postponement thereof in accordance with the instructions contained in the proxy card. Your internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you had marked, signed and returned a proxy card.

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If a proxy is returned without an indication as to how the Pentair common shares represented are to be voted with regard to a particular proposal, the Pentair common shares represented by the proxy will be voted in accordance with the recommendation of the Pentair board of directors and, therefore, FOR the Merger Agreement proposal, FOR the compensation proposal and FOR the meeting adjournment proposal.

At the date hereof, the Pentair board of directors has no knowledge of any business that will be presented for consideration at the special meeting and that would be required to be set forth in this proxy statement/prospectus or the related proxy card other than the matters set forth in the Notice of Special Meeting of Shareholders. If any other matter is properly presented at the special meeting for consideration, it is intended that the persons named in the enclosed form of proxy and acting thereunder will vote in accordance with their best judgment on such matter.

If your broker, bank or other nominee holds your Pentair common shares in street name, you must either direct your nominee on how to vote your shares or obtain a proxy from your nominee to vote in person at the special meeting. Please check the voting form used by your nominee for information on how to submit your instructions to them.

Your vote is important. Accordingly, if you were a record holder of Pentair common shares on the record date of the special meeting, please sign and return the enclosed proxy card or vote via the internet or telephone whether or not you plan to attend the special meeting in person. Proxies submitted through the specified internet website or by phone must be received by 11:59 p.m. on September 13, 2012.

Revocation of Proxies

If you are the record holder of Pentair common shares, you can change your vote or revoke your proxy at any time before your proxy is voted at the special meeting. You can do this by:

timely delivering a signed written notice of revocation; or

timely delivering a new, valid proxy bearing a later date (including by telephone or through the internet).

A registered shareholder may revoke a proxy by either of these methods, regardless of the method used to deliver the shareholder's previous proxy.

Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows:

Pentair, Inc.

5500 Wayzata Boulevard, Suite 800

Minneapolis, Minnesota 55416-1259

Attention: Secretary

(763) 545-1730

If your shares are held in street name through a broker, bank or other nominee, you may change your vote by submitting new voting instructions to your broker, bank or nominee in accordance with its established procedures. If your shares are held in the name of a broker, bank or other nominee and you decide to attend the special meeting and vote in person, your vote in person at the special meeting will not be effective unless you have obtained and present an executed proxy issued in your name from the record holder (your broker, bank or nominee).

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Voting by Pentair Directors and Executive Officers

At the close of business on the record date of the special meeting, Pentair directors and executive officers and their affiliates were entitled to vote 804,348 Pentair common shares or approximately 1% of the Pentair common shares outstanding on that date. Pentair currently expects that its directors and executive officers and their affiliates will vote their shares in favor of all proposals, but none of them has entered into any agreement obligating him or her to do so.

Solicitation of Proxies

Pentair is soliciting proxies for the special meeting and will bear all expenses in connection with solicitation of proxies, except that expenses incurred in connection with the printing of this proxy statement/prospectus will be shared equally by Pentair and Tyco. Pentair has retained Morrow & Co., LLC, a proxy solicitation firm, to solicit proxies in connection with the special meeting at a cost of approximately \$15,000 plus expenses. Upon request, Pentair will pay banks, brokers, nominees, fiduciaries or other custodians their reasonable expenses for sending proxy material to, and obtaining instructions from, persons for whom they hold shares. Pentair expects to solicit proxies primarily by mail, but directors, officers and other employees of Pentair may also solicit in person or by internet, telephone or mail.

Other Matters

As of the date of this proxy statement/prospectus, the Pentair board of directors knows of no other matters that will be presented for consideration at the special meeting other than as described in this proxy statement/prospectus. If any other matters properly come before the special meeting of Pentair shareholders, or any adjournments of the special meeting are proposed and are properly voted upon, the enclosed proxies will give the individuals that Pentair shareholders name as proxies discretionary authority to vote the shares represented by these proxies as to any of these matters; provided, however, that those individuals will only exercise this discretionary authority with respect to matters that were unknown a reasonable time before the solicitation of proxies.

Proxy Solicitor

Pentair shareholders who need assistance in voting their shares or need a copy of this proxy statement/prospectus should contact:

Morrow & Co., LLC

470 West Avenue

Stamford, Connecticut 06902

Toll-free: (800) 267-0201

International: (203) 658-9400

Transfer Agent

Pentair shareholders should contact the transfer agent, at the phone number or address listed below, if they have questions concerning transfer of ownership or other matters pertaining to their stock accounts.

Wells Fargo Bank, N.A.

PO Box 64858

St. Paul, Minnesota 55164-0858

Toll-free: (877) 536-3554

International: (651) 450-4064

Table of Contents**THE TRANSACTIONS****Structure of the Spin-Off and the Merger**

Tyco and Pentair have agreed pursuant to the Merger Agreement to merge the Tyco Flow Control Business with Pentair. Prior to consummating the Merger and pursuant to the Separation and Distribution Agreement, Tyco will transfer the Tyco Flow Control Business to New Pentair, rename New Pentair Pentair Ltd. and subsequently distribute all of the outstanding New Pentair common shares to Tyco shareholders on a pro rata basis in the Distribution. Immediately following the Distribution, Tyco, New Pentair, Panthro Acquisition, Panthro Merger Sub and Pentair will consummate the Merger upon the terms and subject to the conditions of the Merger Agreement. New Pentair's wholly owned, indirect subsidiary, Panthro Merger Sub, will merge with and into Pentair and Pentair will survive the Merger as a wholly owned, indirect subsidiary of New Pentair. As consideration for the Merger, shareholders of Pentair will receive one newly issued common share of New Pentair for each Pentair common share that they hold at the time of the Merger. Immediately after consummation of the Merger, on a fully-diluted basis, approximately 47.5% of New Pentair common shares will be held by former Pentair shareholders and approximately 52.5% of New Pentair common shares will be held by Tyco shareholders (excluding treasury shares). After the Transactions, New Pentair will be an independent, publicly-traded company that operates Pentair and the Tyco Flow Control Business.

Shareholders are encouraged to read carefully the sections titled The Merger Agreement and The Separation and Distribution Agreement and the Ancillary Agreements as well as the Merger Agreement and the Separation and Distribution Agreement, which are attached to this proxy statement/prospectus and incorporated herein by reference, because they set forth the terms of the Merger and the Distribution, respectively.

Transaction Timeline

Below is a step-by-step list illustrating the sequence of material events relating to the Spin-off and the Merger. Each of these events is discussed in more detail elsewhere in this proxy statement/prospectus. Except as further described below, it is anticipated that the steps will occur in the following order:

Step 1 Tyco will engage in a series of restructuring transactions to separate the Tyco Flow Control Business from Tyco in the manner contemplated by the Separation and Distribution Agreement and transfer the assets and liabilities comprising the Tyco Flow Control Business, with certain specifically scheduled exceptions, to New Pentair.

Step 2 A subsidiary of New Pentair will issue an intercompany note to a subsidiary of Tyco in an amount not to exceed \$500 million, which will be repaid at the closing of the Merger with proceeds to New Pentair from a third party financing upon terms negotiated by Pentair. After accounting for the issuance of the intercompany note, the payment of transaction expenses and transfer of any excess cash to Tyco, but not taking into account any third party financing, New Pentair will have a net indebtedness immediately prior to the Distribution of \$275 million.

Step 3 Tyco will receive an audit report of Deloitte AG (Zürich), as state supervised auditing enterprise, stating that the Distribution and the ordinary cash dividend to Tyco shareholders proposed in the Tyco Proxy Statement comply with Swiss law and Tyco's Articles of Association.

Step 4 Tyco, in its capacity as the sole shareholder of New Pentair will resolve to increase the share capital of New Pentair by a conversion of freely available equity into nominal share capital and authorize the issuance of New Pentair common shares in a number permitting a one-to-one share exchange with the outstanding Pentair common shares on a fully-diluted basis. Such newly issued shares will be held in treasury by New Pentair pending delivery to the former Pentair shareholders following the Merger.

Step 5 New Pentair's Articles of Association and organizational regulations will be amended in substantially the forms attached to this proxy statement/prospectus as Annex F and Annex G, respectively. New

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Pentair's name will be changed to Pentair Ltd. and the company will have a board of directors comprised of the board of directors of Pentair as of the date of mailing of the Tyco Proxy Statement and up to two persons selected by Tyco and reasonably acceptable to Pentair. Tyco has selected only one designee to the New Pentair board of directors.

Step 6 Tyco will then spin off New Pentair by distributing all of the outstanding common shares of New Pentair, and cash in lieu of fractional shares, to the Tyco shareholders on a pro rata basis as determined by a distribution formula.

Step 7 Panthro Merger Sub, a wholly owned, indirect subsidiary of New Pentair, will merge with and into Pentair and Pentair will cease to be a publicly-traded company. Each outstanding Pentair common share will be converted into the right to receive one New Pentair common share and all converted Pentair common shares will be canceled. As a result, former Pentair shareholders will own approximately 47.5% of New Pentair common shares and Tyco shareholders will own approximately 52.5% of New Pentair common shares on a fully-diluted basis (excluding treasury shares) immediately following the Merger.

The Spin-off

Pursuant to the Separation and Distribution Agreement and certain provisions of the Merger Agreement, Tyco will, among other things, (i) engage in an internal restructuring whereby it will transfer to New Pentair certain assets related to the Tyco Flow Control Business, and New Pentair will assume from Tyco certain liabilities associated with the Tyco Flow Control Business, (ii) increase the share capital of New Pentair by a conversion of freely available equity into nominal share capital and authorize the issuance of New Pentair common shares in a number permitting a one-to-one share exchange with the outstanding Pentair common shares, (iii) prior to the Merger, rename New Pentair Pentair Ltd. and (iv) distribute to eligible holders of Tyco common shares all of the outstanding common shares of New Pentair through a pro-rata dividend. After the Distribution, Tyco will not own any shares of New Pentair.

Prior to the Distribution, a subsidiary of New Pentair will issue an intercompany note to a subsidiary of Tyco in an amount not to exceed \$500 million, which will be repaid at the closing of the Merger with proceeds to New Pentair from a third party financing upon terms negotiated by Pentair. In the event that third party financing is not available on acceptable terms, instead of a subsidiary of New Pentair issuing to a subsidiary of Tyco the intercompany note that would be repaid at the closing of the Merger, a subsidiary of New Pentair will issue a one year unsecured bridge note for up to \$500 million to a subsidiary Tyco that will bear interest at a rate of 14.0% and be prepayable at any time. After accounting for the issuance of either the intercompany note or the bridge note, the payment of transaction expenses and transfer of any excess cash to Tyco, but not taking into account any third party financing, New Pentair will have a net indebtedness immediately prior to the Distribution of \$275 million.

The Merger

Pursuant to the Merger Agreement, immediately after the Distribution, Panthro Merger Sub will merge with and into Pentair. Pentair will survive the Merger as a wholly owned, direct subsidiary of Panthro Acquisition and an indirect subsidiary of New Pentair, and will cease to be a publicly-traded company. Upon effectiveness of the Merger, each outstanding Pentair common share will be converted into the right to receive one newly issued common share of New Pentair and all converted Pentair common shares will be canceled. New Pentair will be a publicly-traded company organized under the laws of Switzerland. It is expected that New Pentair's shares will be listed for trading on the NYSE under the symbol PNR, which is currently the trading symbol for Pentair.

Calculation of the Distribution Ratio and the Exchange Ratio

Pursuant to the Separation and Distribution Agreement, Tyco will effect the Distribution by distributing all outstanding New Pentair common shares it holds as the sole shareholder of New Pentair at the time of the Distribution to Tyco shareholders on a pro rata basis to holders of Tyco common shares. Holders of Tyco common shares as of the record date of the Distribution will receive a number of New Pentair common shares

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equal to the quotient of (i) the product of (x) the number of Pentair common shares outstanding (determined on a fully-diluted basis calculated in accordance with the treasury method under U.S. GAAP without taking into account tax consequences to any party or any applicable vesting provisions) as of 12:01 a.m. Eastern Standard Time on the distribution date, multiplied by (y) 1.10526316 divided by (ii) the number of Tyco common shares outstanding (determined on a fully-diluted basis calculated in accordance with the treasury method under U.S. GAAP without taking into account tax consequences to any party or any applicable vesting provisions) immediately prior to 12:01 a.m. Eastern Standard Time on the distribution date (the distribution ratio).

Based on the number of fully-diluted Pentair and Tyco shares outstanding as of June 30, 2012, it is expected that the distribution ratio will be approximately 0.24 New Pentair common shares per each Tyco common share. However, this amount will be finally determined at the effective time of the Distribution based on the number of Pentair common shares and the number of Tyco common shares outstanding immediately prior to the Distribution that are entitled to receive New Pentair common shares in the Distribution. Therefore, the actual number of New Pentair common shares that Tyco shareholders are entitled to receive will change if the number of Tyco common shares outstanding or Pentair common shares outstanding at those times changes because of any increase or decrease in share amounts for any reason. There is no maximum or minimum number of shares that will be issued. The number calculated above is not expected to change significantly because (1) Pentair currently has no plans to issue any of its common shares prior to the effective time of the Merger other than pursuant to previous grants of equity incentive awards or pursuant to the exercise of employee stock options and stock settled stock appreciation rights, in each case, in the ordinary course of business and (2) Tyco currently has no plans to issue any of its common shares prior to the effective time of the Merger other than pursuant to previous grants of equity incentive awards or pursuant to the exercise of employee stock options and stock settled stock appreciation rights, in each case, in the ordinary course of business.

Immediately after the Distribution, pursuant to the Merger Agreement, the Merger will occur. The Merger Agreement provides that, at the effective time of the Merger, each outstanding Pentair common share will be converted into the right to receive one newly issued common share of New Pentair (the exchange ratio). On this one-to-one basis and based on the number of outstanding Pentair common shares on June 30, 2012, it is presently estimated that Pentair shareholders will be entitled to receive approximately 99,205,000 New Pentair common shares in the Merger.

Immediately following the consummation of the Distribution and the Merger and the application of the distribution ratio and the exchange ratio, former Pentair shareholders will own approximately 47.5% of New Pentair common shares and Tyco shareholders will own approximately 52.5% of New Pentair common shares on a fully-diluted basis (excluding treasury shares).

Trading Markets*Pentair Common Shares*

At the Effective Time, each Pentair common share outstanding will be converted into the right to receive one newly issued common share of New Pentair. Upon the conversion, all converted Pentair common shares will automatically be canceled and cease to exist and will no longer be listed for trading on the NYSE.

New Pentair Common Shares

Following the Merger, former Pentair shareholders will hold approximately 47.5% of New Pentair common shares and Tyco shareholders as of the record date of the Distribution and their transferees will hold approximately 52.5% of New Pentair common shares on a fully-diluted basis (excluding treasury shares). It is intended that New Pentair common shares will be listed on the NYSE under the symbol PNR, which is Pentair's current trading symbol.

Neither Pentair nor New Pentair can make assurances as to the trading price of New Pentair common shares after the Transactions, or as to whether the trading price of New Pentair's common shares will be less than, equal

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to or greater than the trading prices of Pentair common shares prior to the Transactions. The trading price of New Pentair common shares may fluctuate significantly following the Transactions. See **Risk Factors**. There is currently no public market for New Pentair common shares and New Pentair cannot be certain that an active trading market will develop or be sustained after the Spin-off and the Merger, and following the Spin-off and the Merger New Pentair's share price may fluctuate significantly for more detail.

Background of the Merger

The board of directors and senior management of Pentair regularly review and evaluate a variety of potential strategic alternatives relating to Pentair and its business, including possible acquisitions, divestitures and business combination transactions, with the goal of enhancing shareholder value. Such possible acquisitions have included those in the valves and controls and thermal space that would be attractive to Pentair's growth strategy. The senior management of Pentair also meets from time to time with investment banking firms covering Pentair's industry to discuss such potential strategic alternatives.

Tyco regularly reviews and evaluates the various businesses that Tyco conducts and the fit that these businesses have within its overall business and growth strategies to help ensure that Tyco's resources are being put to use in a manner that is in the best interests of Tyco and its shareholders.

On May 12, 2011, in the course of a meeting with Pentair management, representatives of Deutsche Bank Securities, Inc., or Deutsche Bank, discussed various potential acquisition possibilities, including the concept of potentially combining Pentair and the Tyco Flow Control Business through the use of a reverse Morris Trust structure. A reverse Morris Trust acquisition structure allows a parent company (here, Tyco) to divest a subsidiary (here, New Pentair) in a tax-efficient manner. The first step of such a transaction is the tax-free distribution (a spin-off) of the subsidiary stock to the parent company shareholders under Section 355 of the Code. The distributed subsidiary then merges with the acquiring third party (here, Pentair) in a tax-free reorganization under Section 368 of the Code. Such a transaction can qualify as tax-free for U.S. federal income tax purposes for the parent company, its shareholders and the acquiring third party's shareholders if the transaction structure meets all applicable requirements, including that the parent company shareholders own more than 50% ownership of the stock of the combined entity immediately after the merger. On August 8, 2011, representatives of Deutsche Bank again discussed with Pentair management the concept of a potential combination of Pentair and the Tyco Flow Control Business in the course of a meeting to review various potential acquisition transactions.

In 2011, in connection with Tyco's continued review of its businesses and strategy, Tyco's board of directors and senior management raised the possibility of separating its residential security business and commercial security business, as well as its flow control business into independent, publicly-traded companies. Following a thorough review of strategic alternatives for each of the businesses by Tyco's board of directors held during a number of meetings in mid-2011, with the assistance of Tyco senior management and its external advisors, in September 2011, Tyco's board of directors approved the pursuit of the separation of each of the Tyco residential and small business security business in the United States and Canada and flow control business by means of a distribution to Tyco shareholders, subject to approval of the separation by Tyco shareholders. On September 19, 2011, Tyco issued a press release announcing that its board of directors had approved the plan to separate these businesses into independent, publicly-traded companies.

On September 19, 2011, representatives of Deutsche Bank contacted Pentair management by telephone to discuss Tyco's announcement and the implications for a potential combination of Pentair and the Tyco Flow Control Business.

On September 21, 2011, Randall J. Hogan, Chairman and Chief Executive Officer of Pentair, contacted Christopher J. Coughlin, former Executive Vice President and Chief Financial Officer and an advisor to Tyco, to discuss Pentair's potential interest in a business combination with the Tyco Flow Control Business. Mr. Coughlin

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informed Mr. Hogan that the Tyco Flow Control Business was not for sale and that Tyco was committed to proceeding with its announced separation of the Tyco Flow Control Business.

On September 21, 2011, Pentair retained Foley & Lardner LLP, or Foley, to act as a legal advisor.

On September 29, 2011, at a regularly scheduled meeting of the Pentair board of directors, the management of Pentair provided an update on potential merger and acquisition activity, including a detailed review of Tyco's September 19, 2011 announcement, the Tyco Flow Control Business and a potential combination of Pentair and the Tyco Flow Control Business through the use of a reverse Morris Trust structure. After discussing the potential benefits and potential risks of a combination of the Pentair business and the Tyco Flow Control Business, the Pentair board of directors authorized management to evaluate and pursue discussions with Tyco regarding a potential combination with the Tyco Flow Control Business.

In November 2011, Mr. Hogan and Mr. Coughlin again discussed Pentair's potential interest in a business combination with the Tyco Flow Control Business through the use of a reverse Morris Trust structure. Mr. Coughlin again informed Mr. Hogan that the Tyco Flow Control Business was not for sale and that Tyco was committed to proceeding with its announced separation of the Tyco Flow Control Business.

Similarly in December 2011, Mr. Hogan and Timothy M. Donahue, a director of Tyco, discussed Pentair's potential interest in a business combination with the Tyco Flow Control Business through the use of a reverse Morris Trust structure. Mr. Donahue informed Mr. Hogan that the Tyco Flow Control Business was not for sale and that Tyco was committed to proceeding with its announced separation of the Tyco Flow Control Business.

In mid-December 2011, representatives of Deutsche Bank met with Mark Armstrong, Vice President of Mergers & Acquisitions for Tyco, to discuss Tyco's views regarding options for the Tyco Flow Control Business, including a potential reverse Morris Trust transaction with certain potential parties in industries similar or complementary to the Tyco Flow Control Business, including Pentair.

On December 13, 2011, at a regularly scheduled meeting of the Pentair board of directors, the management of Pentair provided an update on potential merger and acquisition activity, including the results of the approach to Tyco regarding a potential combination of Pentair and the Tyco Flow Control Business. The Pentair board discussed Tyco's response to Pentair's proposal.

On January 9, 2012, Mr. Coughlin called Mr. Hogan to discuss Tyco's potential interest in a combination of the Tyco Flow Control Business and Pentair through the use of a reverse Morris Trust structure.

On January 12, 2012, Mr. Hogan and Edward D. Breen, Tyco's Chairman and Chief Executive Officer, discussed by telephone pursuing further discussion regarding a potential combination of the Tyco Flow Control Business and Pentair, including a meeting of their respective management teams.

On January 17, 2012, Pentair and Tyco entered into a mutual confidentiality agreement to permit the parties to exchange due diligence information.

On January 23, 2012, members of Pentair senior management met with members of Tyco senior management to review the Tyco Flow Control Business and the Pentair business, including legal due diligence matters.

On January 27, 2012, the Pentair board of directors held a telephonic meeting at which management presented information regarding the Tyco Flow Control Business, the opportunity to combine Pentair with the Tyco Flow Control Business through the use of a reverse Morris Trust structure and financial considerations associated with such a transaction. After discussing the potential benefits and potential risks of such a transaction, as well as the information on the Tyco Flow Control Business that had been collected by management thus far, the Pentair board of directors authorized management of Pentair to proceed with discussions with Tyco relating to the potential

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combination of Pentair and the Tyco Flow Control Business into New Pentair. The Pentair board of directors also authorized the management of Pentair to propose and negotiate with Tyco the terms of a proposed combination, including a relative valuation of Pentair and the Tyco Flow Control Business, and to engage a financial advisor.

On February 1, 2012, Mr. Hogan met with Mr. Breen and discussed the industrial logic for a combination of Pentair with the Tyco Flow Control Business, including expected positive impacts to Tyco shareholders, such as increased value to Tyco shareholders relative to the anticipated value of the Tyco Flow Control Business on a standalone basis and Tyco shareholders holding a majority of the shares of New Pentair, expected positive impacts to Pentair shareholders, which are discussed below under Pentair Reasons for the Merger, and the potential for operating synergies at New Pentair through corporate cost avoidance, corporate expense reductions and lean initiatives and for tax synergies. Mr. Hogan also reviewed and made a valuation proposal that would result in New Pentair being owned approximately 49.9% by Pentair shareholders and 50.1% by Tyco shareholders and assumed that the Tyco Flow Control Business would at the time of the transaction have \$200 million in net indebtedness.

On February 2, 2012, representatives of Goldman Sachs & Co., or Goldman, financial advisor to Tyco, called representatives of Deutsche Bank, financial advisor to Pentair, to discuss that Tyco expected to provide to Pentair a valuation proposal that would result in New Pentair being owned approximately 43.0% by Pentair shareholders and 57.0% by Tyco shareholders.

On February 3, 2012, Mr. Hogan called Mr. Coughlin to discuss that a valuation proposal that would result in New Pentair being owned approximately 43.0% by Pentair shareholders and 57.0% by Tyco shareholders would not be acceptable to Pentair.

On February 7, 2012, the Pentair board of directors held a telephonic meeting at which management presented to the directors a summary of the industrial logic for a combination of Pentair with the Tyco Flow Control Business, including expected positive impacts to Pentair shareholders, which are discussed below under Pentair Reasons for the Merger, and the potential for operating synergies at New Pentair through corporate cost avoidance, corporate expense reductions and lean initiatives and for tax synergies, as well as a summary of potential risks, and updated the board of directors on the valuation proposals that Mr. Hogan discussed with Tyco representatives on February 1 and February 3, 2012. The Pentair board discussed the information presented and authorized management of Pentair to continue negotiations with Tyco, including to make increased valuation proposals to Tyco.

On February 8, 2012, Mr. Breen and Mr. Hogan discussed by telephone a revised valuation proposal from Pentair that would result in New Pentair being owned approximately 48.75% by Pentair shareholders and 51.25% by Tyco shareholders and assumed that the Tyco Flow Control Business would at the time of the transaction have \$200 million in net indebtedness. On February 8, 2012, Mr. Coughlin and Mr. Hogan also discussed by telephone the revised valuation proposal.

On February 8, 2012, Pentair retained Cravath, Swaine & Moore LLP, or Cravath, to act as an additional legal advisor.

On February 9, 2012, representatives of Goldman called representatives of Deutsche Bank to discuss a revised valuation proposal from Tyco that would result in New Pentair being owned approximately 45.0% by Pentair shareholders and 55.0% by Tyco shareholders, which Mr. Breen then called Mr. Hogan to discuss.

On February 10, 2012, representatives of Deutsche Bank called representatives of Goldman to discuss a revised valuation proposal from Pentair that would result in New Pentair being owned approximately 48.0% by Pentair shareholders and 52.0% by Tyco shareholders and assumed that the Tyco Flow Control Business would at the time of the transaction have \$200 million in net indebtedness. On February 10, 2012, Pentair entered into

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an engagement letter with Deutsche Bank pursuant to which Deutsche Bank would act as Pentair's financial advisor with respect to the Transactions and provide a fairness opinion to the Pentair board of directors with respect to the Transactions.

On February 10, 2012, senior management of Pentair, along with its financial and legal advisors, provided certain members of the Pentair board of directors with a telephonic update and all members of the Pentair board with written materials on the status of valuation negotiations with Tyco and due diligence matters. Members of the Pentair board participating in the telephone update discussed the information presented, including with respect to various due diligence matters, and provided feedback to management regarding making an increased valuation proposal to Tyco.

On February 13, 2012, Mr. Hogan called Mr. Breen to further discuss valuation of the Tyco Flow Control Business and the Pentair business and to propose a process for Pentair to verify certain synergy assumptions and to review certain diligence matters related to the Tyco Flow Control Business.

On February 15, 2012, Mr. Hogan and Mr. Breen discussed by phone a preliminary valuation that would be based on the Tyco Flow Control Business having \$200 million in net indebtedness at the time of the transaction and would result in New Pentair being owned approximately 47.5% by Pentair shareholders and 52.5% by Tyco shareholders. Mr. Hogan and Mr. Breen discussed that New Pentair would incur up to \$500 million of third party indebtedness to achieve such level of net indebtedness, which would permit a portion of the proceeds of the financing to be transferred to Tyco prior to the Distribution. Mr. Hogan and Mr. Breen also discussed the proposed treatment of the Tyco Flow Control Business former Yarway business, and Mr. Hogan expressed Pentair's desire to cap the amount of liabilities for which New Pentair would be responsible with respect to such business. Mr. Breen and Mr. Hogan agreed to discuss these matters with their respective boards of directors.

On February 16, 2012, management of Pentair met with management of Tyco to review potential operating synergies in a combination of Pentair and the Tyco Flow Control Business, the proposed New Pentair structure and certain diligence matters.

On February 17 and 20, 2012, Mr. Hogan and Mr. Breen discussed by telephone certain terms of the Transactions, including a revised proposal regarding the treatment of the Tyco Flow Control Business former Yarway business and Pentair would agree to increase the net indebtedness for the Tyco Flow Control Business to \$275 million. Mr. Breen and Mr. Hogan agreed to discuss these matters with their respective boards of directors.

On February 21, 2012, at a regularly scheduled meeting of the Pentair board of directors, management provided an update on and reviewed the preliminary valuation discussed by Mr. Hogan and Mr. Breen on February 15, 2012, a timetable for the proposed transactions, potential operating and tax synergies, the proposed treatment of the Tyco Flow Control Business former Yarway business discussed by Mr. Hogan and Mr. Breen on February 17 and 20, 2012, other legal due diligence matters and an integration plan for the combination of Pentair and the Tyco Flow Control Business. The Pentair board discussed the matters raised by management and authorized management of Pentair to continue proceeding with the proposed Merger negotiations on the terms described by management, including the valuation that would result in New Pentair being owned approximately 47.5% by Pentair shareholders and 52.5% by Tyco shareholders.

On February 24, 2012, the Tyco board of directors held a telephonic meeting to approve proceeding with discussions with and due diligence regarding Pentair in connection with the potential Merger. Following the meeting, Mr. Breen and Mr. Hogan discussed by telephone the outcome of the meeting of the Tyco board of directors.

On February 24, 2012, Tyco and Pentair began to exchange business, accounting, tax and legal due diligence documents and information relating to the Tyco Flow Control Business and Pentair through electronic data rooms, as well as telephone discussions and in-person meetings. Both parties and their advisors conducted due diligence through March 27, 2012.

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On February 28, 2012, Mr. Hogan, with the consent of the Tyco board, met with Michael E. Daniels, Brian Duperreault, Bruce S. Gordon and R. David Yost, each a director of Tyco, to discuss the industrial logic for a combination of Pentair with the Tyco Flow Control Business, including expected positive impacts to Tyco shareholders discussed above, the potential for operating and tax synergies at New Pentair and the valuation proposal that would result in New Pentair being owned approximately 47.5% by Pentair shareholders and 52.5% by Tyco shareholders. Mr. Breen participated in this discussion by telephone.

On February 28, 2012, senior management of Pentair, along with its financial and legal advisors, provided members of the Pentair board of directors with a telephonic update on the status of negotiations with Tyco and due diligence matters.

On February 29, 2012, Mr. Hogan, with the consent of the Tyco board, called Mr. Raj Gupta, a Tyco director, to discuss the industrial logic for a combination of Pentair with the Tyco Flow Control Business, including expected positive impacts to Tyco shareholders discussed above, the potential for operating and tax synergies at New Pentair and the valuation proposal that would result in New Pentair being owned approximately 47.5% by Pentair shareholders and 52.5% by Tyco shareholders. That same day, Tyco's legal advisors delivered to Pentair's legal advisors an initial draft of the Merger Agreement.

On March 1, 2012, members of Pentair senior management met with senior management of Tyco and management of the Tyco Flow Control Business to review the operations of the Tyco Flow Control Business, operating synergies in a combination of Pentair and the Tyco Flow Control Business and certain diligence matters relating to the Tyco Flow Control Business and Pentair.

On March 2, 2012, Pentair retained Faegre Baker Daniels LLP, or Faegre, to act as special counsel to the board of directors of Pentair with respect to fiduciary duty matters and to advise Pentair with respect to Minnesota law matters.

On March 2, 2012, senior management of Pentair, along with Pentair's financial and legal advisors, provided members of the Pentair board of directors with a telephonic update on the status of negotiations with Tyco and legal and financial due diligence matters. During the update call, Cravath and Faegre discussed the board of directors' fiduciary duties in considering the proposed Transactions and Cravath discussed previous communications with Tyco's counsel and the documentation that would be negotiated. Deutsche Bank provided preliminary views on the proposed Transactions. Additionally, synergies were discussed along with business performance at each company. Members of the board of directors discussed the information provided by Pentair's management and its advisors, as well as means to ensure retention of key Pentair employees.

On March 2, 2012, Tyco's legal advisors delivered to Pentair's legal advisors an initial draft of the Separation and Distribution Agreement. The draft Separation and Distribution Agreement reflected a post-closing adjustment to the extent that net indebtedness of New Pentair is less than or greater than \$275 million as of the close of business on the day prior to the Distribution, but did not contain a post-closing adjustment based on the working capital of New Pentair.

On March 5, 2012, the compensation committee of the board of directors of Pentair held a telephonic meeting at which a representative of Cravath made a presentation outlining the effect of the potential Merger on Pentair compensation arrangements. The committee discussed retention of key employees and authorized certain committee members to initiate discussions with the executive officers with respect to their waiver of certain rights under change of control agreements.

During the week of March 5, 2012, the parties exchanged comments on the draft Merger Agreement and Tyco's legal advisors distributed to Pentair's legal advisors an initial draft of the 2012 Tax Sharing Agreement. The draft of the 2012 Tax Sharing Agreement provided that Tyco will be responsible for the first \$500 million of Shared Tax Liabilities, New Pentair and ADT will share 42% and 58%, respectively, of the next \$225 million of Shared Tax Liabilities and New Pentair, ADT and Tyco will share 20%, 27.5% and 52.5%, respectively, of Shared Tax Liabilities above \$725 million.

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On March 8, 2012, senior management of Pentair, along with its financial and legal advisors, provided members of the Pentair board of directors with a telephonic update on the status of negotiations with Tyco and due diligence matters and a preliminary acquisition analysis. The Pentair board discussed the information presented, provided management with feedback on the negotiations and due diligence and received a report on the compensation committee meeting held on March 5, 2012.

On March 13, 2012, the compensation committee of the board of directors of Pentair held a telephonic meeting at which the committee's independent compensation consultant reviewed the terms of proposed waivers by executive officers of certain of their rights under change in control agreements that would be triggered by the potential Transaction and a retention program for such executive officers involving grants of restricted stock units. The committee authorized certain committee members to continue discussions with the executive officers regarding the proposed waivers on the terms discussed.

On March 13, 2012, Pentair's legal advisors delivered revised drafts of the Merger Agreement and Separation and Distribution Agreement to Tyco's legal counsel. Pentair proposed in the revised draft of the Separation and Distribution Agreement the concept of a post-closing working capital adjustment based on the amount of New Pentair working capital as of the close of business on the day prior to the Distribution with the working capital target to be discussed between the parties.

On March 13, 2012, Pentair engaged Greenhill & Co., LLC, or Greenhill, to provide to the Pentair board of directors a second fairness opinion with respect to the Merger.

On March 14, 2012, senior management of Pentair, along with its financial and legal advisors, provided members of the Pentair board of directors with a telephonic update on the status of negotiations with Tyco and due diligence matters. The board discussed the status of negotiations and due diligence.

On March 15, 2012, Mr. Hogan and Mr. Breen discussed by telephone the status of the negotiations for the proposed Transactions, a timetable for the Transactions and various governance matters for New Pentair.

During the week of March 19, 2012, the parties exchanged comments on the draft Merger Agreement, the draft Separation and Distribution Agreement, the draft 2012 Tax Sharing Agreement and the other draft Ancillary Agreements. A revised draft Separation and Distribution Agreement from Tyco accepted the concept of a post-closing working capital adjustment, but proposed that the adjustment apply only if the amount of New Pentair working capital was outside of a specified range with the range to be discussed between the parties. The parties discussed and agreed on a working capital target of \$798 million for New Pentair as of the close of business on the day prior to the Distribution, which was based on the working capital of the Tyco Flow Control Business as of September 30, 2011, with the post-closing adjustment applying only if the working capital of New Pentair as of the close of business on the day prior to the Distribution was \$125 million more or less than the working capital target. In addition, representatives of Pentair and Tyco engaged in discussions regarding Tyco's rationale for its proposed allocation of Shared Tax Liabilities under the draft 2012 Tax Sharing Agreement. At the conclusion of these discussions, representatives of Pentair advised representatives of Tyco that Pentair would accept Tyco's proposed allocation of Shared Tax Liabilities under the draft 2012 Tax Sharing Agreement subject to due diligence of Tyco's tax information. Due diligence of Tyco's tax information occurred at meetings of the Tyco and Pentair tax teams and their respective advisors on March 22 and 23, 2012.

On March 21, 2012, Mr. Hogan and Mr. Breen discussed by telephone the status of the negotiations on the draft transaction agreements and discussed a possible composition of the board of directors of New Pentair that would consist of the current Pentair directors and up to two new directors selected by Tyco and reasonably acceptable to Pentair.

On March 25, 2012, the Pentair board of directors held a telephonic meeting at which representatives of Cravath and Deutsche Bank provided an update on the progress of the negotiations with Tyco, including the

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principal remaining open issues, and a representative of management provided an update on the status of tax and financial due diligence and the negotiations relating to shared responsibility for Shared Tax Liabilities. The Pentair board of directors discussed and provided management with feedback on the status of due diligence and the negotiations with Tyco. The Pentair board also established a Business Combination Act Committee of the board of directors, consisting of all Pentair directors other than Mr. Hogan, to determine whether to approve the proposed Merger for purposes of Section 302A.673 of the Minnesota Statutes (the Minnesota Business Combination Act).

On March 26, 2012, the compensation committee of the board of directors of Pentair held a telephonic meeting at which a representative of Cravath reviewed the final terms of the proposed waivers by executive officers of certain of their rights under change in control agreements and the proposed grants of restricted stock units to such executive officers for retention purposes and a representative of Foley provided an overview of estimated payments and benefits in connection with the potential Merger, after which the committee approved such waivers and grants of restricted stock units.

On March 26, 2012, the parties and certain of their advisors met in person and thereafter through the evening of March 27, 2012 by telephone to negotiate remaining open issues in the proposed Merger Agreement, the Separation and Distribution Agreement, the 2012 Tax Sharing Agreement and the Ancillary Agreements.

In the morning of March 27, 2012, the Tyco board of directors held a telephonic meeting to approve the Merger Agreement and the Separation and Distribution Agreement.

In the afternoon of March 27, 2012, the Pentair board of directors met to review and discuss various matters in connection with the possible Merger. The Pentair board had been provided a set of meeting materials in advance of the meeting, including a summary of the proposed Merger Agreement, Separation and Distribution Agreement and 2012 Tax Sharing Agreement, a copy of the current drafts of such agreements, financial analyses prepared by each of Deutsche Bank and Greenhill, a summary of the effect of the potential Merger on Pentair compensation arrangements, the final terms of the proposed waivers by Pentair's executive officers of certain of their rights under change in control agreements and proposed grants of restricted stock units to such executive officers, and a set of draft board resolutions. Representatives of Pentair's senior management and legal and financial advisors also participated in the meeting. Representatives of Cravath and Faegre reviewed the board's fiduciary duties in connection with its evaluation of the proposed Transactions. Representatives of Deutsche Bank presented a detailed analysis of the transaction contemplated by the Merger Agreement and the Separation and Distribution Agreement, including a summary of the structure of the proposed Transaction as well as related governance, debt and tax considerations. Deutsche Bank then presented a detailed financial analysis and its oral opinion, which opinion was subsequently confirmed in writing, that, as of March 27, 2012 and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, from a financial point of view, the exchange ratio pursuant to the Merger Agreement (after giving effect to the distribution ratio pursuant to the Separation and Distribution Agreement) which will result in the diluted New Pentair common shares at the Effective Time being held approximately 47.5% by the former Pentair shareholders and 52.5% by the New Pentair shareholders immediately prior to the Merger (the Exchange Ratio), was fair to the holders of Pentair common shares, other than New Pentair and any subsidiaries of Pentair. Representatives of Greenhill presented a detailed financial analysis of the transactions contemplated by the Merger Agreement and the Separation and Distribution Agreement. Greenhill then presented its oral opinion, which opinion was subsequently confirmed in writing, that, as of March 27, 2012 and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, from a financial point of view, the Exchange Ratio was fair to holders of Pentair common shares, other than New Pentair and any subsidiaries of Pentair.

A representative of management discussed the tax and financial due diligence conducted. Representatives of Foley provided an overview of legal due diligence conducted, including with respect to certain contingent liabilities. Mr. Hogan discussed with the board the integration planning team and John L. Stauch, Executive Vice President and Chief Financial Officer, described internal and external communications plans. Representatives of

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Cravath then provided a detailed summary of the draft Merger Agreement and Separation and Distribution Agreement and related agreements as well as the effect of the potential Merger on Pentair compensation arrangements, the final terms of the proposed waivers by Pentair's executive officers of certain of their rights under change in control agreements, the proposed grants of restricted stock units to such executive officers for retention purposes and an overview of estimated payments and benefits to such executive officers in connection with the potential Merger. Following extensive discussion by the directors of various factors supporting the Merger, as well as certain countervailing factors, the Pentair board recessed and the Business Combination Act Committee of the board of directors, acting pursuant to the Minnesota Business Combination Act, approved, and recommended that the Pentair board and Pentair shareholders approve, the Merger Agreement and the Merger. The Pentair board then reconvened and unanimously approved and authorized the execution, delivery and performance of the Merger Agreement and the transactions contemplated thereby and unanimously recommended that Pentair shareholders approve the Merger Agreement and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby.

In the evening of March 27, 2012, the appropriate parties entered into the Merger Agreement and the Separation and Distribution Agreement.

On March 28, 2012, before the opening of trading on the NYSE, Pentair and Tyco issued a joint press release announcing the Transactions and held a joint conference call for investors.

Pentair Reasons for the Merger

In reaching its decision to unanimously approve the Merger Agreement and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby, the Pentair board of directors consulted with members of Pentair's management as well as with its financial and legal advisors and carefully considered the following material factors:

the expectation that the combination of Pentair with the three complementary operating segments of the Tyco Flow Control Business, including the combination of the Technical Products segment of Pentair with the Thermal Controls segment of the Tyco Flow Control Business, will create a leading industrial company with strong filtration, flow and valve platforms that is well-positioned compared to best-in-class flow control peers;

the potential cost savings resulting from the Transactions, including the potential achievement of operational synergies described under the caption "Certain Forecasts" and annual tax synergies of \$50 million;

the potential for New Pentair to achieve meaningful revenue synergies by enhancing cross-selling opportunities between the Pentair business and the Tyco Flow Control Business;

the increased market capitalization of New Pentair after the Transactions, which may generate increased visibility in the capital markets;

the increased size and economies of scale of New Pentair, which are expected to enhance relationships with suppliers;

the ability to leverage the Pentair Integrated Management System, which consists of strategy deployment, lean enterprise and rapid growth process, across a larger enterprise;

the Merger is intended to be a tax-free reorganization for U.S. federal income tax purposes and, accordingly, would not be taxable to either Pentair or its shareholders (except for any U.S. shareholder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS);

the expectation that New Pentair after the Transactions will have more exposure to attractive developed and fast growth regions;

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the more robust portfolio of complementary products and customer solutions that New Pentair would provide;

the expectation that the Transactions will be accretive to New Pentair's earnings per share by approximately \$0.40 for 2013 and that New Pentair's earnings per share are expected to be greater than \$5.00 per share for 2015;

the broader presence New Pentair will have in key sectors with greater opportunity to capitalize on growth trends in the energy, infrastructure and industrial sectors;

the expected strong balance sheet and cash flow generation of New Pentair and the greater financial flexibility that this strength should provide, including to support growth and return of capital to shareholders through annual dividends initially expected to equal \$0.88 per share and annual stock repurchases initially expected to total \$400 million;

the experienced directors and executive officers of Pentair prior to the closing of the Transactions are expected to be the directors and executive officers of New Pentair immediately following the closing of the Transactions;

the experience and prior success of Pentair's management in integrating large acquisitions into Pentair's existing business;

the anticipation that New Pentair's domicile in Switzerland, a major business center known for its economic and political stability and financial sophistication, will produce important economic and operational benefits for New Pentair that help ensure its continued competitiveness in global markets, including the ability:

to maintain a competitive worldwide effective tax rate and increase the ease of global cash management to support New Pentair's growth;

to centrally locate New Pentair in an area that it believes will support its global growth, particularly in fast growth regions where economies are developing, as New Pentair anticipates approximately 60% of its revenues will come from outside the U.S.; and

to better integrate the Tyco Flow Control Business, which has a substantial European business and has its largest segment, Values & Controls, headquartered in Switzerland.

the opinions of each of Deutsche Bank and Greenhill, dated March 27, 2012, to the Pentair board of directors that the exchange ratio pursuant to the Merger Agreement (after giving effect to the distribution ratio pursuant to the Separation and Distribution Agreement) which will result in the diluted New Pentair common shares at the Effective Time being held approximately 47.5% by the former Pentair shareholders and 52.5% by the New Pentair shareholders immediately prior to the Merger, is fair, from a financial point of view, to the Pentair shareholders as more fully described below under the caption "Opinions of Pentair Financial Advisors".

The Pentair board of directors also considered the following countervailing material factors in its deliberations concerning the Transactions:

the risk that the potential benefits described above sought in the Transactions might not be fully realized or realized within the expected time frame;

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the challenges inherent in the combination of two businesses of the size and complexity of Pentair and the Tyco Flow Control Business, including the possible disruption of Pentair's business that might result from the announcement of the Transactions;

the fact that Pentair shareholders as a group would control less than a majority of New Pentair common shares after the consummation of the Transactions;

the difficulty in separating the operations of the Tyco Flow Control Business from Tyco;

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the restrictions on Pentair's ability to solicit possibly superior transactions and the required payment by Pentair in certain circumstances of termination fees under the Merger Agreement;

the restrictions on the conduct of Pentair's business during the period between the execution of the Merger Agreement and the completion of the Merger;

the fact that, in order to preserve the tax-free treatment of the Transactions, New Pentair would be required to abide by certain restrictions that could reduce its ability to engage in certain future business transactions that might be advantageous;

the risk that the Transactions and subsequent integration may divert management attention and resources away from other strategic opportunities;

the risks associated with the Tyco Flow Control Business operations, including those described in Risk Factors;

New Pentair's assumption from Tyco of certain contingent liabilities of the Tyco Flow Control Business, including tax and asbestos-related liabilities, as described in Risk Factors;

the risks inherent in requesting regulatory approvals from multiple government agencies in multiple jurisdictions, as more fully described under the caption Regulatory Approvals; and

the possibility that the Transactions may not be consummated and the potential adverse consequences if the Transactions are not completed, including substantial costs incurred and potential shareholder and market reaction.

This discussion of the information and factors considered by the Pentair board of directors in reaching its conclusions and recommendation includes the material factors considered by the Pentair board of directors, but is not intended to be exhaustive and may not include all of the factors considered by the Pentair board of directors. In view of the wide variety of factors considered in connection with its evaluation of the Merger and the other transactions contemplated by the Merger Agreement, and the complexity of these matters, the Pentair board of directors did not find it useful and did not attempt to quantify, rank or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the Merger Agreement and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby, and to make its recommendation to Pentair shareholders. Rather, the Pentair board of directors viewed its decisions as being based on the totality of the information presented to it and the factors it considered, including its discussions with, and questioning of, members of Pentair's management and outside legal and financial advisors. In addition, individual members of the Pentair board of directors may have assigned different weights to different factors.

Certain of Pentair's directors and executive officers have financial interests in the Merger that are different from, or in addition to, those of Pentair's shareholders generally. The Pentair board of directors is aware of and considered these potential interests, among other matters, in evaluating the Merger and in making its recommendation to Pentair shareholders. For a discussion of these interests, see Interests of Certain Persons in the Merger Interests of Pentair Directors and Executive Officers in the Merger.

After careful consideration, the Pentair board of directors, on March 27, 2012, unanimously approved and authorized the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby. The Pentair board of directors unanimously recommends to the shareholders of Pentair that the shareholders approve the Merger Agreement proposal, the compensation proposal and the meeting adjournment proposal.

Table of Contents**Certain Forecasts**

Pentair does not as a matter of course make public forecasts as to future performance, earnings or other results beyond the current fiscal year, and Pentair is especially reluctant to disclose forecasts for extended periods due to the unpredictability of the underlying assumptions and estimates. However, in connection with its evaluation of the Merger, Pentair provided to its board of directors and financial advisors non-public, internal financial forecasts regarding Pentair's and the Tyco Flow Control Business's anticipated future operations for 2012 to 2015 (the "Pentair Projections"), which were prepared in March 2012. The non-public, internal financial forecasts for the Tyco Flow Control Business for the years 2012 through 2015 were derived from forecasts for the Tyco Flow Control Business that Tyco prepared and provided to Pentair in connection with Pentair's evaluation of the Merger. The forecasts regarding Pentair and the Tyco Flow Control Business do not include any impact or benefit from the Merger. Pentair has included below a summary of these forecasts to give its shareholders access to certain non-public information that was considered by the Pentair board of directors for purposes of evaluating the Merger and was also provided to Pentair's financial advisors.

	2012	2013	2014	2015
	(in millions)			
Pentair Revenue	\$ 3,743	\$ 4,008	\$ 4,293	\$ 4,598
Tyco Flow Control Business Revenue	\$ 3,988	\$ 4,390	\$ 4,763	\$ 5,072
Pentair EBIT ⁽¹⁾	\$ 456	\$ 513	\$ 577	\$ 644
Tyco Flow Control Business EBIT ⁽¹⁾	\$ 462	\$ 555	\$ 658	\$ 721
Pentair EBITDA ⁽²⁾	\$ 560	\$ 622	\$ 691	\$ 763
Tyco Flow Control Business EBITDA ⁽²⁾	\$ 545	\$ 642	\$ 751	\$ 818

(1) Earnings before interest and taxes, excluding Merger related costs incurred in the first quarter of 2012.

(2) Earnings before interest, taxes, depreciation and amortization, excluding Merger related costs incurred in the first quarter of 2012.

Pentair also estimated the benefits set forth in the table below from the Merger due to operational cost reduction synergies, less incremental integration and corporate costs. Information regarding the uncertainties associated with realizing the synergies is described in "Risk Factors - Risks Related to the Transactions." New Pentair may not realize the anticipated growth opportunities and cost synergies from the Merger.

Pre-Tax Estimated Synergies	2013	2014	2015
	(in millions)		
Direct Sourcing	\$ 4	\$ 12	\$ 20
Indirect Sourcing	22	30	40
Operations/Lean		15	25
Corporate Cost Avoidance	82	84	86
Integration and Corporate Additions	(40)	(40)	(40)
Other Selling, General and Administrative	22	49	69
Total Synergies	\$ 90	\$ 150	\$ 200

The Pentair Projections were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts. This information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on the prospective financial information. Neither Pentair's independent registered public accounting firm nor any other independent accountants have examined, compiled or otherwise applied procedures to the Pentair Projections presented herein or express an opinion or any other form of assurance on them. The reports of Pentair's independent registered public accounting firm included in this proxy statement/prospectus relate to Pentair's historical financial

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information. They do not extend to the prospective financial information and should not be read to do so. The summary of the Pentair Projections is being included in this proxy statement/prospectus because the Pentair Projections were provided by Pentair to Pentair's financial advisors.

The Pentair Projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Pentair's management. Important factors that may affect actual results and cause the Pentair Projections to not be achieved include, but are not limited to, risks and uncertainties relating to Pentair (including its ability to achieve strategic goals, objectives and targets over applicable periods), industry performance, the regulatory environment, general business and economic conditions, foreign exchange rates, commodity pricing and other factors described under Cautionary Statement Concerning Forward-Looking Statements. The Pentair Projections also reflect assumptions as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in the Pentair Projections. Accordingly, there can be no assurance that the Pentair Projections will be realized.

Certain of the prospective financial information set forth herein, including EBIT and EBITDA, may be considered non-U.S. GAAP financial measures. Pentair provided this information to its financial advisors because Pentair believed it could be useful in evaluating, on a prospective basis, Pentair's potential operating performance. Non-U.S. GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP, and non-U.S. GAAP financial measures as used by Pentair may not be comparable to similarly titled amounts used by other companies.

The inclusion of the summary of the Pentair Projections in this proxy statement/prospectus should not be regarded as an indication that any of Pentair, Tyco, New Pentair or their respective affiliates, advisors or representatives considered the Pentair Projections to be predictive of actual future events, and the Pentair Projections should not be relied upon as such. None of Pentair, Tyco, New Pentair or their respective affiliates, advisors, officers, directors, partners or representatives can give you any assurance that actual results will not differ from the Pentair Projections, and none of them undertakes any obligation to update or otherwise revise or reconcile the Pentair Projections to reflect circumstances existing after the date the Pentair Projections were generated or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the projections are shown to be in error. Pentair does not intend to make publicly available any update or other revision to the Pentair Projections. None of Pentair or its respective affiliates, advisors, officers, directors, partners or representatives has made or makes any representation to any Pentair shareholder or other person regarding Pentair's, the Tyco Flow Control Business or New Pentair's ultimate performance compared to the information contained in the Pentair Projections or that forecasted results will be achieved. Pentair has made no representation to Tyco or New Pentair, in the Merger Agreement or otherwise, concerning the Pentair Projections.

Opinions of Pentair Financial Advisors

Opinion of Deutsche Bank

At the March 27, 2012 meeting of the board of directors of Pentair, Deutsche Bank delivered its oral opinion to the board of directors of Pentair, subsequently confirmed in writing as of the same date, to the effect that, as of the date of such opinion, and based upon and subject to the assumptions, limitations, qualifications and conditions described in Deutsche Bank's opinion, the exchange ratio is fair to holders of Pentair common shares (other than New Pentair and any subsidiary of Pentair), from a financial point of view.

The full text of Deutsche Bank's written opinion, dated March 27, 2012, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Deutsche Bank in connection with the opinion, is included in this proxy statement/prospectus as Annex D and is incorporated herein by reference. The summary of Deutsche Bank's opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. Deutsche Bank's

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opinion was addressed to, and for the use and benefit of, the board of directors of Pentair in connection with and for purposes of its evaluation of the Merger. Deutsche Bank's opinion does not constitute a recommendation as to how any holder of Pentair common shares should vote with respect to the Merger. Deutsche Bank's opinion was limited to the fairness, from a financial point of view, of the exchange ratio and does not address any other aspect of the Merger or the Merger Agreement. Deutsche Bank was not asked to, and Deutsche Bank's opinion did not, address the fairness of the Merger, or any consideration received in connection therewith, to the holders of any other class of securities, creditors or other constituencies of Pentair nor did it address the fairness of the contemplated benefits of the Merger. Deutsche Bank expressed no opinion as to the underlying business decision of Pentair to engage in the Merger or the relative merits of the Merger as compared to any alternative transactions or business strategies. Also, Deutsche Bank did not express any view or opinion as to the fairness, financial or otherwise, of the amount, nature or any other aspect of any compensation payable to or to be received by any of the officers, directors or employees of Pentair, or any class of such persons, in connection with the Merger relative to the merger consideration. The financial analysis presented below compares the Tyco Flow Control Business, which will be transferred to New Pentair prior to the Merger pursuant to the Spin-off, and Pentair. Following the Spin-off and the Merger, New Pentair will operate both the business of Pentair and the Tyco Flow Control Business.

In connection with Deutsche Bank's role as financial advisor to Pentair, and in arriving at its opinion, Deutsche Bank, among other things:

reviewed the reported prices and trading activity for Pentair's common shares;

reviewed certain publicly available financial and other information concerning Pentair and the Tyco Flow Control Business;

reviewed the Pentair Projections; for more information on the Pentair Projections, see "Certain Forecasts";

discussed the past and present operations and financial condition and the prospects of Pentair and the Tyco Flow Control Business with senior executives of Pentair;

reviewed certain information regarding the amount and timing of synergies prepared by management of Pentair;

compared certain financial and stock market information for Pentair, Tyco and the Tyco Flow Control Business, where available, with, to the extent publicly available, similar information for certain other companies Deutsche Bank considered relevant whose securities are publicly-traded;

reviewed, to the extent publicly available, the financial terms of certain recent business combinations which Deutsche Bank deemed comparable in whole or in part;

reviewed the terms of the Merger Agreement and certain related documents, including the Separation and Distribution Agreement; and

performed such other studies and analyses and considered such other factors as Deutsche Bank deemed appropriate.

Deutsche Bank did not assume responsibility for independent verification of, and did not independently verify, any information, whether publicly available or furnished to Deutsche Bank, concerning Pentair or the Tyco Flow Control Business, including, without limitation, the Pentair Projections, any financial information considered in connection with the rendering of Deutsche Bank's opinion, information relating to certain contingent tax liabilities or information relating to synergies, including, without limitation, tax benefits of redomiciliation of Pentair after the Merger. Accordingly, for purposes of Deutsche Bank's opinion, Deutsche Bank, with the knowledge and permission of Pentair's board of directors, assumed and relied upon the accuracy and completeness of all such information. Deutsche Bank did not conduct a physical inspection of any of the properties or assets, and did not prepare, obtain or review any independent evaluation or appraisal of any of the

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assets or liabilities (including any contingent, derivative or off-balance-sheet assets or liabilities) of Pentair or the Tyco Flow Control Business or any of their respective subsidiaries, nor did Deutsche Bank evaluate the solvency or fair value of Pentair or the Tyco Flow Control Business under any state, federal, foreign or other law relating to bankruptcy, insolvency or similar matters. With respect to the financial forecasts made available to Deutsche Bank and used in Deutsche Bank's analyses, including the Pentair Projections, Deutsche Bank assumed with the knowledge and permission of Pentair's board of directors that such forecasts have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Pentair as to the matters covered thereby. In rendering Deutsche Bank's opinion, Deutsche Bank expressed no view as to the reasonableness of such forecasts and projections or the assumptions on which they are based. Deutsche Bank's opinion is necessarily based upon economic, market and other conditions as in effect on, and the information made available to Deutsche Bank as of, March 27, 2012. Deutsche Bank expressly disclaimed any undertaking or obligation to advise any person of any change in any fact or matter affecting Deutsche Bank's opinion of which Deutsche Bank becomes aware after March 27, 2012.

For purposes of rendering Deutsche Bank's opinion, Deutsche Bank assumed, with the knowledge and permission of Pentair's board of directors, that, in all respects material to Deutsche Bank's analysis, the Merger will be consummated in accordance with the terms of the Merger Agreement, without any waiver, modification or amendment of any term, condition or agreement that would be material to Deutsche Bank's analysis. Deutsche Bank also assumed, with the knowledge and permission of Pentair's board of directors, that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Merger will be obtained and that, in connection with obtaining any necessary governmental, regulatory or other approvals and consents, no restrictions, terms or conditions will be imposed that would be material to Deutsche Bank's analysis. Deutsche Bank is not a legal, regulatory, tax or accounting expert and relied on the assessments made by Pentair and its other advisors with respect to such issues.

Deutsche Bank's opinion has been approved and authorized for issuance by Deutsche Bank's fairness opinion review committee and is addressed to, and is for the use and benefit of, the board of directors of Pentair in connection with and for the purpose of its evaluation of the Merger. Deutsche Bank's opinion is limited to the fairness, from a financial point of view, of the exchange ratio to the holders of Pentair common shares, other than New Pentair and any subsidiary of Pentair. The opinion does not address any other terms of the Transactions or the Merger Agreement. Deutsche Bank was not asked to, and Deutsche Bank's opinion does not, address the fairness of the Merger, or any consideration received in connection therewith, to the holders of any other class of securities, creditors or other constituencies of Pentair, nor does it address the fairness of the contemplated benefits of the Merger. Deutsche Bank expressed no opinion as to the merits of the underlying decision by Pentair to engage in the Merger or the relative merits of the Merger as compared to any alternative transactions or business strategies. In addition, Deutsche Bank did not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable to or to be received by any of Pentair's officers, directors, or employees of any of the parties to the Merger, or any class of such persons, in connection with the Merger relative to the exchange ratio to be received by the holders of Pentair common shares. Deutsche Bank did not express an opinion, and its opinion did not constitute a recommendation, as to how any holder of Pentair common shares should vote with respect to the Merger. Deutsche Bank's opinion did not in any manner address the prices at which New Pentair common shares or other securities of New Pentair will trade following the announcement or consummation of the Merger.

Deutsche Bank was not requested to, and Deutsche Bank did not, solicit third party indications of interest in the possible acquisition of all or part of Pentair, nor was Deutsche Bank requested to consider, and Deutsche Bank's opinion did not address, the relative merits of the Merger as compared to any alternative transactions or business strategies.

The board of directors of Pentair engaged Deutsche Bank as financial advisor in connection with the Merger based on Deutsche Bank's qualifications, expertise, reputation and experience in mergers and acquisitions. Pursuant to an engagement letter between Pentair and Deutsche Bank, dated February 10, 2012, as it may be

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amended from time to time, Pentair has agreed to pay Deutsche Bank aggregate fees of \$19.5 million, of which \$3.0 million became payable upon the delivery of Deutsche Bank's opinion (or would have become payable upon Deutsche Bank advising Pentair that it was unable to render an opinion) and the remainder of which is contingent upon consummation of the Merger. Pentair has also agreed to reimburse Deutsche Bank for reasonable fees and disbursements of Deutsche Bank's counsel and all of Deutsche Bank's reasonable travel and other out-of-pocket expenses incurred in connection with the Merger or otherwise arising out of the retention of Deutsche Bank under the engagement letter. Pentair has also agreed to indemnify Deutsche Bank and certain related persons to the fullest extent lawful against certain liabilities, including certain liabilities under the federal securities laws arising out of its engagement or the Merger.

Deutsche Bank is an internationally recognized investment banking firm experienced in providing advice in connection with mergers and acquisitions and related transactions. Deutsche Bank is an affiliate of Deutsche Bank AG, which, together with its affiliates, is referred to as the DB Group. One or more members of the DB Group have, from time to time, provided investment banking, commercial banking (including extension of credit) and other financial services to Tyco and New Pentair or their respective affiliates for which they have received, and in the future may receive, compensation, including (i) having served as sole financial advisor to Tyco International in the sale of 51% of its electrical and metal products business to Clayton Dubilier & Rice in 2010 and serving as joint bookrunner on a senior notes offering and co-arranger for an asset based facility in connection therewith, (ii) lender to Tyco of \$47.5 million under a revolving credit facility which closed in 2011 and (iii) provider of certain global transaction banking and global markets services. The aggregate amount of all fees received by DB Group from Tyco (including New Pentair) in the past two years is approximately \$7.9 million. The aggregate amount of all fees received by DB Group from Pentair in the past two years, excluding the fees expected to be received for its services as financial advisor to Pentair in connection with the Transactions and Deutsche Bank's opinion, is approximately \$163,000. DB Group may also provide investment and commercial banking services to Tyco, New Pentair and Pentair in the future, for which the DB Group would expect to receive compensation. In the ordinary course of business, members of the DB Group may actively trade in the securities and other instruments and obligations of Pentair, New Pentair Tyco and their respective affiliates for their own accounts and for the accounts of their customers. Accordingly, the DB Group may at any time hold a long or short position in such securities, instruments and obligations.

Summary of Material Financial Analyses. The following is a summary of the material financial analyses contained in the presentation that was made by Deutsche Bank to the board of directors of Pentair on March 27, 2012 and that were used in connection with rendering their respective opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Deutsche Bank, nor does the order in which the analyses are described represent the relative importance or weight given to the analyses by Deutsche Bank. Some of the summaries of the financial analyses include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering the data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the analysis of Deutsche Bank. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before March 26, 2012, and is not necessarily indicative of current market conditions. Potential synergies and cost savings from the Merger were not taken into consideration in any of Deutsche Bank's analyses, other than its Pro Forma Earnings Accretion/Dilution analysis.

Historical Trading Analysis. Deutsche Bank reviewed the historical trading prices for Pentair common shares for the 52 weeks ending March 26, 2012. The trading range over the 52-week range was between \$30.08 and \$42.25.

Analysts Price Targets. Deutsche Bank reviewed, for reference and informational purposes, share price targets for Pentair common shares reflected in publicly available equity research analyst reports and observed that the per share price targets for Pentair common shares ranged from \$36.00 to \$46.00.

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Contribution Analysis. Deutsche Bank analyzed and compared Pentair's and Tyco's shareholders' respective expected percentage ownership of the combined company to Pentair's and the Tyco Flow Control Business' respective contributions to the combined company based upon revenue, earnings before interest, taxes, depreciation and amortization (EBITDA), and earnings before interest and taxes (EBIT) for each of Pentair and the Tyco Flow Control Business on a stand-alone basis for the years from 2011 through 2015, derived from publicly available information and the Pentair Projections, and adjusted for such party's net debt and minority interest, as applicable. Deutsche Bank noted that the implied equity ownership of Pentair shareholders in the combined company based on the exchange ratio to be issued in the combination represented approximately 47.5%. The relative equity contributions of Pentair and the Tyco Flow Control Business to the combined company's revenues, EBITDA and EBIT are set forth below:

	Debt-Adjusted Contribution to the Combined Company	
	Pentair	The Tyco Flow Control Business
<u>Revenue</u>		
2011 Revenue	41.8%	58.2%
2012E Revenue	42.2%	57.8%
2013E Revenue	41.4%	58.6%
2014E Revenue	41.0%	59.0%
2015E Revenue	41.2%	58.8%
<u>EBITDA</u>		
2011 EBITDA	49.0%	51.0%
2012E EBITDA	44.9%	55.1%
2013E EBITDA	43.2%	56.8%
2014E EBITDA	41.6%	58.4%
2015E EBITDA	42.0%	58.0%
<u>EBIT</u>		
2011 EBIT	47.5%	52.5%
2012E EBIT	43.7%	56.3%
2013E EBIT	41.7%	58.3%
2014E EBIT	40.2%	59.8%
2015E EBIT	40.7%	59.3%

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Analysis of Selected Precedent Transactions. Deutsche Bank reviewed the financial terms, to the extent publicly available, of the following selected completed business combination transactions since March of 2006, involving companies Deutsche Bank deemed comparable in certain business and financial respects. Deutsche Bank calculated various financial multiples based on certain publicly available information for each of the selected transactions. The transactions reviewed were as follows:

Month and Year Announced	Acquiror	Target
November 2011	The Weir Group PLC	Seaboard Holdings Inc.
November 2011	Wärtsilä Technology Oy Ab	Hamworthy plc
October 2011	Flowserve Corporation	Lawrence Pumps, Inc.
August 2011	SPX Corporation	CLYDEUNION Pumps
April 2011	Pentair, Inc.	Clean Process Technologies division of Norit Holding B.V.
April 2011	Sulzer Ltd.	Cardo Flow Solutions
March 2011	General Electric Company	Converteam
February 2011	General Electric Company	Well Support division of John Wood Group PLC
January 2011	Dover Corporation	Harbinson-Fischer, Inc.
December 2010	General Electric Company	Wellstream Holdings PLC
October 2010	Robbins & Myers, Inc.	T-3 Energy Services, Inc.
October 2010	General Electric Company	Dresser, Inc.
July 2010	Flowserve Corporation	Valbart Srl
June 2010	ITT Corporation	Godwin Pumps of America, Inc.
December 2009	Atlas Copco	Quincy Compressor
September 2009	GLV Inc.	Christ Water Technology AG
July 2009	Nikkiso Co., Ltd.	LEWA GmbH
June 2009	Cameron International Corporation	NATCO Group Inc.
January 2008	General Electric Company	Hydril Pressure Control
November 2007	IDEX Corporation	Nova Technologies Corporation
October 2007	SPX Corporation	APV PLC
June 2007	The Weir Group PLC	SPM Flow Control, Inc
March 2007	CCMP Capital	BOC Edwards
March 2007	Pentair, Inc.	Porous Media
October 2006	Apollo Management, L.P.	Jacuzzi Brands, Inc.
September 2006	IDEX Corporation	Banjo Corporation
March 2006	Franklin Electric Co., Inc.	Little Giant Pump Company
March 2006	IMI plc	Truflo Ltd.

Although none of the selected transactions is directly comparable to the Merger, the companies that participated in the selected transactions are such that, for purposes of analysis, the selected transactions may be considered similar to the Merger. Accordingly, the analysis of precedent transactions was not simply mathematical. Rather, it involved complex considerations and qualitative judgments, reflected in Deutsche Bank's opinion, concerning differences between the characteristics of the selected transactions and the Merger that could affect the value of the subject companies and Pentair.

In its analysis, Deutsche Bank derived and compared multiples for the selected transactions, including the ratio of total enterprise value based on transaction price to the target company's EBITDA for the latest twelve months prior to entering into the transaction, or TEV/LTM EBITDA.

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Deutsche Bank's analysis resulted in the following:

	TEV/LTM EBITDA		
	Low	Mean	High
Selected Precedent Transactions	6.9x	11.7x	17.0x

Based on the foregoing and qualitative judgment, Deutsche Bank determined an estimated TEV/LTM EBITDA reference range of 10.0 times to 12.0 times EBITDA for the latest twelve months. To arrive at a range of implied equity values for Pentair and the Tyco Flow Control Business, Deutsche Bank adjusted the total enterprise values for such party's net debt, minority interest and investment in affiliates, as applicable.

Based upon the implied equity values of Pentair and the Tyco Flow Control Business, Deutsche Bank calculated a range of implied pro forma equity ownership of Pentair in the combined company. For purposes of this calculation, Deutsche Bank assumed that the implied equity value of the combined company was the sum of the implied equity values of Pentair and the Tyco Flow Control Business. Deutsche Bank calculated the low end of the Pentair implied pro forma equity ownership range assuming the lowest implied equity value for Pentair and the highest implied equity value for the Tyco Flow Control Business, and then calculated the high end of the Pentair implied pro forma equity ownership range assuming the highest implied equity value for Pentair and the lowest implied equity value for the Tyco Flow Control Business. The following table reflects the results of this analysis as compared to Pentair's pro forma ownership at the Exchange Ratio provided for in the Merger Agreement of approximately 47.5%:

	Selected Transactions Analysis	Merger
Pentair Implied Pro Forma Equity Ownership	43.6% - 54.5%	47.5%

Selected Publicly-Traded Companies Analysis. Deutsche Bank reviewed and compared the total enterprise value divided by estimated EBITDA (the TEV/EBITDA) for calendar year 2012 and 2013 multiples for Pentair and the Tyco Flow Control Business based on the Pentair Projections to the corresponding multiples, as of March 26, 2012, for the following publicly-traded companies derived from publicly available financials and analyst research. Deutsche Bank selected these companies based on the professional judgment and experience of its investment bankers, taking into account, among other factors, the size of Pentair, the Tyco Flow Control Business and the selected companies, the competitive landscape in which Pentair, the Tyco Flow Control Business and the selected companies operate, and the product offerings of Pentair, the Tyco Flow Control Business and the selected companies. Although none of the selected companies is directly comparable to Pentair or the Tyco Flow Control Business, these companies were chosen because they are publicly-traded companies with operations or business that for purposes of analysis may be considered similar or reasonably comparable to those of Pentair or the Tyco Flow Control Business.

Pentair Comparables
 Cooper Industries plc
 Franklin Electric Co., Inc.
 Flowserve Corporation
 IDEX Corporation
 Pall Corporation
 SPX Corporation
 Sulzer Ltd.
 The Weir Group PLC
 Xylem Inc.

Tyco Flow Control Business Comparables
 Cameron International Corporation
 CIRCOR International, Inc.
 Flowserve Corporation
 KSB AG
 Pentair, Inc.
 Rotork PLC
 SPX Corporation
 Sulzer Ltd.
 Thermon Group Holdings, Inc.
 The Weir Group PLC
 Xylem Inc.

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Deutsche Bank's analysis resulted in the following:

Selected Companies	2012E TEV/EBITDA			2013E TEV/EBITDA		
	Low	Mean	High	Low	Mean	High
Pentair Comparable Companies	7.9x	9.1x	11.0x	7.1x	8.4x	10.5x
Tyco Flow Control Business Comparable Companies	4.2x	8.7x	12.3x	3.8x	7.8x	11.5x

From this analysis Deutsche Bank computed a 2012E TEV/EBITDA multiple range for Pentair of 9.0x to 10.0x and for the Tyco Flow Control Business of 8.5x to 9.5x. Deutsche Bank computed a 2013E TEV/EBITDA multiple range for Pentair of 8.0x to 9.0x and for the Tyco Flow Control Business of 7.5x to 8.5x. To arrive at a range of implied equity values for Pentair and the Tyco Flow Control Business, Deutsche Bank adjusted the total enterprise values for such party's net debt, minority interest and investment in affiliates, as applicable.

Based upon the implied equity values of Pentair and the Tyco Flow Control Business, Deutsche Bank calculated a range of implied pro forma equity ownership of Pentair in the combined company. For purposes of this calculation, Deutsche Bank assumed that the implied equity value of the combined company was the sum of the implied equity values of Pentair and the Tyco Flow Control Business. Deutsche Bank calculated the low end of the Pentair implied pro forma equity ownership range assuming the lowest implied equity value for Pentair and the highest implied equity value for the Tyco Flow Control Business, and then calculated the high end of the Pentair implied pro forma equity ownership range assuming the highest implied equity value for Pentair and the lowest implied equity value for the Tyco Flow Control Business. The following table reflects the results of this analysis as compared to Pentair's pro forma ownership at the Exchange Ratio provided for in the Merger Agreement of approximately 47.5%:

Pentair Implied Pro Forma Equity Ownership	Selected Company Analysis		
	2012E TEV/EBITDA	2013E TEV/EBITDA	Merger
	43.3% - 49.8%	41.5% - 48.7%	47.5%

Discounted Cash Flow Analysis. Deutsche Bank performed a discounted cash flow analysis for each of Pentair and the Tyco Flow Control Business. Deutsche Bank calculated the discounted cash flow values as the sum of the net present values of (1) the estimated future unlevered after-tax cash flows that each of Pentair and the Tyco Flow Control Business will generate for the period March 31, 2012 through 2022, plus (2) the terminal value of each of Pentair and the Tyco Flow Control Business at the end of such period. The estimated future unlevered after-tax cash flows for the years 2012 through 2015 were based on the Pentair Projections and those for the years 2016 through 2022 were extrapolated based on assumed growth rates. The terminal values of each of Pentair and the Tyco Flow Control Business were calculated based on projected EBITDA for 2022 and a range of multiples of 7.5x to 9.5x and 7.0x to 9.0x, respectively. Deutsche Bank used such multiples based on its review of the trading characteristics of the common stock of certain selected companies, that in its judgment, had similar financial and business characteristics. For Pentair, Deutsche Bank used discount rates ranging from 8.0% to 10.0% derived utilizing a weighted average cost of capital analysis based on certain financial metrics, including betas, for Pentair. For the Tyco Flow Control Business, Deutsche Bank used discount rates ranging from 9.0% to 11.0% derived utilizing a weighted average cost of capital analysis based on certain financial metrics for the Tyco Flow Control Business and certain financial metrics, including betas, for selected companies that exhibited similar business characteristics to the Tyco Flow Control Business.

Using the high and low values from the ranges of the implied equity values resulting from the discounted cash flow analysis for each of Pentair and the Tyco Flow Control Business, in each case after adjusting for Pentair's and the Tyco Flow Control Business' net debt, minority interest and investment in affiliates, as applicable, Deutsche Bank calculated the following implied relative ownership of Pentair shareholders of New Pentair.

Implied Equity Value Based on:	Pentair Implied Pro Forma Equity Ownership
High End of Ranges	56.5%
Low End of Ranges	40.6%

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Deutsche Bank performed this discounted cash flow analysis for each of Pentair and the Tyco Flow Control Business based on the Pentair Projections. These analyses derive equity value for each of Pentair and the Tyco Flow Control Business and equity value per share for Pentair and serve as one basis for determining implied pro forma equity ownership for current Pentair stockholders.

Pro Forma Earnings Accretion/Dilution. Deutsche Bank reviewed the potential pro forma financial effect of the Merger on New Pentair's projected earnings per share (EPS) for calendar years 2013 and 2014. Estimated financial data were based on the Pentair Projections. Deutsche Bank also used the following inputs, among others, provided by Pentair management: estimated purchase accounting adjustments including write up of intangible assets, expected synergies, the impact of certain contingencies, the contemplated financing structure and ownership by holders of Pentair common shares of 47.5% of diluted New Pentair common shares outstanding following the Merger. Deutsche Bank also estimated the effect of a potential share repurchase in the fourth quarter of 2012 and in both 2013 and 2014 and the effect of eliminating the contingencies provided by Pentair. This analysis indicated that the Merger could be accretive to Pentair's projected standalone earnings per share in calendar years 2013 and 2014 under all cases presented, including both with and without any share repurchases. The actual results achieved by the combined company after the consummation of the Merger may vary from projected results and any such variation may be material.

Deutsche Bank noted that such pro forma financial analysis is not a valuation methodology and that such analysis was presented merely for informational purposes.

General. The preparation of a fairness opinion is a complex analytical process involving the application of subjective business and financial judgment in determining the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to summary description. Deutsche Bank believes that its analyses must be considered as a whole and that considering any portion of such analyses and of the factors considered without considering all analyses and factors could create a misleading view of the process underlying their opinions. In arriving at their fairness determinations, Deutsche Bank did not assign specific weights to any particular analyses.

In conducting its analyses and arriving at its opinion, Deutsche Bank utilized a variety of generally accepted valuation methods. The analyses were prepared solely for the purpose of enabling Deutsche Bank to provide its opinion to the board of directors of Pentair as to the fairness, from a financial point of view, of the exchange ratio pursuant to the Merger Agreement to holders of common shares of Pentair (other than New Pentair and any subsidiary of Pentair), as of the date of their respective opinions.

No company or transaction used in the analyses described above for purposes of comparison is directly comparable to Pentair, the Tyco Flow Control Business, New Pentair or the Merger. In addition, such analyses do not purport to be appraisals, nor do they necessarily reflect the prices at which businesses or securities actually may be sold, which are inherently subject to uncertainty. As described above, in connection with Deutsche Bank's analyses, Deutsche Bank made, and was provided by the management of Pentair with, numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Deutsche Bank, Pentair, the Tyco Flow Control Business, New Pentair or Tyco. Analyses based upon estimates or forecasts of future results are not necessarily indicative of actual past or future values or results, which may be significantly more or less favorable than suggested by such analyses. Because the analyses described above are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of Pentair, the Tyco Flow Control Business, New Pentair, Tyco or their respective advisors, Deutsche Bank does not assume responsibility if future results or actual values are materially different from these forecasts or assumptions.

The terms of the transaction, including the exchange ratio, were determined through arm's-length negotiations among Pentair, New Pentair, and Tyco and were approved by the board of directors of Pentair. Although Deutsche Bank provided advice to the board of directors of Pentair during the course of these

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negotiations, the decision to enter into the Merger was solely that of Pentair's board of directors. Deutsche Bank did not recommend that any specific amount or type of consideration constituted the only appropriate consideration for the Merger. As described above under "Pentair Reasons for the Merger," the opinion and presentation of Deutsche Bank to the board of directors of Pentair was only one of a number of factors taken into consideration by the board of directors of Pentair in making its determination to approve the Merger Agreement and the transactions contemplated by it, including the Merger.

Opinion of Greenhill

The board of directors of Pentair retained Greenhill to act as financial advisor to the board of directors in connection with its consideration of the proposed terms of the potential Merger. At the meeting of the board of directors of Pentair held on March 27, 2012 to consider the Merger Agreement, Greenhill rendered to Pentair's board of directors an oral opinion, which was confirmed by delivery of a written opinion dated March 27, 2012, to the effect that, based upon and subject to the limitations and assumptions set forth in the opinion, as of the date of the opinion, from a financial point of view, the exchange ratio is fair to holders of Pentair common shares (other than New Pentair and any subsidiary of Pentair).

The full text of Greenhill's written opinion dated March 27, 2012, which contains the assumptions made, procedures followed, matters considered and limitations on the opinion and the review undertaken in connection with the opinion, is attached as Annex E to this proxy statement/prospectus and is incorporated herein by reference. The summary of Greenhill's opinion in this proxy statement/prospectus is only a summary of its material terms and may not include all of the information that is important to a particular shareholder. Greenhill's written opinion was addressed to the board of directors of Pentair. The opinion was not intended to be and does not constitute a recommendation to the members of Pentair's board of directors as to whether they should recommend or approve the Merger or the Merger Agreement, nor does it constitute a recommendation as to whether the shareholders of Pentair should approve the Merger or take any other action in respect of the Merger at any meeting of the shareholders convened in connection with the Merger. Greenhill was not requested to opine as to, and its opinion did not in any manner address, Pentair's underlying business decision to proceed with or effect the Merger. The financial analysis presented below compares the Tyco Flow Control Business, which will be transferred to New Pentair prior to the Merger pursuant to the Spin-off, and Pentair. Following the Spin-off and Merger, New Pentair will operate both the business of Pentair and the Tyco Flow Control Business.

In arriving at its opinion described above, Greenhill, among other things:

reviewed the draft of the Merger Agreement dated as of March 27, 2012 and certain related documents, including a draft dated as of March 27, 2012 of the Separation and Distribution Agreement;

reviewed certain publicly available financial statements of Pentair and Tyco (including financial information relating to the Tyco Flow Control Business);

reviewed certain other publicly available business and financial information relating to Pentair, the Tyco Flow Control Business and Tyco that Greenhill deemed relevant;

reviewed the Pentair Projections; for more information on the Pentair Projections, see "Certain Forecasts";

discussed the past and present operations and financial condition and the prospects of Pentair and the Tyco Flow Control Business with senior executives of Pentair;

reviewed certain information regarding the amount and timing of synergies prepared by management of Pentair;

reviewed the historical market prices and trading activity for the Pentair common shares and analyzed its implied valuation multiples;

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compared the exchange ratio with exchange ratios implied by consideration received in certain publicly available transactions that Greenhill deemed relevant;

compared the exchange ratio with exchange ratios implied by the trading valuations of certain publicly-traded companies that Greenhill deemed relevant;

compared the relative contribution of Pentair to the pro forma combined company based on a number of metrics that Greenhill deemed relevant;

compared the exchange ratio to implied exchange ratios derived by discounting future cash flows and a terminal value of Pentair and the Tyco Flow Control Business at discount rates Greenhill deemed appropriate; and

performed such other analyses and considered such other factors as Greenhill deemed appropriate.

Greenhill assumed and relied upon, without independent verification, the accuracy and completeness of the information publicly available, supplied or otherwise made available to it by representatives and management of Pentair (including, without limitation, any financial information considered in connection with the rendering of its opinion, including the Pentair Projections, information relating to certain contingent tax liabilities of the Tyco Flow Control Business that shall be assumed by New Pentair and any information relating to expected synergies, including, without limitation, expected tax benefits of redomiciliation of Pentair after the Merger) for the purposes of its opinion and have further relied upon the assurances of the representatives and management of Pentair that they are not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to synergies, the financial forecasts and projections and other data that have been furnished or otherwise provided to Greenhill, including the Pentair Projections, Greenhill assumed that such synergies, projections and data, including the Pentair Projections, were reasonably prepared on a basis reflecting the best currently available estimates and good faith judgments of the management of Pentair as to those matters, and with the knowledge and consent of the board of directors of Pentair, Greenhill relied upon such forecasts and data, including the Pentair Projections, in arriving at Greenhill's opinion. Greenhill expressed no opinion with respect to such synergies, projections and data, including the Pentair Projections, or the assumptions upon which they are based. Greenhill did not make any independent valuation or appraisal of the assets or liabilities of Pentair or the Tyco Flow Control Business, nor was Greenhill furnished with any such appraisals. Greenhill assumed, with the knowledge and consent of Pentair's board of directors, that the Merger will be treated as a tax-free reorganization for federal income tax purposes. Greenhill assumed that the Merger will be consummated in accordance with the terms set forth in the final, executed Merger Agreement, which Greenhill assumed will be identical in all material respects to the latest draft which Greenhill reviewed, and without waiver of any material terms or conditions set forth in the Merger Agreement. Additionally, Greenhill assumed that all material governmental, regulatory and other consents and approvals necessary for the consummation of the Merger will be obtained without any effect on Pentair, the Tyco Flow Control Business, the Merger or the contemplated benefits of the Merger meaningful to Greenhill's analysis. Greenhill's opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Greenhill as of, the date of its opinion. It should be understood that subsequent developments may affect its opinion, and Greenhill does not have any obligation to update, revise, or reaffirm its opinion.

Greenhill was not requested to and did not provide advice concerning the Merger, including without limitation the structure and the specific amount of consideration, or to provide services other than the delivery of its opinion. Greenhill was not requested to and did not solicit any expressions of interest from any other parties with respect to the sale of Pentair or any other alternative transaction. Greenhill did not participate in the negotiations with respect to the terms of the Merger. No opinion was expressed as to whether any alternative transaction might produce consideration for Pentair in an amount in excess of that contemplated in the Merger.

Greenhill acted as financial advisor to the board of directors of Pentair in connection with the Merger and will receive a fee of \$3.5 million, plus the reimbursement of expenses, for rendering its opinion. In addition, Pentair has agreed to indemnify Greenhill for certain liabilities arising out of Greenhill's engagement. During the two years preceding the date of its opinion, Greenhill was not engaged by, did not perform any services for or

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receive any compensation from, Pentair or any other parties to the Merger Agreement (other than any amounts that were paid to Greenhill under the letter agreement pursuant to which Greenhill was retained as a financial advisor to Pentair in connection with the Merger).

Greenhill did not express an opinion as to any aspect of the Merger, other than the fairness to the holders of Pentair common shares, other than New Pentair and any subsidiaries of Pentair, of the exchange ratio from a financial point of view. In particular, Greenhill expressed no opinion as to the prices at which New Pentair common shares will trade at any future time. Greenhill expressed no opinion with respect to the amount or nature of any compensation to any officers, directors or employees of Pentair, or any class of such persons relative to the consideration to be received by the holders of Pentair common shares in the Merger or with respect to the fairness of any such compensation. Greenhill's opinion was approved by its fairness committee, and the opinion is not intended to be and does not constitute a recommendation to the members of Pentair's board of directors as to whether they should approve the Merger or the Merger Agreement, nor does it constitute a recommendation as to whether the shareholders of Pentair should approve the Merger at any meeting of the shareholders convened in connection with the Merger.

Summary of Material Financial Analyses. The following is a summary of the material financial analyses presented by Greenhill to Pentair's board of directors in connection with rendering its opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Greenhill, nor does the order of the analyses described represent the relative importance or weight given to those analyses by Greenhill. Some of the summaries of the financial analyses include information presented in tabular format. In order to fully understand the financial analyses performed by Greenhill, the tables must be read together with the full text of each summary and should not alone be construed as a complete description of Greenhill's financial analyses. Synergies, cost savings and transaction related amortization from the Merger were not taken into consideration in any of Greenhill's analyses, other than its Pro Forma Financial Analysis.

Selected Comparable Company Analysis. Greenhill compared certain financial information and commonly used valuation measurements for each of Pentair and the Tyco Flow Control Business to corresponding information and measurements for the following publicly-traded companies that are primarily water industrial, diversified industrial or flow control businesses. Greenhill selected these companies based on the professional judgment and experience of its investment bankers, taking into account, among other factors, the size of Pentair, the Tyco Flow Control Business and the selected companies, the competitive landscape in which Pentair, the Tyco Flow Control Business and the selected companies operate, and the product offerings of Pentair, the Tyco Flow Control Business and the selected companies. Although none of the selected companies is directly comparable to Pentair or the Tyco Flow Control Business, these companies were chosen because they are publicly-traded companies with operations or business that for purposes of analysis may be considered similar or reasonably comparable to those of Pentair or the Tyco Flow Control Business.

	Pentair Comparables	Tyco Flow Control Business Comparables
<u>Water Industrial</u>	<ul style="list-style-type: none"> Pall Corporation Franklin Electric Co., Inc. IDEX Corporation Watts Water Technologies, Inc. Xylem Inc. 	<u>Flow Control</u> <ul style="list-style-type: none"> Cameron International Corporation CIRCOR International, Inc. Flowserve Corporation Pentair, Inc. SPX Corporation Sulzer Ltd. The Weir Group PLC Xylem Inc.
<u>Diversified Industrial</u>	<ul style="list-style-type: none"> Colfax Corporation Cooper Industries plc Robbins & Myers Inc. SPX Corporation 	

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Such financial information and valuation measurements included, among other things, (1) ratios of enterprise value to the revenue for the latest twelve months (LTM) and the estimated revenue for the calendar year 2012; (2) ratios of enterprise value to the earnings from operations before interest expense, income taxes and depreciation and amortization (EBITDA) for the latest twelve months and the estimated EBITDA for the calendar year 2012; and (3) ratios of enterprise value to the earnings from operations before interest expense and income taxes (EBIT) for the latest twelve months and the estimated EBIT for the calendar year 2012. In all cases, enterprise value was calculated as equity value, based on closing stock prices on March 26, 2012, plus net debt and minority interest and minus equity in affiliates, where applicable. To calculate the enterprise value to revenue, EBITDA and EBIT trading multiples, Greenhill used publicly available SEC filings, press releases, the most recently available research guidance from analyst equity reports, and Institutional Brokers Estimate System (referred to as IBES). The multiple ranges resulting from this analysis are summarized below:

Pentair Comparables:	Low	High	Median	Mean
Enterprise Value to Revenue Multiple				
LTM	0.84x	2.48x	1.59x	1.67x
2012E	0.85x	2.39x	1.51x	1.58x
Enterprise Value to EBITDA Multiple				
LTM	8.6x	12.0x	10.2x	10.3x
2012E	7.5x	11.1x	9.1x	9.3x
Enterprise Value to EBIT Multiple				
LTM	10.4x	16.7x	12.5x	13.0x
2012E	8.6x	17.9x	11.6x	11.9x
Tyco Flow Control Business Comparables:				
Enterprise Value to Revenue Multiple				
LTM	0.80x	1.96x	1.50x	1.43x
2012E	0.77x	1.69x	1.39x	1.31x
Enterprise Value to EBITDA Multiple				
LTM	8.6x	12.0x	9.6x	9.8x
2012E	7.9x	9.8x	8.5x	8.7x
Enterprise Value to EBIT Multiple				
LTM	10.6x	14.8x	12.1x	12.3x
2012E	8.8x	11.9x	11.3x	10.8x

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From this data, Greenhill derived ranges of multiples deemed most meaningful for its analysis, applied such ranges of multiples to the corresponding financial results and projections for Pentair and the Tyco Flow Control Business and, as a result, arrived at ranges of implied enterprise values for Pentair and the Tyco Flow Control Business. Greenhill then subtracted net debt, minority interest and added equity in affiliates, where applicable, from Pentair's and the Tyco Flow Control Business' implied enterprise value to arrive at their implied equity values. Information regarding the selected multiples is summarized below:

	Relevant Multiple Range	
	Low	High
Pentair Comparables:		
Enterprise Value to Revenue Multiple		
LTM	1.60x	1.70x
2012E	1.50x	1.60x
Enterprise Value to EBITDA Multiple		
LTM	9.5x	10.5x
2012E	9.0x	10.0x
Enterprise Value to EBIT Multiple		
LTM	12.0x	13.0x
2012E	11.0x	12.0x
Tyco Flow Control Business Comparables:		
Enterprise Value to Revenue Multiple		
LTM	1.40x	1.50x
2012E	1.35x	1.45x
Enterprise Value to EBITDA Multiple		
LTM	9.0x	10.0x
2012E	8.0x	9.0x
Enterprise Value to EBIT Multiple		
LTM	11.5x	12.5x
2012E	10.5x	11.5x

Using the high and low values from the ranges of the implied equity values resulting from the public market valuation analysis for each of Pentair and the Tyco Flow Control Business, Greenhill calculated the following implied relative ownership by current Pentair shareholders of a combination of Pentair and the Tyco Flow Control Business:

Implied Equity Values Based on:	Pentair Relative Ownership Based on:		
	Low Values of Pentair and High Values of the Tyco Flow Control Business	Midpoint Values of Pentair and the Tyco Flow Control Business	High Values of Pentair and Low Values of the Tyco Flow Control Business
LTM Revenue	44.3%	46.2%	48.1%
2012E Revenue	44.0%	46.0%	48.0%
LTM EBITDA	46.7%	49.9%	53.0%
2012E EBITDA	44.7%	48.1%	51.5%
LTM EBIT	45.6%	48.1%	50.6%
2012E EBIT	42.5%	45.1%	47.8%

Greenhill noted that the implied equity ownership of Pentair shareholders in the combined company based on the Exchange Ratio to be issued in the combination represented approximately 47.5%.

None of the companies utilized as a comparison are identical to either Pentair or the Tyco Flow Control Business. Accordingly, Greenhill believes the analysis of publicly-traded comparable companies is not simply mathematical. Rather, it involves complex considerations and qualitative judgments, reflected in Greenhill's opinion, concerning differences in financial and operating characteristics of the comparable

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companies and other factors that could affect the public trading value of the comparable companies. On the other hand, each of the companies chosen participates in part or in whole in similar industries to Pentair and/or the Tyco Flow Control Business.

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Precedent Transaction Analysis. Greenhill performed an analysis of selected business combinations consisting of transactions that Greenhill, based on its experience with merger and acquisition transactions, deemed relevant. Greenhill's analysis was based on publicly available information regarding such transaction and investor presentations. The selected transactions were not intended to be representative of the entire range of possible transactions in the respective industries. Greenhill chose the following twelve transactions, all of which had transaction values greater than \$250 million and were announced within the past five years, based on the professional judgment and experience of its investment bankers, taking into account, among other factors, the size of Pentair, the Tyco Flow Control Business and the target companies, the competitive landscape in which Pentair, the Tyco Flow Control Business and the target companies operate, and the product offerings of Pentair, the Tyco Flow Control Business and the target companies.

Month and Year Announced	Acquiror	Target
August 2011	SPX Corporation	CLYDEUNION Pumps
July 2011	RBS Global, Inc. and Rexnord LLC	VAG Holding GmbH
April 2011	Pentair, Inc.	Clean Process Technologies division of Norit Holding B.V.
April 2011	Sulzer Ltd.	Cardo Flow Solutions
March 2011	Tyco International, Ltd.	KEF Holdings Ltd.
February 2011	General Electric Company	Well Support division of John Wood Group PLC
October 2010	Robbins & Myers, Inc.	T-3 Energy Services, Inc.
October 2010	General Electric Company	Dresser, Inc.
June 2010	ITT Corporation	Godwin Pumps of America, Inc.
June 2009	Cameron International Corporation	NATCO Group Inc.
October 2007	SPX Corporation	APV PLC
June 2007	The Weir Group PLC	SPM Flow Control, Inc

Greenhill reviewed the consideration paid in the selected transactions in terms of the enterprise value of such transactions as a multiple of EBITDA of the target for the LTM period prior to the announcement of the applicable transaction. Information regarding the multiples from Greenhill's analysis of selected transactions is set forth in the following table:

Multiple	Selected Precedent Transaction Valuation Multiples			
	Low	High	Median	Mean
Enterprise Value/LTM EBITDA	8.6x	16.9x	12.8x	12.7x

From this data, Greenhill derived a range of multiples deemed most meaningful for its analysis, applied such range of multiples to the corresponding financial projections for Pentair and the Tyco Flow Control Business and, as a result, arrived at ranges of implied enterprise values for Pentair and the Tyco Flow Control Business. Greenhill then subtracted net debt, minority interest and added equity in affiliates, where applicable, from Pentair and from the Tyco Flow Control Business to arrive at their implied equity values. The results of this analysis are summarized below:

Implied Equity Values Based on:	Pentair Relative Ownership Based on:		
	Low Values of Pentair and High Values of the Tyco Flow Control Business	Midpoint Values of Pentair and the Tyco Flow Control Business	High Values of Pentair and Low Values of the Tyco Flow Control Business
LTM EBITDA	44.6%	49.6%	54.5%

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Greenhill noted that the implied equity ownership of Pentair shareholders in the combined company based on the exchange ratio to be issued in the combination represented approximately 47.5%. None of these transactions or associated companies is identical to Pentair or the Tyco Flow Control Business or the transactions contemplated by the Merger Agreement. Accordingly, any analysis of the selected precedent transactions necessarily involved complex considerations and judgments concerning the differences in financial and operating characteristics, parties involved and terms of their transactions and other factors that would necessarily affect the implied value of Pentair versus the values of the companies in the selected transactions.

Discounted Cash Flow Analysis. Greenhill performed a discounted cash flow analysis for each of Pentair and the Tyco Flow Control Business. Greenhill calculated the discounted cash flow values as the sum of the net present values of (1) the estimated future cash flow that each of Pentair and the Tyco Flow Control Business will generate for the years 2012 through 2022, plus (2) the terminal value of each of Pentair and the Tyco Flow Control Business at the end of such period. The estimated future cash flows for the years 2012 through 2022 were based on the Pentair Projections. The terminal values of each of Pentair and the Tyco Flow Control Business were calculated based on projected EBITDA for 2022 and a range of multiples of 8.5x to 9.5x and 7.5x to 8.5x, respectively. Greenhill used such multiples based on its review of the trading characteristics of the common stock of certain selected companies, that in its judgment, had similar financial and business characteristics as well as the perpetuity growth rates implied by such multiples. Greenhill used discount rates ranging from 8.0% to 10.0% for Pentair and discount rates ranging from 9.0% to 11.0% for the Tyco Flow Control Business, based upon an analysis of the weighted average cost of capital of selected publicly-traded comparable companies and a range of betas.

Using the high and low values from the ranges of the implied equity values resulting from the discounted cash flow analysis for each of Pentair and the Tyco Flow Control Business, in each case after adjusting for Pentair's and the Tyco Flow Control Business' net debt, minority interest and equity in affiliates, as applicable, Greenhill calculated the following implied relative ownership of Pentair shareholders of New Pentair.

	Implied Equity
	Ownership by Current Pentair Stockholders of New Pentair
Implied Equity Values Based on:	
High End of Pentair Range and Low End of Tyco Flow Control Business Range	55.6%
Midpoint of Ranges	49.5%
Low End of Pentair Range and High End of Tyco Flow Control Business Range	43.4%

Greenhill noted that the implied equity ownership of Pentair shareholders in the combined company based on the Exchange Ratio to be issued in the combination represented approximately 47.5%.

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Contribution Analysis. Greenhill analyzed and compared Pentair's and Tyco's shareholders' respective expected percentage ownership of the combined company to Pentair's and Tyco's shareholders' respective contributions to the combined company based upon revenue, EBITDA, and EBIT for each company on a stand-alone basis for the latest twelve months and the years 2012 through 2015, derived from publicly available information and the Pentair Projections, and adjusted for such party's net debt, minority interest and equity in affiliates, as applicable. The relative equity contributions of Pentair and the Tyco Flow Control Business to the combined company's revenues, EBITDA and EBIT are set forth below:

	Debt-Adjusted Contribution to the Combined Company	
	Pentair	Tyco Flow Control Business
Revenue		
LTM	41.8%	58.2%
2012E	42.3%	57.7%
2013E	41.4%	58.6%
2014E	41.0%	59.0%
2015E	41.2%	58.8%
EBITDA		
LTM	49.0%	51.0%
2012E	45.0%	55.0%
2013E	43.2%	56.8%
2014E	41.7%	58.3%
2015E	42.1%	57.9%
EBIT		
LTM	47.5%	52.5%
2012E	43.8%	56.2%
2013E	41.8%	58.2%
2014E	40.2%	59.8%
2015E	40.8%	59.2%

Greenhill noted that the implied equity ownership of Pentair shareholders in the combined company based on the Exchange Ratio to be issued in the combination represented approximately 47.5%.

Pro Forma Financial Analysis. Greenhill reviewed the potential pro forma financial effect of the Merger on Pentair's projected earnings per share (EPS) for calendar years 2013 and 2014. Estimated financial data were based on the Pentair Projections. Greenhill also used the following inputs: estimated synergies, the impact of certain contingencies, the contemplated financing structure per Pentair management and ownership by holders of Pentair common shares of approximately 47.5% of diluted New Pentair common shares outstanding following the Merger. Greenhill also estimated the effect of a potential share repurchase in the fourth quarter of 2012 and in both 2013 and 2014 and the effect of eliminating the contingencies provided by Pentair.

This analysis indicated that the Merger could be accretive to Pentair's projected standalone earnings per share under all cases presented, including both with and without any share repurchases for the calendar years 2013 and 2014. The actual results achieved by the combined company after the consummation of the Merger may vary from projected results and any such variation may be material.

Greenhill noted that such a pro forma financial analysis is not a valuation methodology and that such analysis was presented merely for informational purposes.

General. The summary set forth above does not purport to be a complete description of the analyses or data presented by Greenhill, but simply describes, in summary form, the material analyses that Greenhill considered in connection with its opinion. The preparation of an opinion regarding fairness is a complex analytical process.

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involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances, and, therefore, such an opinion is not readily susceptible to partial analysis or summary description. The preparation of an opinion regarding fairness does not involve a mathematical evaluation or weighing of the results of the individual analyses performed, but requires Greenhill's investment bankers to exercise their professional judgment, based on experience and expertise, in considering a wide variety of analyses taken as a whole. Each of the analyses conducted by Greenhill was carried out in order to provide a different perspective on the financial terms of the merger and to add to the total mix of information available. Greenhill did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion about the fairness of the exchange ratio pursuant to the Merger Agreement to holders of common shares of Pentair (other than New Pentair and any subsidiary of Pentair). Rather, in reaching its conclusion, Greenhill considered the results of the analyses in light of each other and without placing particular reliance or weight on any particular analysis, and concluded that its analyses, taken as a whole, supported its determination. Accordingly, notwithstanding the separate factors summarized above, Greenhill believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all analyses and factors, may create an incomplete view of the evaluation process underlying its opinion. In performing its analyses, Greenhill made numerous assumptions with respect to industry performance, business and economic conditions and other matters. The analyses performed by Greenhill are not necessarily indicative of future actual values or results, which may be significantly more or less favorable than suggested by such analyses. The analyses do not purport to be appraisals or to reflect the prices at which Pentair common shares or New Pentair common shares might actually be sold.

The board of directors of Pentair selected Greenhill as its financial advisor in connection with the Merger based on Greenhill's qualifications and expertise in providing financial advice to acquirors, target companies and their respective boards of directors and committees of directors in merger and acquisition transactions.

During the two years preceding the date of its opinion, Greenhill was not previously engaged by, did not perform any services for and did not receive any compensation from Pentair or any other parties to the Merger (other than any amounts that were paid to Greenhill under the related letter agreements pursuant to which Greenhill was retained as a financial advisor to the board of directors of Pentair in connection with the Merger).

Ownership of New Pentair Following the Merger

Immediately after the completion of the Merger, Tyco shareholders entitled to receive New Pentair common shares in the Distribution will own approximately 52.5% of New Pentair common shares and Pentair shareholders will own approximately 47.5% of New Pentair common shares, each on a fully-diluted basis (excluding treasury shares).

Board of Directors and Executive Officers of New Pentair Following the Merger; Operations Following the Merger

Immediately after the completion of the Merger, the New Pentair board of directors will be composed of the persons serving on the board of directors of Pentair at the time of the mailing of the Tyco Proxy Statement and one member who has been selected by Tyco and is reasonably acceptable to Pentair.

The executive officers of Pentair immediately prior to the completion of the Merger will be the executive officers of New Pentair immediately following the completion of the Merger.

Following the completion of the Merger, the location of the main U.S. offices of New Pentair will be Pentair's executive offices in Minneapolis, Minnesota.

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Interests of Certain Persons in the Merger

Interests of Pentair Directors and Executive Officers in the Merger

In considering the recommendation of the Pentair board of directors that Pentair shareholders vote to approve the Merger Agreement proposal, you should be aware that certain of Pentair's directors and executive officers have financial interests in the Merger that differ from, or are in addition to, the interests of Pentair's shareholders generally. Pentair's board of directors was aware of, and considered the interests of, Pentair's directors and executive officers in approving the Merger Agreement. For purposes of all of the agreements and plans described below, the consummation of the Merger will constitute a change in control of Pentair.

The interests of Pentair's non-employee directors include, among other things, the right to (i) accelerated vesting of certain stock options and restricted stock units and (ii) accelerated distribution of account balances under Pentair's non-qualified deferred compensation program applicable to non-employee directors. The interests of Pentair's executive officers include the rights to:

accelerated vesting of stock options and restricted stock units in the event of certain terminations of employment following the Merger and, solely in the case of Mr. Schrock with respect to certain restricted stock units held by him, upon the consummation of the Merger;

accelerated vesting and payout of cash performance units in the event of certain terminations of employment following the Merger;

certain severance payments and other benefits (including medical insurance, outplacement services and accounting and legal services) in the event of certain terminations of employment following the Merger;

accelerated vesting and payout of amounts under the Executive Officer Performance Plan (the "EOPP"), Pentair's annual cash incentive compensation program for executive officers, in connection with the Merger;

certain accelerated accrual and vesting, as well as additional service credit, under Pentair's supplemental retirement plans in the event of certain terminations of employment following the Merger;

distribution of account balances under Pentair's non-qualified deferred compensation programs in connection with the Merger;

certain rights to reimbursements with respect to excise taxes under Section 280G of the Code; and

certain additional grants of restricted stock units to be made by Pentair in connection with the consummation of the Merger.

In addition, pursuant to the Merger Agreement, at the Effective Time, Pentair's executive officers will become the executive officers of New Pentair, and Pentair's board of directors, together with up to two new directors selected by Tyco prior to the mailing of the Tyco Proxy Statement and reasonably acceptable to Pentair, will become the board of directors of New Pentair. Tyco has selected only one designee to the New Pentair board of directors.

For purposes of the discussion below, Messrs. Randall J. Hogan, John L. Stauch, Michael V. Schrock, Frederick S. Koury, Michael G. Meyer and Mark C. Borin and Ms. Angela Lageson are referred to as the Executive Officers. In certain instances, Messrs. Hogan, Stauch, Schrock and Koury and Ms. Lageson are referred to as the Named Executive Officers as they were Pentair's chief executive officer, chief financial officer and the three other most highly compensated executive officers, respectively, as determined for purposes of Pentair's most recent annual proxy statement.

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Treatment of Pentair Equity Awards

As of the date of this proxy statement/prospectus, certain of Pentair's non-employee directors hold stock options, restricted stock units and deferred compensation account balances denominated in stock units with respect to Pentair common shares, and certain of Pentair's executive officers hold stock options and restricted stock units with respect to Pentair common shares.

For information regarding beneficial ownership of Pentair common shares, other than the equity awards described below, by each of Pentair's current directors and certain executive officers and all of such directors and executive officers as a group, see "Security Ownership of Certain Beneficial Owners, Directors and Executive Officers." The Company's directors and executive officers will receive one New Pentair common share for each vested Pentair common share held by them.

As described below in "Waiver of Change in Control Protections," in connection with Pentair's entry into the Merger Agreement, the Executive Officers have entered into agreements with Pentair (the "Waiver Letters") waiving certain of their rights to accelerated vesting of their Pentair equity awards in connection with the consummation of the Merger.

Treatment of Stock Options

At the Effective Time, each outstanding option to purchase Pentair common shares, whether vested or unvested, will be converted, on the same terms and conditions as were applicable under such Pentair stock option immediately before the Effective Time, into an option to acquire the same number of New Pentair common shares, at the same exercise price per share, as the number of Pentair common shares subject to such option immediately before the Effective Time. The terms of the options set forth in the Pentair, Inc. Omnibus Stock Incentive Plan or the Pentair, Inc. 2008 Omnibus Stock Incentive Plan (together, the "Omnibus Plans") and applicable award agreements provide that unvested options will generally accelerate upon a change in control, including the Merger; however, as described below in "Waiver of Change in Control Protections," the Executive Officers have waived such acceleration pursuant to the Waiver Letters.

Treatment of Restricted Stock Units

At the Effective Time, each outstanding Pentair restricted stock unit, whether vested or unvested, will be converted into a New Pentair restricted stock unit, on the same terms and conditions as were applicable under such Pentair restricted stock unit immediately before the Effective Time. The terms of the restricted stock units set forth in the Omnibus Plans and applicable award agreements provide that unvested restricted stock units will generally accelerate upon a change in control, including the Merger; however, as described below in "Waiver of Change in Control Protections," the Executive Officers (other than Mr. Schrock with respect to his restricted stock units with an originally scheduled vesting date of 2015 or later) have waived such acceleration pursuant to the Waiver Letters.

Director Equity-Based Awards

Pentair's non-employee directors hold outstanding stock options and restricted stock units that were granted under the Omnibus Plans as a part of their compensation. Upon the consummation of the Merger, as described above, these equity-based awards will be converted into equity awards with respect to New Pentair common shares and, to the extent then unvested, will become vested.

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The value of the accelerated vesting of the unvested stock options and restricted stock units held by Pentair's non-employee directors is as follows:

Name	No. of Shares Underlying Unvested Stock Options	Resulting Value from Unvested Stock Options(\$)	No. of Shares Underlying Unvested Restricted Stock Units	Resulting Value from Underlying Unvested Restricted Stock Units(\$)
Leslie Abi-Karam	11,207	\$ 137,549	2,936	\$ 137,933
Glynis A. Bryan	11,207	\$ 137,549	2,936	\$ 137,933
Jerry W. Burris	11,207	\$ 137,549	2,936	\$ 137,933
T. Michael Glenn	11,207	\$ 137,549	2,936	\$ 137,933
Charles A. Haggerty	11,207	\$ 137,549	2,936	\$ 137,933
David H. Y. Ho	11,207	\$ 137,549	2,936	\$ 137,933
David A. Jones	11,207	\$ 137,549	2,936	\$ 137,933
Ronald L. Merriman	11,207	\$ 137,549	2,936	\$ 137,933
William T. Monahan	11,207	\$ 137,549	2,936	\$ 137,933

For consistency with the method of determining the value of consideration resulting from equity awards in connection with the Merger as displayed in "Quantification of Payments and Benefits" below, and since the value of the Merger consideration is not a fixed dollar amount, the value of unvested stock options and restricted stock units in the table above is based on the average closing price of Pentair shares over the first five trading days following public announcement of the Merger, which was \$46.98. Accordingly, the actual value of the accelerated vesting may be greater or less than the value described above.

The table above reflects the amounts expected to be vested as of September 28, 2012 in accordance with the terms of such stock options and restricted stock units notwithstanding the Merger; however, depending on when consummation of the Merger actually occurs, certain stock options and unvested restricted stock units shown as unvested in the table above may become vested in accordance with their terms without regard to the Merger. The table above does not include any grants of awards which may occur following the date of this proxy statement/prospectus.

Pentair's non-employee directors have deferred compensation accounts under Pentair's deferred compensation program for non-employee directors that are denominated in stock units. Under this program, non-employee directors are permitted to defer receipt and taxation of certain types of compensation that they have previously earned, and to specify certain future events upon which the compensation will be distributed. For some non-employee directors, these future distribution events include a change in control, which includes the Merger. As a result, some previously earned and vested, but unpaid, amounts may be distributed under Pentair's deferred compensation program for non-employee directors who have elected a change in control as a distribution event. Earned and vested, but unpaid, amounts denominated in stock units that will be distributed to Pentair's non-employee directors (based on the number of stock units as of March 28, 2012 and the average closing price of Pentair shares over the first five trading days following public announcement of the Merger, which was \$46.98) are as follows: Ms. Bryan and Messrs. Burris, Glenn, Haggerty, Ho, Jones, Merriman and Monahan will receive lump sum distributions of \$369,811, \$294,579, \$262,303, \$587,222, \$613,338, \$164,922, \$25,716 and \$260,941, respectively.

Executive Officer Equity-Based Awards

Pentair's Executive Officers hold outstanding stock options and restricted stock units under Pentair's Omnibus Plans as part of their compensation. Upon the consummation of the Merger, these equity-based awards generally will convert into equity-based awards with respect to New Pentair common shares, after giving effect to appropriate adjustments to reflect the consummation of the Merger as described above. The awards, to the extent unvested at the time of the consummation of the Merger, would, under the terms of the Omnibus Plans,

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become vested upon the consummation of the Merger, except that such accelerated vesting has been waived by the Executive Officers with respect to certain awards pursuant to the Waiver Letters. The only equity-based awards as to which an Executive Officer has not waived accelerated vesting pursuant to the Waiver Letters are the unvested restricted stock units held by Mr. Schrock with an originally scheduled vesting date of 2015 or later. These restricted stock units will vest and be settled by delivery of shares upon consummation of the Merger. Fifty percent of the shares delivered will not be transferable until the date on which the restricted stock units would otherwise have vested and been settled in the absence of the Merger. Mr. Schrock waived the accelerated vesting of his other equity awards, as described below, but did not waive vesting of these restricted stock units because such waiver would potentially violate Section 409A of the Code.

The value of the potential change in control benefits under the Omnibus Plans is set forth with respect to the Named Executive Officers in the table *Quantification of Payments and Benefits Potential Change in Control Payments to Named Executive Officers* below, and with respect to the Executive Officers other than the Named Executive Officers in the table *Quantification of Payments and Benefits Potential Change in Control Payments to Other Executive Officers* below.

Change in Control Agreements

Pentair is party to change in control agreements with the Executive Officers that provide for benefits in connection with a change in control and will therefore be triggered by the Merger. The agreements entitle the Executive Officers to (i) certain accelerated vesting and other benefits in the event of a change in control and (ii) certain severance payments and benefits in the event that an Executive Officer's employment is involuntarily terminated for any reason, other than for death, disability or for cause, or if the Executive Officer terminates his or her employment for good reason, in each case, within three years (for Messrs. Hogan, Schrock, Koury and Meyer) or two years (for Messrs. Stauch and Borin and Ms. Lageson) following a change in control (a *Covered Termination*). As described below in *Waiver of Change in Control Protections*, in connection with Pentair's entry into the Merger Agreement, the Executive Officers have waived certain protections under these agreements pursuant to the Waiver Letters.

The Executive Officers would, absent any applicable waiver, be entitled to the following payments and benefits under their respective change in control agreements upon any change in control, including the Merger:

Incentive compensation awards for the year in question to be paid at target under the EOPP.

Immediate vesting of all unvested stock options and restricted stock units issued under the Omnibus Plans, without regard to either plan's forfeiture provisions, all of which the Executive Officers have generally waived in connection with the Merger, as described below in *Waiver of Change in Control Protections*.

Immediate payment of cash settled performance awards at one-third of target for award cycles that have been in effect less than 12 months, two-thirds of the then-current value for award cycles that have been in effect for between 12 and 24 months, and the then-current value for award cycles that have been in effect for 24 or more months, in each case as if all performance or incentive requirements and periods had been satisfied, which each of the Executive Officers has waived in connection with the Merger, as described below in *Waiver of Change in Control Protections*.

In certain circumstances, reimbursement of excise taxes triggered by payments to the executive and any additional taxes on this reimbursement as described below.

The Executive Officers would, absent any applicable waiver, be entitled to the following payments and benefits under their respective change in control agreements upon a *Covered Termination* following a change in control, including the Merger:

Severance payable upon termination in an amount equal to 300% (for Mr. Hogan) or 250% (for the other Executive Officers) of annual base salary plus the greater of the executive's target bonus for the year in question or bonus received in the prior year.

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Replacement coverage for company-provided group medical, dental and life insurance policies for up to three years (for Messrs. Hogan, Schrock, Koury and Meyer) or up to two years (for Messrs. Stauch and Borin and Ms. Lageson).

Outplacement services from an executive search agency not to exceed 10% of the executive's annual base salary.

The accelerated accrual and vesting of benefits under the Pentair, Inc. Supplemental Executive Retirement Plan (the "SERP") (for those executives who have been made participants in such plan); and for executives having fewer than seven years of participation in the SERP, up to three additional years of service credit, with a maximum of seven years of service.

Up to \$15,000 in fees and expenses of consultants and legal or accounting advisors.

In addition, the change in control agreements entitle each of the Executive Officers to reimbursement for any golden parachute excise taxes imposed by Section 4999 of the Code to the extent that any parachute payments within the meaning of Section 280G of the Code exceed 110% of the safe harbor amount under Section 280G of the Code. In the event that parachute payments payable to the Executive Officer do not exceed this threshold, such payments will be reduced to the extent necessary to avoid the imposition of the excise tax. Pentair estimates that only Mr. Stauch and Ms. Lageson would be entitled to a reimbursement of such excise taxes solely as a result of the Merger, and that Messrs. Stauch, Schrock and Borin and Ms. Lageson would be entitled to a reimbursement of such excise taxes in the event of a Covered Termination following the Merger. In addition, Pentair estimates that certain payments due to Messrs. Koury and Meyer would be subject to reduction in the event of a Covered Termination following the Merger. These estimates rely on several assumptions set forth in the footnotes to the tables in the section entitled "Quantification of Payments and Benefits" and the actual amounts of any such reimbursement or reduction may be more or less than the amounts described in this proxy statement/prospectus.

In the case of each Executive Officer, the change in control agreement also requires the executive to devote his or her best efforts to Pentair or its successor while employed during the three-year (for Messrs. Hogan, Schrock, Koury and Meyer) or two-year (for the other Executive Officers) period following the Merger, to maintain the confidentiality of Pentair's information during and following employment and to refrain from competitive activities for a period of one year following termination of employment with Pentair or its successor.

Under these change in control agreements, the term "cause" generally means engaging in intentional conduct that causes Pentair demonstrable and serious financial injury, conviction of a felony or continuing willful and unreasonable refusal by an officer to perform his or her duties or responsibilities, and the term "good reason" generally means: (i) a breach of the agreement by Pentair; (ii) any reduction in an officer's base salary, percentage of base salary available as incentive compensation or bonus opportunity or benefits; (iii) an officer's removal from, or any failure to reelect or reappoint him or her to serve in, any of the positions held with Pentair on the date of the change in control or any other positions to which he or she is thereafter elected, appointed or assigned, except in the event that such removal or failure to reelect or reappoint relates to Pentair's termination of an officer's employment for cause or by reason of disability; (iv) a good faith determination by an officer that there has been a material adverse change in his or her working conditions or status relative to the most favorable working conditions or status in effect during the 180-day period prior to the change in control, or, to the extent more favorable to him or her, those in effect at any time while employed after the change in control, including but not limited to a significant change in the nature or scope of his or her authority, powers, functions, duties or responsibilities or a significant reduction in the level of support services, staff, secretarial and other assistance, office space and accoutrements, but in each case excluding for this purpose an isolated, insubstantial and inadvertent event not occurring in bad faith that Pentair remedies within 10 days after receipt of notice thereof; (v) relocation of an officer's principal place of employment to a location more than 50 miles from his or her principal place of employment on the date 180 days prior to the change in control; (vi) imposition of a requirement that an officer travel on business 20% in excess of the average number of days per month he or she

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was required to travel during the 180-day period prior to the change in control; or (vii) Pentair's failure to cause a successor to assume an officer's agreement. In addition, solely in the case of Mr. Hogan, the term "good reason" also includes a voluntary termination for any reason within 30 days following the first anniversary of any change in control; however, Mr. Hogan has waived this "good reason" trigger in connection with the Merger, as described below.

For the Named Executive Officers, the value of the potential change in control benefits under these agreements is set forth in the table "Quantification of Payments and Benefits - Potential Change in Control Payments to Named Executive Officers" below. For Pentair's other Executive Officers, Messrs. Borin and Meyer, the value of the potential change in control benefits under these agreements is set forth in the table "Quantification of Payments and Benefits - Potential Change in Control Payments to Other Executive Officers" below.

Waiver of Change in Control Protections

In connection with Pentair's entry into the Merger Agreement, the Executive Officers have entered into Waiver Letters with Pentair waiving (i) accelerated vesting of their Pentair stock options and restricted stock units (except to the extent that such waiver would result in adverse tax consequences under Section 409A of the Code) and (ii) accelerated vesting and pro rata payout of their cash performance units, in each case, upon consummation of the Merger. Awards whose acceleration is waived will continue to vest in accordance with their normal terms, provided that unvested awards will vest in full in the event of a Covered Termination. In addition, the performance conditions with respect to Pentair cash performance units will be deemed satisfied, and the value of such cash performance units will be fixed at target, upon the consummation of the Merger, and such awards will only be subject to service-based vesting conditions.

Under his Waiver Letter, Mr. Hogan has also waived his right to have any voluntary termination of his employment during the 30-day period following the first anniversary of the consummation of the Merger treated as a Covered Termination.

Additional Equity Grants

In order to promote the retention of key executives during the period prior to and following the consummation of the Merger, Pentair will grant additional equity awards to certain key executives, including the Executive Officers, with an aggregate grant date value of up to \$20 million, in connection with the consummation of the Merger. Messrs. Hogan, Stauch, Schrock, Koury, Borin and Meyer and Ms. Lageson's Waiver Letters provide for grants of restricted stock units with grant date values of \$5,500,000, \$1,727,835, \$2,327,084, \$1,019,083, \$486,953, \$263,157 and \$875,000, respectively.

In addition, in consideration for the waivers of acceleration of equity and cash performance awards described above, Pentair will grant additional equity awards with a grant date value of up to \$5 million, in connection with the consummation of the Merger. Messrs. Hogan, Stauch, Schrock, Koury, Borin and Meyer and Ms. Lageson's Waiver Letters provide for grants of restricted stock units with grant date values of \$825,000, \$259,175, \$349,063, \$152,862, \$75,000, \$50,000 and \$131,250, respectively.

All such awards are expected to vest in equal 50% installments on each of the third and fourth anniversaries of the consummation of the Merger, subject to earlier pro rata vesting in the event of a Covered Termination.

Non-Qualified Deferred Compensation for Executive Officers

Pentair maintains a non-qualified deferred compensation program in which certain of its executives, including the Executive Officers, are eligible to participate. Participants in this program are permitted to defer receipt and taxation of certain types of compensation that they have previously earned, and to specify certain future events upon which the compensation will be distributed. For some participants, including the Executive

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Officers, these future distribution events include a change in control, which includes the Merger. As a result, some previously earned and vested, but unpaid, amounts will be distributed under Pentair's deferred compensation programs to the Executive Officers upon the consummation of the Merger.

New Management Arrangements

As of the date of this filing, neither Pentair, Tyco, nor New Pentair has entered into any employment or other agreements with the Executive Officers in connection with the Merger other than the Waiver Letters and the additional equity grants described above. Pursuant to the Merger Agreement, at the Effective Time, Pentair's executive officers will become the executive officers of New Pentair, and Pentair's board of directors, together with up to two new directors selected by Tyco prior to the mailing of the Tyco Proxy Statement and reasonably acceptable to Pentair, will become the board of directors of New Pentair. Tyco has selected only one designee to the New Pentair board of directors.

Quantification of Payments and Benefits

The following tables show the amounts of payments and benefits that each Executive Officer of Pentair would receive in connection with the Merger, assuming for purposes of this disclosure that (i) the consummation of the Merger occurred on September 28, 2012 and (ii) where indicated, the employment of the Executive Officer is terminated in a Covered Termination.

The first table below, entitled "Potential Change in Control Payments to Named Executive Officers", along with its footnotes, shows the compensation payable to the Named Executive Officers (i.e., Pentair's chief executive officer, current and former chief financial officers and the three other most highly compensated executive officers, as determined for purposes of its most recent annual proxy statement), and is subject to an advisory vote of Pentair's shareholders, as described under the section entitled "Advisory Vote to Approve Change in Control Payments to Named Executive Officers" below.

The second table below, entitled "Potential Change in Control Payments to Other Executive Officers", along with its footnotes, shows the compensation payable to Pentair's other Executive Officers and is not subject to an advisory vote. Although the rules of the SEC do not require the second table, it has been included so that quantification of the potential change in control payments and benefits that could be received by all of the Executive Officers is presented in a uniform manner.

Compensation payable in respect of outstanding unvested options and restricted stock units held by the Executive Officers is included in the first and second tables below, entitled "Potential Change in Control Payments to Named Executive Officers" and "Potential Change in Control Payments to Other Executive Officers", respectively.

Table of Contents**Potential Change in Control Payments to Named Executive Officers**

Name	Triggering Event	Cash\$(1)	Equity\$(2)	Pension / Non-Qualified Deferred Compensation \$(3)	Perquisites/ Benefits \$(4)	Tax Reimburse-ments\$(5)	Other \$(6)	Total(\$)
Randall J. Hogan	Merger Only	\$ 1,650,000						\$ 1,650,000
	Post-Merger Termination	\$ 12,873,350	\$ 15,253,769		\$ 48,106		\$ 65,000(7)	\$ 28,240,225
	Merger and Termination	\$ 14,523,350	\$ 15,253,769		\$ 48,106		\$ 65,000(7)	\$ 29,890,225
John L. Stauch	Merger Only	\$ 394,934				\$ 1,348,135		\$ 1,743,069
	Post-Merger Termination	\$ 3,544,557	\$ 6,851,624	\$ 217,483	\$ 31,020	\$ 1,136,383	\$ 64,367(7)	\$ 11,845,434
	Merger and Termination	\$ 3,939,491	\$ 6,851,624	\$ 217,483	\$ 31,020	\$ 2,484,518	\$ 64,367(7)	\$ 13,588,503
Michael V. Schrock	Merger Only	\$ 581,771	\$ 1,526,662					\$ 2,108,433
	Post-Merger Termination	\$ 4,733,492	\$ 5,047,252		\$ 47,333	\$ 2,663,899	\$ 65,000(7)	\$ 12,556,976
	Merger and Termination	\$ 5,315,263	\$ 6,573,914		\$ 47,333	\$ 2,663,899	\$ 65,000(7)	\$ 14,665,409
Frederick S. Koury	Merger Only	\$ 244,580						\$ 244,580
	Post-Merger Termination	\$ 2,095,373	\$ 2,852,950		\$ 30,340		\$ 55,763(7)	\$ 5,034,426
	Merger and Termination	\$ 2,339,953	\$ 2,852,950		\$ 30,340		\$ 55,763(7)	\$ 5,279,006
Angela D. Lageson	Merger Only	\$ 210,000				\$ 687,410		\$ 897,410
	Post-Merger Termination	\$ 1,972,096	\$ 1,635,298	\$ 468,408	\$ 30,144	\$ 814,163	\$ 50,000(7)	\$ 4,970,109
	Merger and Termination	\$ 2,182,096	\$ 1,635,298	\$ 468,408	\$ 30,144	\$ 1,501,573	\$ 50,000(7)	\$ 5,867,519

- (1) The cash payments in the Merger Only row consist of incentive compensation awards for 2012 under the EOPP to be paid at the target level after the consummation of the Merger. These benefits are single trigger as they will be payable upon the consummation of the Merger without regard to whether there is a termination of employment.

The cash payments in the Post-Merger Termination row consist of (a) cash severance payable upon a Covered Termination following the Merger and before its third anniversary (for Messrs. Hogan, Schrock and Koury) or its second anniversary (in the case of Mr. Stauch and Ms. Lageson) in an amount equal to 300% (for Mr. Hogan) or 250% (for the other Named Executive Officers) of annual base salary plus

the greater of the executive's target bonus for 2012 or the bonus received in 2011 and (b) cash-settled performance units, which pursuant to the Waiver Letters will remain subject to their existing time-based

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vesting schedules following the Merger but become payable at the target value of the awards without proration upon a Covered Termination. As described above, in connection with the Merger, the Named Executive Officers have entered into Waiver Letters waiving accelerated vesting and pro rata payout of their cash performance units in connection with the Merger. In his Waiver Letter, Mr. Hogan has also waived his right to have any voluntary termination of his employment during the 30-day period following the first anniversary of the consummation of the Merger treated as a Covered Termination. Awards whose acceleration is waived will continue to vest in accordance with their normal time-based terms, provided that unvested awards will vest in full in the event of a Covered Termination. These benefits are **double trigger** as they will be payable only upon a Covered Termination following the consummation of the Merger. In addition, the cash payment disclosed in this Post-Merger Termination row for Mr. Koury reflects a reduction of \$331,991 as a reduction in benefits payable as the result of the application of provisions related to the excise tax under Sections 280G and 4999 of the Code as described above.

The amounts of the respective components are set forth in the following table:

Name	EOPP Award(\$)	Cash Settled Performance Units(\$)	Cash Severance(\$)
Randall J. Hogan	\$ 1,650,000	\$ 3,491,666	\$ 9,381,684
John L. Stauch	\$ 394,934	\$ 1,108,334	\$ 2,436,223
Michael V. Schrock	\$ 581,771	\$ 1,508,334	\$ 3,225,158
Frederick S. Koury	\$ 244,580	\$ 646,666	\$ 1,780,698
Angela D. Lageson	\$ 210,000	\$ 483,333	\$ 1,488,763

The table above does not quantify awards that, in accordance with their terms, would vest between the date of this proxy statement/prospectus and September 28, 2012 notwithstanding the Merger; however, depending on when consummation of the Merger actually occurs, certain cash settled performance units shown as unvested in the table may become vested in accordance with their terms without regard to the Merger.

Payment amounts are based on the compensation and benefit levels in effect on March 31, 2012; therefore, if compensation and benefit levels are increased after such date, actual payments to a Named Executive Officer may be greater than those quantified above. In addition, the table above does not include any grants of awards which may occur following the date of this proxy statement/prospectus.

- (2) The equity amounts in the Merger Only row consist of the value of accelerated vesting of unvested restricted stock units held by Mr. Schrock with an originally scheduled vesting date of 2015 or later. Since the value of the Merger consideration is not a fixed dollar amount, pursuant to applicable SEC rules, the value of the restricted stock units in the table above is based on the average closing price of Pentair shares over the first five trading days following public announcement of the Merger, which was \$46.98. Accordingly, actual payments may be greater or less than those provided for above. These restricted stock units will vest and be settled by delivery of shares upon consummation of the Merger. Fifty percent of the shares delivered will not be transferable until the date on which the restricted stock units would otherwise have vested and been settled in the absence of the Merger. Mr. Schrock waived the accelerated vesting of his other equity awards, as described below, but did not waive vesting of these restricted stock units because such waiver would potentially violate Section 409A of the Code. The accelerated vesting of these restricted stock units is a **single trigger** benefit as it will occur upon the consummation of the Merger without regard to whether there is a termination of employment.

The equity amounts in the Post-Merger Termination row consist of the value of accelerated vesting of unvested stock options for each of the Named Executive Officers and for the unvested restricted stock units for each of the Named Executive Officers other than Mr. Schrock. For Mr. Schrock, the unvested restricted stock units consist only of restricted stock units with an originally scheduled vesting date of 2014 or earlier. These benefits are **double trigger** as they will be payable only upon a Covered Termination following the consummation of the Merger and before the awards otherwise vest in accordance with their normal terms. As described above, in connection with the Merger, the Named Executive Officers have entered into Waiver

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Letters waiving accelerated vesting of their stock options in connection with the Merger. Each of the Named Executive Officers, other than Mr. Schrock as described above, also waived accelerated vesting of their respective restricted stock units. Awards whose acceleration is waived will continue to vest in accordance with their normal terms provided that unvested awards will vest in full in the event of a Covered Termination.

The following table shows the amounts in the Equity column attributable to the respective award types included in the Post-Merger Termination row:

Name	No. of Shares Underlying Unvested Stock Options	Resulting Consideration from Unvested Stock Options(\$)	No. of Shares Underlying Unvested Restricted Stock Units	Resulting Consideration from Underlying Unvested Restricted Stock Units(\$)
Randall J. Hogan	428,851	\$ 5,277,801	212,345	\$ 9,975,968
John L. Stauch	137,287	\$ 1,690,260	109,863	\$ 5,161,364
Michael V. Schrock	185,674	\$ 2,284,264	58,812	\$ 2,762,988
Frederick S. Koury	79,976	\$ 985,166	39,757	\$ 1,867,784
Angela D. Lageson	51,152	\$ 612,496	21,771	\$ 1,022,802

Since the value of the Merger consideration is not a fixed dollar amount, pursuant to applicable SEC rules, the value of unvested stock options and restricted stock units in the table above is based on the average closing price of Pentair shares over the first five trading days following public announcement of the Merger, which was \$46.98, and has assumed, for purposes of this table, that the Named Executive Officers will exercise their stock options at such price. Accordingly, actual payments may be greater or less than those provided for above. The table above does not quantify awards that, in accordance with their terms, would vest between the date of this proxy statement/prospectus and September 28, 2012 notwithstanding the Merger; however, depending on when consummation of the Merger actually occurs, certain stock options and restricted stock units shown as unvested in the table may become vested in accordance with their terms without regard to the Merger. The table above does not include any grants of awards which may occur following the date of this proxy statement/prospectus.

- (3) The pension values shown for Mr. Stauch and Ms. Lageson in the Post-Merger Termination row and the Merger and Termination row consist of the accelerated accrual and vesting of benefits under the SERP, and for Mr. Stauch, additional service credits of up to one additional year of service and for Ms. Lageson additional service credits of up to three additional years of service. These benefits are *double trigger* as they will be payable only upon a Covered Termination following the consummation of the Merger and before its second anniversary. In addition, as described above, Pentair maintains certain non-qualified deferred compensation programs, under which Named Executive Officers may elect to receive distribution of vested amounts upon the occurrence of certain future events, including a change in control or certain terminations of employment. Amounts to be distributed include \$1,068,190, \$357,584, \$1,117,399 and \$360,928 to Messrs. Hogan, Stauch, Schrock and Koury, respectively, all as of March 9, 2012. Amounts actually distributed will be based on the returns of the investment alternatives selected by each Named Executive Officer, which may cause the actual payments to be greater or less than those provided for above. The amounts will be distributed in a lump sum, five equal annual installments or a combination of a lump sum and five equal annual installments, in each case pursuant to the terms of the applicable deferred compensation arrangement. These amounts are not reflected in the tables above as they are fully vested pursuant to their terms.
- (4) The benefits shown for the Named Executive Officers in the Post-Merger Termination row and the Merger and Termination row consist of replacement coverage for company-provided group medical, dental and life insurance policies for up to three years (for Messrs. Hogan, Schrock and Koury) and for up to two years (for Mr. Stauch and Ms. Lageson). These benefits are *double trigger* as they will be payable only upon a Covered Termination following the consummation of the Merger and before its third anniversary (for Messrs. Hogan, Schrock and Koury) or its second anniversary (for Mr. Stauch and Ms. Lageson).
- (5) The tax reimbursements shown for the Named Executive Officers in the Merger Only row consist of reimbursement of any excise taxes triggered under Section 280G and Section 4999 of the Code by payments

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to the executive in connection with the consummation of the Merger (assuming no Termination) and any additional taxes on such reimbursement. These benefits are single trigger as they will be payable upon the consummation of the Merger without regard to whether there is a termination of employment.

The tax reimbursements shown for the Named Executive Officers in the Post-Merger Termination row consist of reimbursement of any excise taxes triggered under Section 280G and Section 4999 of the Code by payments to the executive in connection with the Merger as a result of a subsequent Covered Termination and any additional taxes on this reimbursement. Amounts shown in the Post-Merger Termination row reflect the incremental increase in aggregate tax reimbursements over the Merger Only row. These benefits are double trigger as they will be payable only upon a Covered Termination following the consummation of the Merger.

In determining the amount of any tax reimbursements included in the table above, Pentair made the following material assumptions: an excise tax rate of 20% under Section 280G of the Code, individual tax rates of 41.55%, and the combined company would be able to overcome any presumption that grants of stock options or restricted stock units in 2012 (other than the restricted stock units described in footnote 7) were made in contemplation of a change in control pursuant to regulations promulgated under the Code. Furthermore, it was assumed that no value will be attributed to any non-competition agreement. At the time of payment, such a value may be attributed, which would result in a reduction of amounts subject to the excise tax and a corresponding reduction in the amount of tax gross up payments made to the applicable Named Executive Officer.

(6) The benefits shown for the Named Executive Officers in the Post-Merger Termination row and the Merger and Termination row consist of the cost of outplacement services from an executive search agency not to exceed 10% of the Named Executive Officer's annual base salary, and \$15,000 in fees and expenses of consultants and legal or accounting advisors. These benefits are double trigger as they will be payable only upon a Covered Termination following the consummation of the Merger.

(7) In order to promote the retention of key executives during the period prior to and following the consummation of the Merger, Pentair will grant additional equity awards to the Named Executive Officers in connection with the consummation of the Merger. Messrs. Hogan, Stauch, Schrock and Koury and Ms. Lageson's Waiver Letters provide for grants of restricted stock units with grant date values of \$5,500,000, \$1,727,835, \$2,327,084, \$1,019,083 and \$875,000, respectively.

In addition, in consideration for the waivers of acceleration of equity and cash performance awards included in the Waiver Letters, Pentair will grant additional equity awards to the Named Executive Officers in connection with the consummation of the Merger. Messrs. Hogan, Stauch, Schrock and Koury and Ms. Lageson's Waiver Letters provide for grants of restricted stock units with grant date values of \$825,000, \$259,175, \$349,063, \$152,862 and \$131,250, respectively.

All such awards are expected to vest in equal 50% installments on each of the third and fourth anniversaries of the consummation of the Merger, subject to earlier pro rata vesting in the event of a Covered Termination.

No amounts are shown for these awards in the Merger Only row, the Post-Merger Termination row or the Merger and Termination row in the table above because in the event of a termination (including a Covered Termination) upon the date of the consummation of the Merger, the maximum prorated payment would, in each case, be zero.

In the case of each Named Executive Officer, the agreements providing for payments and other benefits upon a Covered Termination following the consummation of the Merger also require the Named Executive Officer to devote his or her best efforts to the combined company while employed during the three-year period (for Messrs. Hogan, Schrock and Koury) or two-year period (for Mr. Stauch and Ms. Lageson) following the Merger, to maintain the confidentiality of Pentair's information during and following employment, and to refrain from competitive activities for a period of one year following termination of employment with Pentair or the combined company.

Table of Contents*Advisory Vote to Approve Change in Control Payments to Named Executive Officers*

In accordance with Section 14A of the Securities Exchange Act of 1934, as amended, Pentair is providing its shareholders with the opportunity to cast a non-binding, advisory vote to approve the compensation that may be paid or become payable to the Named Executive Officers in connection with the Merger as described in the table titled "Potential Change in Control Payments to Named Executive Officers" above. Please see below under "Proposals to be Acted on at the Pentair Special Meeting Proposal 2 Advisory Vote to Approve Change in Control Payments to Named Executive Officers" for the text of the resolution on which Pentair is asking its shareholders to vote, and for additional information concerning the vote. Pentair's board of directors unanimously recommends that you vote FOR approval of the resolution.

Potential Change in Control Payments to Other Executive Officers

Name	Triggering Event	Cash\$(1)	Equity\$(2)	Pension / Non-Qualified Deferred Compensation \$(3)	Perquisites/ Benefits \$(4)	Tax Reimburse-ments \$(5)	Other \$(6)	Total (\$)
Michael G. Meyer	Merger Only	\$ 157,894						\$ 157,894
	Post-Merger Termination	\$ 1,208,586	\$ 741,989		\$ 44,964		\$ 41,316	\$ 2,036,855
	Merger and Termination	\$ 1,366,480	\$ 741,989		\$ 44,964		\$ 41,316	\$ 2,194,749
Mark C. Borin	Merger Only	\$ 194,781						\$ 194,781
	Post-Merger Termination	\$ 1,733,200	\$ 1,410,122	\$ 152,227	\$ 29,990	\$ 992,778	\$ 47,464	\$ 4,365,781
	Merger and Termination	\$ 1,927,981	\$ 1,410,122	\$ 152,227	\$ 29,990	\$ 992,778	\$ 47,464	\$ 4,560,562

(1) The cash payments in the Merger Only row consist of incentive compensation awards for 2012 under the EOPP to be paid at the target level after the consummation of the Merger. These benefits are "single trigger" as they will be payable upon the consummation of the Merger without regard to whether there is a termination of employment.

The cash payments in the Post-Merger Termination row consist of (a) cash severance payable upon a Covered Termination following the Merger and before its third anniversary (for Mr. Meyer) or its second anniversary (for Mr. Borin) in an amount equal to 250% of annual base salary plus the greater of the executive's target bonus for 2012 or the bonus received in 2011 and (b) cash settled performance units, which pursuant to the Waiver Letters will remain subject to their existing time-based vesting schedules following the Merger but become payable at the target value of the awards without proration upon a Covered Termination. As described above, in connection with the Merger, the Executive Officers have entered into Waiver Letters waiving accelerated vesting and pro rata payout of their cash performance units in connection with the Merger. Awards whose acceleration is waived will continue to vest in accordance with their normal time-based vesting terms, provided that unvested awards will vest in full in the event of a Covered Termination. These benefits are "double trigger" as they will be payable only upon a Covered Termination following the consummation of the Merger. In addition, the cash payment disclosed in the Post-Merger Termination row for Mr. Meyer reflects a reduction of \$96,554 as a reduction in benefits payable as the result of the application of provisions related to the excise tax under Sections 280G and 4999 of the Code as described above.

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The amounts of the respective components are set forth in the following table:

Name	EOPP Award (\$)	Cash Settled Performance Units (\$)	Cash Severance (\$)
Michael G. Meyer	\$ 157,894	\$ 166,667	\$ 1,138,473
Mark C. Borin	\$ 194,781	\$ 321,667	\$ 1,411,533

The table above does not quantify awards that, in accordance with their terms, would vest between the date of this proxy statement/prospectus and September 28, 2012 notwithstanding the Merger; however, depending on when consummation of the Merger actually occurs, certain cash settled performance units shown as unvested in the table may become vested in accordance with their terms without regard to the Merger.

Payment amounts are based on the compensation and benefit levels in effect on March 31, 2012; therefore, if compensation and benefit levels are increased after such date, actual payments to a Named Executive Officer may be greater than those quantified above. In addition, the table above does not include any grants of awards which may occur following the date of this proxy statement/prospectus.

- (2) The equity amounts in the Post-Merger Termination row consist of the value of accelerated vesting of unvested stock options and restricted stock units for each of the Executive Officers. These benefits are double trigger as they will be payable only upon a Covered Termination following the consummation of the Merger and before the awards otherwise vest in accordance with their normal terms. As described above, in connection with the Merger, Messrs. Meyer and Borin have entered into Waiver Letters waiving accelerated vesting of their stock options and restricted stock units in connection with the Merger. Awards whose acceleration is waived will continue to vest in accordance with their normal terms, provided that unvested awards will vest in full in the event of a Covered Termination.

The following table shows the amounts in the Equity column attributable to the respective award types included in the Post-Merger Termination row:

Name	No. of Shares Underlying Unvested Stock Options	Resulting Consideration from Unvested Stock Options(\$)	No. of Shares Underlying Unvested Restricted Stock Units	Resulting Consideration from Underlying Unvested Restricted Stock Units(\$)
Michael G. Meyer	20,664	\$ 254,337	10,380	\$ 487,652
Mark C. Borin	39,807	\$ 490,254	19,580	\$ 919,868

As described above, since the value of the Merger consideration is not a fixed dollar amount, pursuant to applicable SEC rules, the value of unvested stock options and restricted stock units in the table above is based on the average closing price of Pentair shares over the first five trading days following public announcement of the Merger, which was \$46.98, and has assumed, for purposes of this table, that the Executive Officers will exercise their stock options at such price. Accordingly, actual payments may be greater or less than those provided for above. The table above does not quantify awards that, in accordance with their terms, would vest between the date of this proxy statement/prospectus and September 28, 2012 notwithstanding the Merger; however, depending on when consummation of the Merger actually occurs, certain stock options and restricted stock units shown as unvested in the table may become vested in accordance with their terms without regard to the Merger. The table above does not include any grants of awards which may occur following the date of this proxy statement/prospectus.

- (3) The pension values shown for Mr. Borin in the Post-Merger Termination row and the Merger and Termination row consist of the accelerated accrual and vesting of benefits under the SERP, and additional service credits of up to two additional years of service. These benefits are double trigger as they will be payable only upon a Covered Termination following the consummation of the Merger and before its second anniversary. In addition, as described above, Pentair maintains certain non-qualified deferred compensation programs, under which Executive Officers may elect to receive distribution of vested amounts upon the

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- occurrence of certain future events, including a change in control or certain terminations of employment. Amounts to be distributed include \$129,901 and \$71,330 to Mr. Meyer and Mr. Borin, respectively, as of March 9, 2012. Amounts actually distributed will be based on the returns of the investment alternatives selected by each Executive Officer, which may cause the actual payments to be greater or less than those provided for above. The amounts will be distributed in a lump sum pursuant to the terms of the applicable deferred compensation arrangement. These amounts are not reflected in the tables above as they are fully vested pursuant to their terms.
- (4) The benefits shown for the Executive Officers in the Post-Merger Termination row and the Merger and Termination row consist of replacement coverage for company-provided group medical, dental and life insurance policies for up to three years (for Mr. Meyer) and for up to two years (for Mr. Borin). These benefits are double trigger as they will be payable only upon a Covered Termination following the consummation of the Merger and before its third anniversary (for Mr. Meyer) or its second anniversary (for Mr. Borin).
- (5) The tax reimbursements shown for Mr. Borin in the Post-Merger Termination row consist of reimbursement of any excise taxes triggered under Section 280G and Section 4999 of the Code by payments to the executive in connection with the Merger as a result of a subsequent Covered Termination and any additional taxes on this reimbursement. These benefits are double trigger as they will be payable only upon a Covered Termination following the consummation of the Merger.

In determining the amount of any tax reimbursements included in the table above, Pentair made the following material assumptions: an excise tax rate of 20% under Section 280G of the Code, individual tax rates of 41.55%, and the combined company would be able to overcome any presumption that grants of stock options or restricted stock units in 2012 (other than the restricted stock units described in footnote 7) were made in contemplation of a change in control pursuant to regulations promulgated under the Code. Furthermore, it was assumed that no value will be attributed to any non-competition agreement. At the time of payment, such a value may be attributed, which would result in a reduction of amounts subject to the excise tax and a corresponding reduction in the amount of tax gross up payments made to the applicable Executive Officer.

- (6) The benefits shown for the Executive Officers in the Post-Merger Termination row and the Merger and Termination row consist of the cost of outplacement services from an executive search agency not to exceed 10% of the Executive Officer's annual base salary, and \$15,000 in fees and expenses of consultants and legal or accounting advisors. These benefits are double trigger as they will be payable only upon a Covered Termination following the consummation of the Merger.
- (7) In order to promote the retention of key executives during the period prior to and following the consummation of the Merger, Pentair will grant additional equity awards to the Executive Officers in connection with the consummation of the Merger. Messrs. Meyer's and Borin's Waiver Letters provide for grants of restricted stock units with grant date values of \$486,953 and \$263,157, respectively.

In addition, in consideration for the waivers of acceleration of equity and cash performance awards included in the Waiver Letters, Pentair will grant additional equity awards to the Executive Officers in connection with the consummation of the Merger. Messrs. Meyer's and Borin's Waiver Letters provide for grants of restricted stock units with grant date values of \$75,000 and \$50,000, respectively.

All such awards are expected to vest in equal 50% installments on each of the third and fourth anniversaries of the consummation of the Merger, subject to earlier pro rata vesting in the event of a Covered Termination.

No amounts are shown for these awards in the Merger Only row, the Post-Merger Termination row or the Merger and Termination row in the table above because in the event of a termination (including a Covered Termination) upon the date of the consummation of the Merger, the maximum prorated payment would, in each case, be zero.

In the case of each Executive Officer, the agreements providing for payments and other benefits upon a Covered Termination following the consummation of the Merger also require the Named Executive Officer to devote his or her best efforts to the combined company while employed during the three-year (for Mr. Meyer) or

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two-year (for Mr. Borin) period following the Merger, to maintain the confidentiality of Pentair's information during and following employment, and to refrain from competitive activities for a period of one year following termination of employment with Pentair or the combined company.

Regulatory Approvals

U.S. Antitrust. Under the HSR Act and related rules, the Merger may not be completed until notifications have been given and information furnished to the Federal Trade Commission and to the Antitrust Division and all statutory waiting period requirements have been satisfied. The HSR Act provides for an initial 30-calendar-day statutory waiting period following the necessary filings by the parties to the merger, unless the Federal Trade Commission and Antitrust Division terminates the waiting period early. Pentair and New Pentair filed Notification and Report Forms with the Federal Trade Commission and the Antitrust Division on April 17, 2012 and early termination of the HSR Act waiting period was granted on April 25, 2012.

At any time before or after completion of the Merger, the Federal Trade Commission or the Antitrust Division could take any action under the antitrust laws that it deems necessary or desirable in the public interest, including seeking to enjoin completion of the Spin-off and the Merger or seeking divestiture of substantial assets of Pentair or New Pentair or the imposition of other remedies. In addition, the U.S. state attorneys general could take action under the antitrust laws as they deem necessary or desirable in the public interest, including without limitation seeking to enjoin the completion of the Merger or permitting completion subject to regulatory concessions or conditions. The Spin-off and the Merger could also be the subject of challenges by private parties under the antitrust laws.

Tyco and Pentair have agreed to use their reasonable best efforts, subject to specified limitations to obtain as promptly as practicable various consents, registrations, approvals, waivers, permits, authorizations, clearances and other actions of or by any governmental authority that are necessary or advisable under or in respect of any other antitrust law in order to consummate the Merger and the Transactions. Under the Merger Agreement, the use of such reasonable best efforts does not require Tyco or Pentair to agree to or accept any term or condition to any regulatory approval if the terms and conditions of or to the regulatory approvals would reasonably be expected to have a material and adverse impact on the value, financial condition or credit quality of Tyco Flow Control and its subsidiaries, taken as a whole and including for such purposes Pentair and its subsidiaries.

Other Regulatory Approvals. In addition, Pentair and New Pentair are required to provide notifications to the European Union, Chinese and Turkish competition authorities. Subsequent to a notification filed on June 15, 2012, Pentair and New Pentair received on July 11, 2012 a decision from the European Commission under Council Regulation (EC) No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings declaring that the Merger is compatible with the internal market and with the Agreement of the European Economic Area. Pentair and New Pentair are also seeking clearance under the Chinese Anti-Monopoly Law with a notification submitted to the Anti-Monopoly Bureau of China's Ministry of Commerce on May 4, 2012. The Anti-Monopoly Bureau of China's Ministry of Commerce initiated the formal review period for the notification on July 3, 2012. Further, subsequent to a notification submitted to the Competition Board of the Turkish Competition Authority on June 27, 2012, Pentair and New Pentair received on July 19, 2012 a decision granting clearance under the Turkish Law on Protection of Competition No. 4054 and the Turkish Competition Authority Communiqué No. 2010/4 on Mergers and Acquisitions Requiring the Approval of the Competition Board. Pentair and New Pentair as appropriate also may provide notice and seek regulatory clearance in other jurisdictions.

There can be no assurance that a challenge to the Merger on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

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Listing

New Pentair has agreed to make application to the NYSE for the listing of the New Pentair common shares to be issued in connection with the Merger and use all reasonable best efforts to cause such shares to be approved for listing. It is a condition to the completion of the Transactions that the New Pentair common shares will have been approved for listing on the NYSE, subject to official notice of issuance.

Federal Securities Law Consequences; Resale Restrictions

The New Pentair common shares distributed to Tyco shareholders in the Distribution and issued to Pentair shareholders as consideration for the Merger will be freely transferable, except for shares received by individuals who are affiliates of New Pentair. Individuals who may be considered New Pentair affiliates after the Transactions include individuals who control, are controlled by or are under common control with us, as those terms generally are interpreted for U.S. federal securities law purposes. These individuals may include some or all of New Pentair's directors and executive officers. Individuals who are New Pentair's affiliates will be permitted to sell their New Pentair common shares only pursuant to an effective registration statement under the Securities Act, or an exemption from the registration requirements of the Securities Act, such as the exemptions afforded by Section 4(1) of the Securities Act or Rule 144 thereunder.

Accounting Treatment

ASC Topic 805, *Business Combinations*, requires the use of the purchase method of accounting for business combinations. In applying the purchase method, it is necessary to identify both the accounting acquiree and the accounting acquiror. In a business combination effected through an exchange of equity interests, such as the Merger, the entity that issues the interests (New Pentair in this case) is generally the acquiring entity. In identifying the acquiring entity in a combination effected through an exchange of equity interests, however, all pertinent facts and circumstances must be considered, including the following:

The relative voting interests in New Pentair after the Transactions. In this case, Tyco shareholders are expected to receive approximately 52.5% of the equity ownership and associated voting rights in New Pentair after the Transactions.

The composition of the governing body of New Pentair after the Transactions. In this case, the composition of the Board of Directors of New Pentair after the Transactions will be comprised of the ten current members of the Board of Directors of Pentair plus up to two members designated by Tyco prior to the mailing of the Tyco Proxy Statement and reasonably acceptable to Pentair. Tyco has selected only one designee to the New Pentair board of directors. As more fully described in *Description of New Pentair Capital Stock - General Meetings of Shareholders and Voting Rights*, New Pentair's board of directors will be divided into three classes substantially equivalent in size, with each class serving a three-year term. One class will be elected at each annual general meeting of shareholders. As a result, any significant shift in the composition of the board of directors proposed by New Pentair would take at least two years.

The composition of senior management of New Pentair after the Transactions. In this case, New Pentair's executive officers following the merger will be the current executive officers of Pentair.

Pentair and New Pentair have determined that Pentair will be the accounting acquiror in this combination based on the pertinent facts and circumstances, including those outlined above. New Pentair will apply purchase accounting to the assets and liabilities of the Tyco Flow Control Business upon consummation of the Transactions. Upon completion of the Transactions, the historical financial statements of New Pentair will be those of Pentair.

Rights of Appraisal

Pentair shareholders will not be entitled to appraisal or dissenters' rights under the Minnesota Business Corporation Act in connection with the Merger.

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MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. federal income tax consequences to Tyco, New Pentair and Pentair and to Tyco shareholders and Pentair shareholders in connection with the Distribution and the Merger. This summary is based on the Code and judicial and administrative interpretations thereof, in each case as in effect and available as of the date of this proxy statement/prospectus and all of which are subject to change at any time, possibly with retroactive effect. Any such change could affect the tax consequences described below.

This summary is limited to Tyco shareholders and Pentair shareholders that are U.S. Holders. A U.S. Holder is a beneficial owner of Tyco common shares or Pentair common shares that is, for U.S. federal income tax purposes:

an individual who is a citizen or a resident of the United States;

a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States or any state thereof or the District of Columbia;

an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust, if (i) a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons have the authority to control all of its substantial decisions or (ii) in the case of a trust that was treated as a United States trust under the law in effect before 1997, a valid election is in place under applicable Treasury Regulations.

This summary also does not discuss all tax considerations that may be relevant to shareholders in light of their particular circumstances, nor does it address the consequences to shareholders subject to special treatment under the U.S. federal income tax laws, such as:

dealers or traders in securities or currencies;

tax-exempt entities;

banks, financial institutions or insurance companies;

persons who acquired shares pursuant to the exercise of employee stock options or otherwise as compensation;

shareholders who own, or are deemed to own, at least 10% or more, by voting power or value, of Tyco equity or Pentair equity;

holders owning shares as part of a position in a straddle or as part of a hedging, conversion or other risk reduction transaction for U.S. federal income tax purposes;

certain former citizens or long-term residents of the United States;

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holders who are subject to the alternative minimum tax; or

persons that own Tyco common shares or Pentair common shares through partnerships or other pass-through entities.

This summary does not address the U.S. federal income tax consequences to shareholders who do not hold Tyco common shares or Pentair common shares as a capital asset. Moreover, this summary does not address any state, local or non-U.S. tax consequences or any estate, gift or other non-income tax consequences.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds Tyco common shares or Pentair common shares, the tax treatment of a partner in that partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to the tax consequences of the Distribution and the Merger.

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U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE DISTRIBUTION AND THE MERGER AND THE ONGOING OWNERSHIP OF NEW PENTAIR SHARES.

The Distribution

Tyco has received a private letter ruling from the IRS to the effect that, for U.S. federal income tax purposes, the Distribution, except for cash received in lieu of fractional shares of New Pentair stock, will qualify as tax-free to Tyco and Tyco shareholders under Sections 355 and 361 of the Code and that certain internal transactions undertaken in anticipation of the Distribution will qualify for favorable treatment under the Code.

Even if the Distribution otherwise qualifies for tax-free treatment under Section 355 of the Code, it may result in corporate level taxable gain to Tyco under Section 355(e) of the Code if 50% or more, by vote or value, of New Pentair common shares or Tyco common shares are acquired or issued as part of a plan or series of related transactions that includes the Distribution. For this purpose, any acquisitions or issuances of Tyco common shares within two years before the Distribution, and any acquisitions or issuances of New Pentair common shares or Tyco common shares within two years after the Distribution, generally are presumed to be part of such a plan, although New Pentair or Tyco may be able to rebut that presumption. For purposes of this test, the Merger might be treated as part of such a plan or series of related transactions but if so would not, by itself, cause the Distribution to be taxable to Tyco since Pentair shareholders will acquire less than 50% of New Pentair shares. The change in ownership resulting from the Merger, if treated as part of a plan or series of related transactions that includes the Distribution, would be aggregated with other acquisitions or issuances of our shares that occur as part of a plan or series of related transactions that include the Distribution in determining whether a 50% change in ownership has occurred. The process for determining whether a change of ownership has occurred under the tax rules is complex, inherently factual and subject to interpretation of the facts and circumstances of a particular case. If New Pentair does not carefully monitor its compliance with these rules, New Pentair could inadvertently cause or permit a change of ownership to occur, triggering its obligation to indemnify Tyco or ADT pursuant to the 2012 Tax Sharing Agreement.

If an acquisition or issuance of New Pentair shares or Tyco shares triggers the application of Section 355(e) of the Code, Tyco would recognize a taxable gain as described above, but such gain generally would not be subject to U.S. federal income tax. However, certain subsidiaries or affiliates of New Pentair or Tyco could incur significant U.S. federal income tax liabilities as a result of the application of Section 355(e) of the Code. In connection with the private letter ruling and the opinion of Tyco's tax counsel, Tyco has represented that the Distribution is not part of any such plan or series of related transactions, and New Pentair has represented that there is no plan or intention to issue or redeem equity securities in a manner that would cause the 50% threshold to be met. If any of the representations are untrue or any party takes, or omits to take, certain actions that cause the Distribution to be taxable or that cause certain internal transactions undertaken in anticipation of the Distribution to fail to qualify for favorable treatment under the Code, the responsible party would be obligated to indemnify the other party for any resulting taxes and related expenses under the 2012 Tax Sharing Agreement. See The Separation and Distribution Agreement and Ancillary Agreements Tax Sharing Agreement. Such indemnification obligations could have a material adverse effect on either Tyco or New Pentair.

The Merger

It is a condition to closing that, at the Effective Time, Tyco will have received a private letter ruling from the IRS, Tyco will have received a tax opinion from McDermott Will & Emery LLP and Pentair will have received a tax opinion from Cravath, Swaine & Moore LLP, in each case to the effect that (1) the Merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code and (2) Section 367(a)(1) of the Code will not cause the Merger to be taxable to Pentair shareholders

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(except for any U.S. Holder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS). The private letter ruling also is expected to provide that certain post-closing transactions will not prevent the tax-free treatment of the Distribution or the Merger.

Assuming the conclusions in the private letter ruling and the tax opinions are sustained, none of Pentair, Tyco, New Pentair, Panthro Acquisition or Panthro Merger Sub will recognize gain or loss in the Merger and Pentair shareholders (except for any U.S. Holder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS) will have the following U.S. federal income tax consequences:

Pentair shareholders will not recognize gain or loss on the exchange of their Pentair common shares solely for New Pentair common shares in the Merger;

a Pentair shareholder's tax basis in New Pentair common shares received in the Merger will be the same as such shareholder's tax basis in Pentair common shares exchanged therefor; and

a Pentair shareholder's holding period for New Pentair common shares received in the Merger will include such shareholder's holding period for Pentair common shares exchanged therefor.

Any U.S. Holder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations, but who does not enter into a gain recognition agreement with the IRS, will recognize gain (but not loss) in an amount equal to the excess of the fair market value of the New Pentair common shares it receives in the Merger over its tax basis in the Pentair shares surrendered in exchange therefor.

Although the private letter ruling, if received, generally will be binding on the IRS, it will be based on certain facts and assumptions, and certain representations and undertakings, from Pentair, New Pentair and Tyco that certain conditions that are necessary to obtain tax-free treatment under the Code have been satisfied. The tax opinions that Tyco and Pentair expect to receive also will be based on certain facts and assumptions, and certain representations and undertakings, provided by Pentair, Tyco, New Pentair, Panthro Acquisition and Panthro Merger Sub. If any of these facts, representations, assumptions or undertakings are not correct or have been violated, the private letter ruling could be revoked retroactively or modified by the IRS, and the parties' ability to rely on the opinion of counsel could be jeopardized. Tyco, New Pentair and Pentair are not aware of any facts or circumstances, however, that would cause these facts, representations or assumptions to be untrue or incomplete, or that would cause any of these undertakings to fail to be complied with, in any material respect.

If, notwithstanding the conclusions that the parties expect to be included in the private letter ruling and the opinions, it is ultimately determined that the Merger does not qualify as a reorganization within the meaning of Section 368(a) of the Code, then each Pentair shareholder would recognize gain or loss equal to the difference between the fair market value of the New Pentair common shares it receives in the Merger and its tax basis in the Pentair shares surrendered in exchange therefor. If the Merger qualifies as a reorganization but it is ultimately determined that the transfer of Pentair shares by Pentair shareholders pursuant to the Merger does not qualify for an exception to Section 367(a) of the Code, then each Pentair shareholder would recognize gain (but not loss) equal to the excess of the fair market value of the New Pentair common shares it receives in the Merger over its tax basis in the Pentair shares surrendered in exchange therefor. In each case, any gain so recognized would generally be long-term capital gain if the U.S. Holder has held the Pentair common shares for more than one year at the time the Merger is completed. Long-term capital gain of an individual generally is subject to a maximum U.S. federal income tax rate of 15% with respect to taxable years beginning on or before December 31, 2012. The deductibility of capital losses is subject to limitations.

For a holder who acquired different blocks of Pentair common shares at different times and at different prices, realized gain or loss generally must be calculated separately for each identifiable block of shares exchanged in the Merger, and a loss realized (but not recognized) on the exchange of one block of shares cannot

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be used to offset a gain realized on the exchange of another block of shares. Pentair shareholders that have acquired different blocks of Pentair common shares at different times or at different prices should consult their tax advisors regarding the allocation of their tax basis among, and their holding period of, New Pentair common shares received in exchange for such Pentair common shares.

A U.S. HOLDER OF PENTAIR COMMON SHARES WHO WILL OWN, ACTUALLY OR CONSTRUCTIVELY, AT LEAST FIVE PERCENT OF NEW PENTAIR BY VOTE OR VALUE IMMEDIATELY AFTER THE MERGER WILL QUALIFY FOR NON-RECOGNITION TREATMENT AS DESCRIBED HEREIN ONLY IF THE SHAREHOLDER FILES A GAIN RECOGNITION AGREEMENT WITH THE IRS. ANY SUCH SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE DECISION TO FILE A GAIN RECOGNITION AGREEMENT AND THE PROCEDURES TO BE FOLLOWED IN CONNECTION WITH SUCH FILING.

Ownership of New Pentair common shares

The following discussion is a summary of material U.S. federal income tax consequences of the ownership and disposition of New Pentair common shares to U.S. Holders who receive such shares pursuant to the Merger.

Taxation of Dividends

Dividends will generally be taxed as ordinary income to U.S. Holders to the extent that they are paid out of New Pentair's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Subject to the following discussion of special rules applicable to Passive Foreign Investment Companies (PFICs), the gross amount of the dividends, if any, paid by New Pentair to U.S. Holders, without reduction for Swiss withholding taxes, may be eligible to be taxed at lower rates applicable to certain qualified dividends. The maximum U.S. federal income tax rate imposed on dividends received by individuals from U.S. and certain foreign corporations is 15% with respect to taxable years beginning on or before December 31, 2012. Recipients of dividends from foreign corporations will be taxed at this rate, provided that certain holding period requirements are satisfied and certain other requirements are met, if the dividends are received from certain qualified foreign corporations, which generally includes corporations eligible for the benefits of an income tax treaty with the U.S. that the Secretary of the Treasury determines is satisfactory and includes an information exchange program. Dividends paid with respect to stock of a foreign corporation that is readily tradable on an established securities market in the U.S. will also be treated as having been received from a qualified foreign corporation. The U.S. Department of the Treasury and the IRS have determined that the U.S.-Swiss Treaty is satisfactory for this purpose. In addition, the U.S. Department of the Treasury and the IRS have determined that common stock is considered readily tradable on an established securities market if it is listed on an established securities market in the U.S. such as the NYSE. Accordingly, dividends received by individual U.S. Holders should be entitled to favorable treatment as dividends received with respect to stock of a qualified foreign corporation. Dividends paid by New Pentair will not qualify for the dividends received deduction otherwise available to corporate shareholders.

To the extent that the amount of any dividend exceeds New Pentair's current and accumulated earnings and profits for a taxable year, the excess will first be treated as a tax-free return of capital, causing a reduction in the U.S. Holder's adjusted basis in New Pentair common shares. The balance of the excess, if any, will be taxed as capital gain, which would be long-term capital gain if the holder has held New Pentair common shares for more than one year at the time the dividend is received (as described below in Sale, Exchange or Other Taxable Disposition).

In certain circumstances, a U.S. Holder may be eligible to receive a foreign tax credit for the Swiss withholding taxes (if any) payable in respect of dividends received by the U.S. Holder and, in the case of a corporate U.S. Holder owning 10% or more of the voting shares of New Pentair, for a portion of the Swiss taxes paid by New Pentair.

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It is possible that New Pentair is, or at some future time will be, at least 50% owned by U.S. persons. Dividends paid by a foreign corporation that is at least 50% owned by U.S. persons may be treated as U.S. source income (rather than foreign source income) for foreign tax credit purposes to the extent the foreign corporation has more than an insignificant amount of U.S. source income. The effect of this rule may be to treat a portion of any dividends paid by New Pentair as U.S. source income. Treatment of the dividends as U.S. source income in whole or in part may limit a U.S. Holder's ability to claim a foreign tax credit for the Swiss withholding taxes payable in respect of the dividends. The Code permits a U.S. Holder entitled to benefits under the U.S.-Swiss Treaty to elect to treat any company dividends as foreign source income for foreign tax credit purposes if the dividend income is separated from other income items for purposes of calculating the U.S. Holder's foreign tax credit. U.S. Holders should consult their own tax advisors about the desirability of making, and the method of making, such an election.

The amount of any dividend paid in Swiss Francs will be the U.S. dollar value of the Swiss Francs distributed by New Pentair, calculated by reference to the exchange rate in effect on the date the dividend is includible in the U.S. Holder's income, regardless of whether the payment is in fact converted into U.S. dollars on the date of receipt. Generally, a U.S. Holder should not recognize any foreign currency gain or loss if the Swiss Francs are converted into U.S. dollars on the date the payment is received. However, any gain or loss resulting from currency exchange fluctuations during the period from the date the U.S. Holder includes the dividend payment in income to the date such U.S. Holder actually converts the payment into U.S. dollars will be treated as ordinary income or loss. That currency exchange or loss (if any) generally will be income or loss from U.S. sources for foreign tax credit limitation purposes.

Sale, Exchange or Other Taxable Disposition

Subject to the following discussion of special rules applicable to PFICs, a U.S. Holder will generally recognize taxable gain or loss on the sale, exchange or other taxable disposition of New Pentair common shares in an amount equal to the difference between the amount realized on the sale, exchange or other taxable disposition and the holder's tax basis in New Pentair common shares. Gain or loss, if any, will generally be U.S. source income for foreign tax credit limitation purposes.

Gain or loss realized on the sale, exchange or other taxable disposition of New Pentair common shares generally will be capital gain or loss and will be long-term capital gain or loss if New Pentair common shares have been held for more than one year. Long-term capital gain of an individual generally is subject to a maximum U.S. federal income tax rate of 15% with respect to taxable years beginning on or before December 31, 2012. The deduction of capital losses is subject to limitations.

Passive Foreign Investment Company Considerations

A PFIC is any foreign corporation if, after the application of certain look-through rules, (a) at least 75% of its gross income is passive income as that term is defined in the relevant provisions of the Code, or (b) at least 50% of the average value of its assets produce passive income or are held for the production of passive income. The determination as to PFIC status is made annually. If a U.S. Holder is treated as owning PFIC stock, the U.S. Holder will be subject to special rules generally intended to reduce or eliminate the benefit of the deferral of U.S. federal income tax that results from investing in a foreign corporation that does not distribute all of its earnings on a current basis. These rules may adversely affect the tax treatment to a U.S. Holder of dividends paid by New Pentair and of sales, exchanges and other dispositions of New Pentair common shares, and may result in other adverse U.S. federal income tax consequences.

Pentair, Tyco and New Pentair believe that New Pentair common shares should not be treated as shares of a PFIC, and Pentair, Tyco and New Pentair do not expect that New Pentair will become a PFIC in the future. However, there can be no assurance that the IRS will not successfully challenge this position or that New Pentair will not become a PFIC at some future time as a result of changes in New Pentair's assets, income or business operations.

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Information Reporting and Backup Withholding

In general, information reporting requirements will apply to dividends received by U.S. Holders of New Pentair common shares and the proceeds received on the disposition of New Pentair common shares effected within the U.S. (and, in certain cases, outside the U.S.), paid to U.S. Holders other than certain exempt recipients (such as corporations). Backup withholding (currently at a rate of 28%) may apply to such amounts if the U.S. Holder fails to provide an accurate taxpayer identification number (generally on an IRS Form W-9 provided to the paying agent or the U.S. Holder's broker) or is otherwise subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a refund or as a credit against the U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Assuming the Merger is treated as a reorganization, a Pentair shareholder who receives New Pentair common shares as a result of the Merger will be required to retain records pertaining to the Merger. Each Pentair shareholder who is required to file a U.S. federal income tax return and who is a significant holder that receives New Pentair common shares in the Merger will be required to file a statement with such U.S. federal income tax return setting forth such shareholder's basis in the Pentair common shares surrendered and the fair market value of such stock immediately before the Merger. A significant holder is a Pentair shareholder who, immediately before the Merger, owned at least 5% of the outstanding stock of Pentair.

Foreign Asset Reporting

Recent legislation generally requires individuals who own specified foreign financial assets with an aggregate value in excess of U.S. \$50,000 in taxable years beginning after March 18, 2010 to file an information report with respect to such assets with their tax returns. Specified foreign financial assets include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons; (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties; and (iii) interests in foreign entities. New Pentair common shares may be considered a specified foreign financial asset. U.S. Holders required to report information relating to their ownership of New Pentair common shares must attach a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they held New Pentair common shares. U.S. Holders that are individuals are urged to consult their tax advisors regarding the application of this legislation to their ownership of New Pentair common shares.

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MATERIAL SWISS TAX CONSIDERATIONS

This discussion does not generally address any aspects of Swiss taxation other than federal, cantonal and communal income taxation, federal withholding taxation, and federal stamp tax. This discussion is not a complete analysis or listing of all of the possible tax consequences of the Distribution and the Merger and does not address all tax considerations that may be relevant to you. Special rules that are not discussed in the general descriptions below may also apply to you.

This discussion is based on the laws of the Confederation of Switzerland, including the Federal Income Tax Act of 1990, the Federal Harmonization of Cantonal and Communal Income Tax Act of 1990, the Federal Withholding Tax Act of 1965, and the Federal Stamp Duty Act of 1973, as amended (the Swiss tax law), existing and proposed regulations promulgated thereunder, published judicial decisions and administrative pronouncements, each as in effect on the date of this proxy statement/prospectus or with a known future effective date. These laws may change, possibly with retroactive effect.

For purposes of this discussion, a Swiss Holder is any beneficial owner of shares that for Swiss federal income tax purposes is:

an individual resident of Switzerland or otherwise subject to Swiss taxation under article 3, 4 or 5 of the Federal Income Tax Act of 1990, as amended, or article 3 or 4 of the Federal Harmonization of Cantonal and Communal Income Tax Act of 1990, as amended;

a corporation or other entity taxable as a corporation organized under the laws of Switzerland under article 50 or 51 of the Federal Income Tax Act of 1990, as amended, or article 20 or 21 of the Federal Harmonization of Cantonal and Communal Income Tax Act of 1990, as amended; or

an estate or trust, the income of which is subject to Swiss income taxation regardless of its source.

A Non-Swiss Holder of shares is a holder that is not a Swiss Holder. For purposes of this summary, Holder or Shareholder means either a Swiss Holder or a Non-Swiss Holder or both, as the context may require.

You are advised to consult your own tax advisers in light of your particular circumstances as to the Swiss tax laws, regulations and regulatory practices that could be relevant for you in connection with the Distribution and the Merger and with the ongoing ownership of New Pentair shares.

The Distribution

Swiss Withholding Tax Distribution to Shareholders

Generally, Swiss withholding tax (*Verrechnungssteuer*) of 35% is due on dividends and similar distributions to New Pentair's and Tyco's shareholders, regardless of the place of residency of the shareholder. As of January 1, 2011, distributions to shareholders out of qualifying contributed surplus (*Kapitaleinlagereserven*) accumulated on or after January 1, 1997 are exempt from Swiss withholding tax under the capital contribution principle (*Kapitaleinlageprinzip*), if certain conditions are met. Tyco has obtained a ruling from the Federal Tax Administration confirming that Tyco's qualifying contributed surplus in the amount of CHF 38,380,489,155 as of September 24, 2010 (reduced to CHF 37,037,568,207 as of February 23, 2012) represents such qualifying contributed surplus accumulated after January 1, 1997. Tyco has obtained a second ruling from the Swiss Federal Tax Authorities confirming that the Distribution qualifies as payment out of such qualifying contributed surplus and no amount will be withheld by Tyco when making the Distribution up to the amount of such qualifying contributed surplus.

Swiss Federal, Cantonal and Communal Individual Income Tax and Corporate Income Tax

Non-Swiss Holders will not be subject to any Swiss federal, cantonal and communal income tax on the Distribution.

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Swiss resident individuals who hold their Tyco shares and, consequently, the entitlement to the Distribution, as private assets (the shareholders referred to in this paragraph, hereinafter for purposes of this section, *Swiss Private Holders*) are not required to include the Distribution in their personal income tax return. Based on Swiss tax law, the Distribution corresponds to the repayment of the share premium and should not be subject to Swiss federal, cantonal or communal individual income tax. Capital gains resulting from the sale or other disposition of New Pentair shares are not subject to Swiss federal, cantonal and communal income tax and, conversely, capital losses are not tax-deductible for Swiss Private Holders. Special rules may apply to Swiss resident individuals who hold Tyco shares and, consequently, the entitlement to the Distribution, as private assets and who transfer, individually or together with other shareholders, five percent or more of the shares into a corporation in which the shareholder or shareholders personally own fifty percent or more of the capital. Special rules may also apply if a shareholder sells, individually or together with other shareholders, more than twenty percent of the shares out of his private assets to a buyer who owns the shares as business assets.

Corporate and individual shareholders who hold their Tyco shares and, consequently, the entitlement to the Distribution, as part of a trade or business carried on in Switzerland (or, in the case of corporate and individual shareholders not resident in Switzerland, through a permanent establishment or fixed place of business situated in Switzerland for tax purposes) (the shareholders referred to in this paragraph, hereinafter for purposes of this section, *Swiss Commercial Holders*) will be subject to Swiss federal, cantonal and communal income tax on the Distribution, including any cash received in lieu of a fractional New Pentair common share, to the extent that the participation income cannot be reduced by a respective depreciation on the investment in Tyco and/or where the participation relief (*Beteiligungszug*) is not applicable. In addition, a gain or loss realized on the sale or other disposition of rights must be recognized in such shareholder's income statement for the respective taxation period and such shareholders will be subject to Swiss federal, cantonal and communal individual or corporate income tax, as the case may be, on any net taxable earnings for such taxation period, unless a participation relief is applicable. The same taxation treatment also applies to Swiss-resident private individuals who, for income tax purposes, are classified as *professional securities dealers* for reasons of, *inter alia*, frequent dealing or leveraged investments in shares and other securities. Only Swiss Commercial Holders who are corporate taxpayers may be eligible for a participation relief (*Beteiligungszug*) in respect of the Distribution if the Tyco shares held by them as part of a Swiss business have an aggregate market value of at least CHF 1 million. In addition, Swiss Commercial Holders who are corporate taxpayers may be eligible for a participation relief (*Beteiligungszug*) in respect of a potential gain realized on the sale or other disposition of the New Pentair shares if the selling price of the New Pentair shares held by them as part of a Swiss business exceeds their investment cost, the shares were held for at least one year and account for at least 10% of the total shares in New Pentair.

Swiss Cantonal and Communal Private Wealth Tax and Capital Tax

Non-Swiss Holders are not subject to Swiss cantonal and communal private wealth tax or capital tax.

Swiss Private Holders and Swiss Commercial Holders who are individuals are required to report their Tyco shares and New Pentair shares as part of private wealth or their Swiss business assets, as the case may be, and will be subject to Swiss cantonal and communal private wealth tax on any net taxable wealth (including Tyco shares and New Pentair shares).

Swiss Commercial Holders are subject to Swiss cantonal and communal capital tax on taxable capital to the extent the aggregate taxable capital is allocable to Switzerland.

The Merger

Swiss Withholding Tax

It is a condition to closing that, at the Effective Time, Tyco will have received a tax ruling from the Swiss Federal Tax Administration (a *Swiss Tax Ruling*) substantially to the effect that the Merger is not subject to Swiss withholding tax.

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Swiss Federal, Cantonal and Communal Individual and Corporate Income Taxes

It is a condition to closing that, at the Effective Time, Tyco will have received a Swiss Tax Ruling substantially to the effect that the Merger qualifies for Swiss tax purposes as a tax free quasi-merger within the meaning of Section 4.1.7 of the Swiss Federal Circular No. 5 of 1 June 2004 (*Kreisschreiben Nr. 5 Umstrukturierungen*) issued by the Swiss Federal Tax Administration. The Swiss Tax Rulings do not address the Swiss income tax consequences of the Merger to Pentair shareholders. However, it is expected that for Swiss resident individual shareholders holding their Pentair shares as private assets (*Privatvermögen*) the Merger should be tax free for federal, cantonal and communal income tax purposes. For Swiss resident individual shareholders holding their shares as business assets (*Geschäftsvermögen*) and for Swiss resident corporate shareholders the Merger may not be recognized as tax neutral by the Swiss tax authorities. In such case, the difference between the fair market value of the shares and the relevant tax basis may be treated as taxable income even if no income has been booked in the Swiss statutory profit and loss statement.

Swiss Stamp Taxes

It is a condition to closing that, at the Effective Time, Tyco will have received a Swiss Tax Ruling substantially to the effect that the issue of the New Pentair shares in connection with the Merger is not subject to Swiss one-time capital issuance tax (*Emissionsabgabe*) and that the Merger is not subject to Swiss securities transfer tax (*Umsatzabgabe*).

Holding Stock of New Pentair

Swiss Withholding Tax

Dividends that New Pentair pays on its shares, which are not a repayment of nominal value of shares or qualifying contributed surplus (*Kapitaleinlagereserven*) of shares, are, in their gross amount, subject to Swiss withholding tax (*Verrechnungssteuer*) at a rate of 35%. The Company is required to withhold the Swiss withholding tax from the dividend and remit it to the Swiss Federal Tax Administration.

The Swiss withholding tax on a dividend will be refundable in full to a Swiss Private Holder and to a Swiss Commercial Holder, who, in each case, as a condition to a refund, *inter alia*, duly reports the dividend on his or her individual income tax return as income or recognizes the dividend on his or her income statement as earnings, as applicable.

A Non-Swiss Holder may be entitled to a partial refund of the Swiss withholding tax on a dividend if the country of residence for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland and the conditions of such treaty are met. Such shareholders should be aware that the procedures for claiming treaty benefits (and the time required for obtaining a refund) might differ from country to country. A U.S. Holder that qualifies for benefits under the U.S.-Swiss Treaty may apply for a refund of the tax withheld in excess of the 15% treaty rate (or in excess of the 5% reduced treaty rate for qualifying corporate shareholders with at least 10% participation in New Pentair's voting shares, or for a full refund in the case of qualified pension funds).

Swiss Federal, Cantonal and Communal Individual and Corporate Income Taxes

Shareholders who are not resident in Switzerland for tax purposes, and who, during the respective taxation year, have not engaged in a trade or business carried on through a permanent establishment or fixed place of business situated in Switzerland for tax purposes, and who are not subject to corporate or individual income taxation in Switzerland for any other reason (all such shareholders, hereinafter, for purposes of this section, Non-Swiss Holders), will not be subject to any Swiss federal, cantonal and communal income tax on dividends (or repayments of nominal value) paid to them on shares.

Individual shareholders, who are resident in Switzerland for tax purposes, holding their shares as private assets (the shareholders referred to in this paragraph, hereinafter for purposes of this section, Swiss Private

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Holders), are required to include dividends (but not repayments of nominal value of shares or qualifying contributed surplus (*Kapitaleinlagereserven*) of shares) in their personal income tax return and are subject to Swiss federal, cantonal and communal income tax on any net taxable income for the relevant taxation period. Capital gains resulting from the sale or other disposition of shares are not subject to Swiss federal, cantonal and communal income taxes, and conversely, capital losses are not tax-deductible for Swiss Private Holders.

Corporate and individual shareholders who hold their shares as part of a trade or business carried on in Switzerland (or, in the case of corporate and individual shareholders not resident in Switzerland, through a permanent establishment or fixed place of business situated in Switzerland for tax purposes) and therefore are resident in Switzerland for tax purposes (the shareholders referred to in this paragraph, hereinafter for purposes of this section, Swiss Commercial Holders) are required to recognize dividends (and repayments of nominal value of shares or qualifying contributed surplus (*Kapitaleinlagereserven*) of shares) received on shares and capital gains or losses realised on the sale or other disposition of shares in their income statement for the respective taxation period and are subject to Swiss federal, cantonal and communal individual or corporate income tax, as the case may be, on any net taxable earnings for such taxation period.

The same taxation treatment also applies to Swiss-resident private individuals who, for income tax purposes, are classified as professional securities dealers for reasons of, *inter alia*, frequent dealing, or leveraged investments, in shares and other securities.

Swiss Commercial Holders who are corporate taxpayers may be eligible for dividend relief (*Beteiligungsabzug*) in respect of dividends (and repayments of nominal value of shares or qualifying contributed surplus (*Kapitaleinlagereserven*) of shares) if the shares held by them as part of a Swiss business have an aggregate market value of at least CHF 1 million.

Swiss Cantonal and Communal Private Wealth Tax and Capital Tax

Non-Swiss Holders are not subject to Swiss cantonal and communal private wealth tax or capital tax.

Swiss Private Holders and Swiss Commercial Holders, who are individuals are required to report their shares as part of private wealth or their Swiss business assets, as the case may be, and will be subject to Swiss cantonal and communal private wealth tax on any net taxable wealth (including shares), in the case of Swiss Commercial Holders to the extent the aggregate taxable wealth is allocable to Switzerland.

Swiss Commercial Holders who are corporate taxpayers are subject to Swiss cantonal and communal capital tax on taxable capital to the extent the aggregate taxable capital is allocable to Switzerland.

Swiss Stamp Taxes

A transfer of shares where a bank or another securities dealer in Switzerland (as defined in the Swiss Federal Stamp Tax Act) acts as an intermediary, or is a party, to the transaction, may be subject to the Swiss securities transfer tax at an aggregate rate of up to 0.15% of the consideration paid for such shares.

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THE MERGER AGREEMENT

The following is a summary of the material terms and provisions of the Merger Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the terms and provisions of the Merger Agreement, which is attached as Annex A to this proxy statement/prospectus. Shareholders of Pentair are encouraged to read the entire Merger Agreement. The Merger Agreement has been included to provide Pentair's shareholders with information regarding its terms. The Merger Agreement is not intended to provide any other factual information about Pentair, Tyco, New Pentair and their affiliates following completion of the Merger. Information about Pentair, Tyco, New Pentair and their affiliates can be found elsewhere in this proxy statement/prospectus.

The Merger Agreement contains representations and warranties of Tyco solely for the benefit of Pentair and representations and warranties of Pentair solely for the benefit of Tyco. These representations and warranties have been made solely for the benefit of the other parties to the Merger Agreement and have been qualified by certain information that has been disclosed to the other parties to the Merger Agreement and that is not reflected in the Merger Agreement. In addition, these representations and warranties may be intended as a way of allocating risks among parties if the statements contained therein prove to be incorrect, rather than as actual statements of fact. Accordingly, shareholders should not rely on the representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the companies' public disclosures. Pentair and New Pentair do not believe that securities laws require disclosure of any information related to the Merger Agreement other than information that has already been so disclosed.

Note that while the Merger Agreement refers to fractional shares when discussing the merger consideration, no fractional shares will result from the Merger given that each Pentair common share outstanding at the time of the Merger will be exchanged for one newly issued New Pentair common share in connection with the Merger.

The Merger

Under the Merger Agreement and in accordance with Minnesota law, at the Effective Time, Panthro Merger Sub will merge with and into Pentair. As a result of the Merger, the separate corporate existence of Panthro Merger Sub will terminate and Pentair will continue as the surviving corporation and a wholly owned, indirect subsidiary of New Pentair. Additionally, at the Effective Time, the Articles of Association of New Pentair will be substantially in the form set forth in Annex F to this proxy statement/prospectus. Accordingly, New Pentair will be an independent, publicly-traded company organized under the laws of Switzerland and will operate the businesses of New Pentair (referred to elsewhere in this proxy statement/prospectus as the Tyco Flow Control Business) and Pentair. It is expected that the Merger will be consummated immediately following the Distribution.

Closing; Effective Time

Under the terms of the Merger Agreement, the closing of the Merger will take place on the later of September 28, 2012 and the fifth business day following satisfaction or waiver (to the extent permitted by law) of the conditions precedent to the Merger (other than those to be satisfied at, or immediately prior to, closing), unless otherwise agreed upon by Pentair and Tyco. The Effective Time will be the date and time when the Articles of Merger are duly filed with the Secretary of State of the State of Minnesota or such later date or time as is agreed among the parties in writing and specified in the Articles of Merger in accordance with the relevant provisions of the Minnesota Business Corporation Act. The Merger is expected to be consummated immediately following the Distribution.

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Merger Consideration

The Merger Agreement provides that, at the Effective Time, each Pentair common share outstanding, other than Pentair common shares owned by any subsidiary of Pentair or New Pentair, will be converted into the right to receive one share of New Pentair, with the result that former Pentair shareholders will hold approximately 47.5% of New Pentair common shares and Tyco shareholders as of the record date of the Distribution and their transferees will hold approximately 52.5% of New Pentair common shares on a fully-diluted basis (excluding treasury shares) immediately following the Merger. Tyco shareholders will not receive any new shares of New Pentair in the Merger and will continue to hold the New Pentair shares they receive in the Distribution. Upon the conversion, all converted Pentair common shares will automatically be canceled and cease to exist. Pentair shareholders do not have appraisal rights under Minnesota or Swiss law in connection with the Merger.

Treatment of Pentair Equity Awards

In addition to the equity awards held by Pentair directors and employees, certain equity awards held by Tyco directors and employees will convert to equity awards of New Pentair. See *The Separation and Distribution Agreement and the Ancillary Agreements* *The Separation and Distribution Agreement* *Conversion of Equity Awards*.

Treatment of Stock Options

At the Effective Time, each outstanding option to purchase Pentair common shares, whether vested or unvested, will be converted, on the same terms and conditions as were applicable under such Pentair stock option immediately before the Effective Time, into an option to acquire a number of New Pentair common shares equal to the number of Pentair common shares subject to such option immediately before the Effective Time at the same exercise price per share.

Treatment of Restricted Stock Units

At the Effective Time, each outstanding Pentair restricted stock unit, whether vested or unvested, will be converted into a New Pentair restricted stock unit, on the same terms and conditions as were applicable under such Pentair restricted stock unit immediately before the Effective Time.

Treatment of Restricted Shares

At the Effective Time, each outstanding Pentair restricted share will be converted into a New Pentair restricted share, subject to the same terms and conditions as were applicable under such Pentair restricted share immediately before the Effective Time.

Treatment of Other Share-Based Awards

At the Effective Time, each other outstanding Pentair share-based award, whether vested or unvested, will be converted into an award with respect to New Pentair common shares, subject to the same terms and conditions as were applicable under such other share-based award immediately before the Effective Time, with respect to a number New Pentair common shares equal to the number of Pentair common shares subject to such other share-based award immediately before the Effective Time.

Treatment of Employee Stock Purchase Plan

At and following the Effective Time, Pentair's employee stock purchase plan will remain in effect and any then-current purchase period under such plan will continue in effect in accordance with its terms, except that, following the Effective Time, all rights to purchase Pentair common shares under Pentair's employee stock purchase plan will entitle the holder thereof to instead purchase New Pentair common shares.

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Exchange of Shares in the Merger

Prior to or at the Effective Time, New Pentair will deposit with an exchange agent selected by Pentair and reasonably acceptable to Tyco (the Exchange Agent), for the benefit of the holders of Pentair common shares, evidence in book-entry form representing New Pentair common shares issuable pursuant to the provisions of the Merger Agreement in exchange for Pentair common shares outstanding.

As soon as reasonably practicable after the Effective Time, and to the extent not previously distributed in connection with the Distribution, New Pentair will cause the Exchange Agent to mail to any holder of record of outstanding Pentair common shares whose Pentair shares were converted into the right to receive a portion of the merger consideration pursuant to terms of the Merger Agreement: (i) a letter of transmittal and (ii) instructions for effecting the exchange of any Pentair common shares for the merger consideration.

Upon delivery to the Exchange Agent of the letter of transmittal, duly executed and with such other documents as may reasonably be required by the Exchange Agent, the holder of such Pentair common shares will be entitled to receive in exchange therefor:

- (i) New Pentair common shares, which shall be in uncertificated book-entry form, and
- (ii) any dividends or other distributions payable, all in accordance with the provisions of the Merger Agreement.

As of the Effective Time, the stock transfer books of Pentair will be closed and there will be no further transfers on the Pentair stock transfer books of Pentair common shares.

No dividend or other distributions with respect to New Pentair common shares with a record date after the Effective Time will be paid to any holder of any unexchanged Pentair common shares until the exchange of such shares in accordance with the Merger Agreement. Following the exchange of such shares, the record holder will be paid at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to exchange of such shares and a payment date subsequent to the exchange of such shares payable with respect to such New Pentair common shares.

Termination of the Exchange Fund

Any portion of the amounts deposited with the Exchange Agent under the Merger Agreement, referred to herein as the Exchange Fund, that remains undistributed to the former Pentair shareholders for 180 days after the Effective Time will be delivered to New Pentair upon demand, and any holders of Pentair common shares that have not exchanged their shares pursuant to the Merger Agreement may look only to New Pentair for payment of their claim for New Pentair common shares and any dividends with respect to New Pentair common shares (subject to any applicable abandoned property, escheat or similar law).

Officers and Directors of New Pentair

The parties to the Merger have agreed that, as of the Effective Time, the executive officers of New Pentair will consist of the following Pentair executives:

Name	Position with New Pentair
Randall J. Hogan	Chief Executive Officer
Michael V. Schrock	President and Chief Operating Officer
John L. Stauch	Executive Vice President and Chief Financial Officer
Frederick S. Koury	Senior Vice President, Human Resources
Angela D. Lageson	Senior Vice President, General Counsel and Secretary
Michael G. Meyer	Vice President of Treasury and Tax
Mark C. Borin	Corporate Controller and Chief Accounting Officer

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The parties have also agreed that, as of the Effective Time, the board of directors of New Pentair will consist of the persons serving on the board of directors of Pentair as of the mailing of the Tyco Proxy Statement and up to two persons to be selected by Tyco prior to the mailing of the Tyco Proxy Statement and reasonably acceptable to Pentair. Tyco has selected only one designee to the New Pentair board of directors. Tyco will take such actions, as sole shareholder of New Pentair and otherwise, as required under the New Pentair organizational documents and applicable law to cause the board of directors of New Pentair to be so constituted, subject to and conditional upon the closing of the Merger.

Pre-Merger Transactions

Prior to the Merger, the Tyco Flow Control Business will be separated from Tyco and transferred to New Pentair in the Spin-off pursuant to the Separation and Distribution Agreement. Tyco and New Pentair will also execute a series of agreements, including the 2012 Tax Sharing Agreement, the Transition Services Agreement, the Licensing Agreements and certain other conveyancing and assumption instruments.

Shareholder Meetings

Pentair has set a record date of July 27, 2012 for a meeting of its shareholders on September 14, 2012 for purposes which include approval of the Merger and has delivered this proxy statement/prospectus to its shareholders for such meeting in accordance with applicable law and its organizational documents. Subject to certain exceptions as described in this proxy statement/prospectus, the Pentair board is obligated to recommend that Pentair shareholders vote for the Merger and has included such recommendation in this proxy statement/prospectus. See Board Recommendations.

Tyco has set a record date of July 23, 2012 for a meeting of its shareholders on September 14, 2012 for purposes which include approval of the Distribution and has delivered a proxy statement on Schedule 14A to its shareholders for such meeting in accordance with applicable law and its organizational documents. Subject to certain exceptions as described in this proxy statement/prospectus, the Tyco board is obligated to recommend that Tyco shareholders vote for the Distribution and has included such recommendation in the proxy statement on Schedule 14A. See Board Recommendations.

Representations and Warranties

The Merger Agreement contains representations and warranties made by Tyco to Pentair, primarily with respect to the Tyco Flow Control Business. The Merger Agreement also contains representations and warranties made by Pentair to Tyco. These representations and warranties of Tyco and Pentair, which are substantially reciprocal, relate to, among other things:

due organization, good standing and corporate power;

corporate authority to enter into and perform the obligations under, the Merger Agreement, the Separation and Distribution Agreement and other related agreements, as applicable, and enforceability of such agreements;

capital structure;

absence of a breach of organizational documents, permits and contracts and absence of a material breach of laws or material agreements as a result of the Spin-off, the Merger or any related transactions;

required governmental approvals;

financial statements and the absence of certain changes and undisclosed liabilities;

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disclosure controls and procedures and internal control over financial reporting;

information supplied for use in this proxy statement/prospectus, the New Pentair Registration Statement on Form S-1 or the Tyco Proxy Statement;

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litigation;

compliance with laws;

permits;

material contracts;

employees and employee benefits and labor matters;

title to assets;

environmental matters;

asbestos matters;

tax matters;

intellectual property rights;

insurance;

payment of fees to brokers or finders in connection with the Transactions;

opinions of financial advisors;

title to real properties; and

unlawful payments.

Tyco has also made representations and warranties to Pentair relating to a preliminary draft of Tyco Flow Control's information statement, the sufficiency of the assets, properties, licenses, services and other rights to be contributed to New Pentair, the required vote of Tyco shareholders to approve and effect the Distribution and the authorization of the increase in New Pentair's share capital to effect the Distribution and Merger. Pentair has also made representations and warranties to Tyco relating to the required vote of Pentair shareholders to adopt the Merger Agreement and the Merger and the inapplicability to the Merger of state anti-takeover laws and its rights plan.

Most of the representations and warranties contained in the Merger Agreement are subject to materiality qualifications and/or knowledge qualifications. The parties' representations and warranties with respect to information supplied for use in this proxy statement/prospectus as included in the Form S-4, the New Pentair Registration Statement on Form S-1 or the Tyco Proxy Statement and payment of fees to brokers or

finders in connection with the transactions survive the closing for a period of one year, and any inaccuracies of such representations and warranties are subject to the indemnification obligations of the parties under the Separation and Distribution Agreement. The parties' other representations and warranties expire upon the Closing.

Conduct of Business Pending Closing

Each of Tyco, with respect to New Pentair, and Pentair has undertaken to perform certain covenants in the Merger Agreement and agreed to restrictions on its activities until the earlier of the termination of the Merger Agreement or the Effective Time. In general, Tyco with respect to New Pentair, and Pentair are required to conduct their business in the ordinary course, to use their commercially reasonable efforts to preserve intact their business organizations, to maintain in effect all existing permits, to maintain rights and franchises and material assets, rights and properties, to preserve their relationship with governmental authorities, key employees, customers and suppliers and to comply in all material respects with all laws and permits of all governmental authorities applicable to them. In addition, each of Tyco, with respect to New Pentair, and Pentair has agreed, amongst others, to specific restrictions relating to the following:

declaring or paying dividends in respect of its capital stock;

splitting, combining, reclassifying, subdividing or taking similar actions with respect to its capital stock or issuing or authorizing or proposing the issuance of any securities in respect of, in lieu of or in substitution for shares of its capital stock;

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selling, pledging, disposing of, granting, transferring, leasing, licensing, guaranteeing, abandoning, allowing to lapse or expire, or authorizing the sale, pledge, disposition, grant, transfer, lease, license, guarantee, abandonment, allowance to lapse or expiration, of any assets, subject to exceptions for transfers to and among subsidiaries, certain permitted encumbrances or encumbrances that are released at or prior to the Effective Time, dispositions of obsolete equipment or assets or dispositions of assets being retired or replaced, in each case in the ordinary course of business and consistent with past practice, pledges and/or encumbrances relating to any debt that would be repaid or otherwise extinguished prior to the Effective Time and the issuance of senior notes of up to \$900 million and an intercompany note to a subsidiary of Tyco of up to \$500 million by New Pentair (the Financing), non-exclusive licenses entered into in the ordinary course of business and consistent with past practices, dispositions of inventory in the ordinary course of business and dispositions in amounts less than \$50 million in the aggregate in any consecutive 12-month period;

making acquisitions of other entities or assets exceeding \$25 million in any one transaction (or series of related transactions) or \$50 million in the aggregate in any consecutive 12-month period for all such acquisitions or acquisitions which are reasonably likely to delay or prevent receipt of the required antitrust approvals, other than in the ordinary course of business and consistent with past practice;

redeeming, repurchasing, defeasing, canceling or otherwise acquiring or incurring any debt, other than indebtedness repaid or incurred in the ordinary course of business consistent with past practice, or liabilities that would be repaid or otherwise extinguished prior to the Effective Time and the Financing;

adopting a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization or entering into a letter of intent or agreement in principle with respect thereto;

making material changes to accounting or tax reporting principles, methods or policies, except as required by a change in generally accepted accounting principles;

taking any action or causing any action to be taken which action would cause the Transactions to fail to qualify as a reorganization pursuant to Section 368(a) of the Code or entering into, approving or becoming a party to specified acquisition transactions with respect to New Pentair or any successor thereto or acquiring or owning, directly or indirectly, any stock of the other party that may impact treatment of the Transactions under Section 355(e) of the Code;

amending or terminating any benefit plans or increasing the salaries, wage rates, target bonus opportunities or equity based compensation of its employees, in each case except in the ordinary course of business consistent with past practice or to the extent required by applicable laws, collective bargaining and existing agreements;

entering into or amending any material contract or taking any other action, if such contract, amendment or action would reasonably be expected to prevent or materially impede, interfere with, hinder or delay the consummation of the Transactions;

entering into material agreements or material modifications of existing material agreements or course of dealings with any governmental authorities relating to the conduct of its business, subject to certain limited exceptions;

paying, waiving, releasing or settling any material legal proceedings other than those specifically provided for in the Merger Agreement;

maintaining insurance in such amounts and against such risks and losses as are customary for companies engaged in each party's respective industry;

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committing to any capital expenditures for which New Pentair would be liable for following Merger that together with any other capital expenditures so incurred is in excess of \$125 million in the aggregate in any consecutive 12-month period, excluding expenditures required in connection with prudent emergency repairs required to avoid immediate material damage to any assets of New Pentair;

changing organizational documents (other than pursuant to the Merger Agreement); and

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agreeing or permitting any of its subsidiaries to agree, in writing or otherwise, to take any of the foregoing restricted actions or the other restricted actions described in the Merger Agreement.

In addition, Tyco has agreed to make capital expenditures in the fiscal year ending September 28, 2012 in an amount no less than \$95 million, taking into account capital expenditures made prior to the date of the Merger Agreement, and Pentair has agreed to make capital expenditures in the fiscal year ending December 31, 2012 in an amount no less than \$65 million, taking into account capital expenditures made prior to the date of the Merger Agreement. Tyco has also agreed that it will not, and will not permit any of its subsidiaries that are engaged in the Tyco Flow Control Business to transfer the employment of any individual to or from New Pentair or its subsidiaries or otherwise materially change the job functions of any individual employed by Tyco and its subsidiaries or the Tyco Flow Control Business so as to either (A) cause any such individual to cease to be considered an employee of the Tyco Flow Control Business or (B) cause any individual who would not otherwise be considered an employee of the Tyco Flow Control Business to be considered an employee of the Tyco Flow Control Business, except, in each case, as otherwise approved in writing by Pentair's Vice President of Human Resources.

Reasonable Best Efforts

The Merger Agreement provides that each party to the Merger Agreement will generally use its reasonable best efforts to take, or cause to be taken, all actions necessary under the Merger Agreement and applicable laws to consummate the Merger and the transactions contemplated by the Merger Agreement as promptly as practicable, including using reasonable best efforts to complete the Separation and the Distribution on the terms and conditions set forth in the Separation and Distribution Agreement. Reasonable best efforts do not require Tyco or Pentair to agree to or accept any term or condition to any regulatory approval if the terms and conditions of or to the regulatory approvals would reasonably be expected to have a material and adverse impact on the value, financial condition or credit quality of New Pentair and its subsidiaries, taken as a whole and including for such purposes Pentair and its subsidiaries.

Regulatory Matters

Tyco and Pentair agreed to file any notifications required to be filed pursuant to and in compliance with the HSR Act and appropriate filings with foreign regulatory authorities, in accordance with applicable antitrust laws, as promptly as practicable. Additionally, Tyco and Pentair agreed to use reasonable best efforts to obtain early termination of any waiting period under the HSR Act and obtain all consents, registrations, approvals, waivers, permits, authorizations, clearances and other actions of or by any governmental authority that are necessary or advisable in order to consummate the Merger and the Transactions.

In connection with any filing or submission required, action to be taken or commitment to be made by Pentair or Tyco or their respective affiliates to consummate the Transactions, Tyco and New Pentair (1) will not, without Pentair's prior written consent, (w) sell, divest or dispose of any assets of New Pentair, (x) license any of the Tyco Flow Control Business' intellectual property, (y) commit to any sale, divestiture or disposal of businesses, product lines or assets of the Tyco Flow Control Business, or any license of the Tyco Flow Control Business' intellectual property, or (z) take any other action or commit to take any action that would limit Pentair's, New Pentair's or their respective subsidiaries' freedom of action with respect to, or their ability to retain any of, their businesses, product lines or assets or intellectual property rights and (2) agreed to use reasonable best efforts to take any action contemplated by clause (1) above if requested in writing by Pentair; provided, that New Pentair will not be obligated to take any action the effectiveness of which is not conditioned on the Merger occurring.

In connection with any filing or submission required, action to be taken or commitment to be made by Pentair or its affiliates to consummate the Transactions, Pentair will not, without Tyco's prior written consent, (w) sell, divest or dispose of any assets of Pentair, (x) license any of Pentair's intellectual property, (y) commit to

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any sale, divestiture or disposal of businesses, product lines or assets of Pentair, or any license of Pentair's intellectual property, or (z) take any other action or commit to take any action that would limit Tyco's, Pentair's, New Pentair's or their respective subsidiaries' freedom of action with respect to, or their ability to retain any of, their businesses, product lines or assets or intellectual property rights, in each case, if such action would reasonably be expected to have a material and adverse impact on the value, financial condition or credit quality of New Pentair and the New Pentair subsidiaries, taken as a whole and including for such purposes Pentair and its subsidiaries.

Interim Financial Information

Tyco has agreed that prior to the Effective Time, Tyco will deliver to Pentair, within a reasonable period and no later than 45 calendar days after each quarterly accounting period for the Tyco Flow Control Business, a balance sheet as of the end of such period and combined statements of income, cash flows and equity for such period for the Tyco Flow Control Business. Tyco has also agreed to prepare and deliver to Pentair an unaudited combined balance sheet as of September 30, 2011 of Tyco and its subsidiaries, prepared to give pro forma effect to the Separation and the Distribution (but not the spin-off of ADT).

Defense of Litigation

Each of Tyco, New Pentair and Pentair has agreed to use all reasonable best efforts to defend against all actions in which such party is named as a defendant that challenge or otherwise seek to enjoin, restrain or prohibit, or seek damages with respect to, the Transactions. Each of the parties agreed that they would not settle any action related to the Transactions that would enjoin, restrain, prohibit or impose damages on New Pentair or its subsidiaries (other than Pentair and its subsidiaries) without the prior written consent of Pentair and Tyco, in each case not to be unreasonably withheld, conditioned or delayed. Additionally, Tyco and its subsidiaries on the one hand, and Pentair and its subsidiaries on the other hand, will not settle any such action with respect to the Transactions (i) that would impose any liability or conditions on the other party or (ii) that contains any factual admissions with respect to the other party.

The Separation

Under the Merger Agreement, Tyco and New Pentair agreed not to terminate or assign the Separation and Distribution Agreement, amend any of its provisions or waive compliance with it or any of the agreements or conditions contained in it without the prior consent of Pentair. Tyco and New Pentair are also required to obtain the prior written consent (not to be unreasonably withheld, conditioned or delayed) of Pentair to enter into any conveyancing or assumption instrument in connection with the assignment, transfer and conveyance of the assets and liabilities of the Tyco Flow Control Business.

No Solicitation

The Merger Agreement contains detailed provisions restricting Pentair's and Tyco's ability to seek an alternate transaction. Under these provisions, each of Pentair and Tyco agrees that it, its subsidiaries and their respective officers, directors or employees will not, and will use reasonable best efforts to ensure that its and its subsidiaries' representatives do not, directly or indirectly:

solicit, initiate, seek or knowingly encourage (including by way of furnishing information) or knowingly take any other action designed to facilitate any inquiries or the making, submission, announcement or consummation of an acquisition proposal;

furnish any non-public information to any person in connection with or in response to an acquisition proposal;

engage or participate in any discussions or negotiations with any person with respect to an acquisition proposal;

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approve, endorse or recommend an acquisition proposal or propose publicly to approve, endorse or recommend an acquisition proposal;

enter into any letter of intent, agreement in principle or other agreement providing for an acquisition proposal; or

resolve, propose to resolve or agree to do any of the foregoing.

In addition, Pentair agrees that it and its subsidiaries and their respective officers, directors or employees will not, and will use reasonable best efforts to ensure that its and its subsidiaries' representatives do not, directly or indirectly, take any action to make (i) the provisions of any fair price, moratorium, control share acquisition, business combination or other similar anti-takeover statute or regulation inapplicable to any transactions contemplated by an acquisition proposal, (ii) the consummation of an acquisition proposal exempt under Pentair's Rights Agreement (as defined in the Merger Agreement attached as Annex A to this proxy statement/prospectus) or (iii) resolve, propose to resolve or agree to do any of the foregoing.

With respect to Pentair's no solicitation obligation under the Merger Agreement, the term "acquisition proposal" refers to a Pentair Takeover Proposal. The Merger Agreement provides that the term "Pentair Takeover Proposal" means any bona fide offer, inquiry, proposal or indication of interest relating to any transaction or series of related transactions involving: (A) any merger, consolidation, share exchange, recapitalization, business combination or similar transaction involving Pentair other than the Transactions; (B) any direct or indirect acquisition of securities, tender offer, exchange offer or other similar transaction in which a third party acquires beneficial or record ownership of securities representing 10% or more of any class of equity securities of Pentair; (C) any acquisition of any business or businesses or of assets that constitute or account for 10% or more of the consolidated net revenues, net income or assets of Pentair and its subsidiaries, taken as a whole; or (D) any liquidation or dissolution of Pentair or any of its subsidiaries.

With respect to Tyco's and New Pentair's no solicitation obligations under the Merger Agreement, the term "acquisition proposal" refers to a Tyco Takeover Proposal or a New Pentair Takeover Proposal, as the case may be.

The Merger Agreement provides that the term "Tyco Takeover Proposal" means any bona fide offer, inquiry, proposal or indication of interest relating to any transaction or series of related transactions (x) not primarily related to the Tyco Flow Control Business and (y) involving (A) any merger, consolidation, share exchange, recapitalization, business combination or similar transaction involving Tyco other than the Transactions; (B) any direct or indirect acquisition of securities, tender offer, exchange offer or other similar transaction in which a third party directly or indirectly acquires beneficial or record ownership of securities representing more than 10% of any class of equity securities of Tyco; (C) any direct or indirect acquisition of any business or businesses or of assets that constitute or account for more than 10% of the consolidated net revenues, net income or assets of Tyco and its subsidiaries, taken as a whole, which, in the case of an acquisition of assets or equity securities of any subsidiaries of Tyco, include assets and/or equity securities of New Pentair and its subsidiaries; or (D) any liquidation or dissolution of Tyco or any of its subsidiaries, and (y) which is expressly conditioned on the Transactions not being consummated.

The Merger Agreement provides that the term "New Pentair Takeover Proposal" means any bona fide offer, inquiry, proposal or indication of interest relating to any transaction or series of related transactions involving: (A) any merger, consolidation, share exchange, recapitalization, business combination or similar transaction involving New Pentair other than the Transactions; (B) any direct or indirect acquisition of securities, tender offer, exchange offer or other similar transaction in which a third party directly or indirectly acquires beneficial or record ownership of securities representing 10% or more of any class of equity securities of New Pentair; (C) any direct or indirect acquisition of any business or businesses or of assets that constitute or account for 10% or more of the consolidated net revenues, net income or assets of New Pentair and the Tyco Flow Control Business; or (D) any liquidation or dissolution of New Pentair or any of its subsidiaries, provided such transaction or series of related transactions is not a transaction or series of related transactions described in the definition of a Tyco Takeover Proposal.

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Notwithstanding the restrictions above, the Merger Agreement does not prevent Pentair from furnishing information (including non-public information) with respect to Pentair and its subsidiaries to a person making a Pentair Takeover Proposal and engaging in discussions and negotiations with such person if:

Pentair shareholders have not yet adopted the Merger and approved the Merger Agreement and related transactions;

Pentair has received an unsolicited, bona fide, written Pentair Takeover Proposal that did not result from a breach of its and its subsidiaries obligations under the non-solicit provisions of the Merger Agreement;

Pentair's board of directors determines, in good faith, after consulting with its independent financial advisor, that such Pentair Takeover Proposal constitutes or would reasonably be likely to lead to a Pentair Superior Proposal (as defined below);

Pentair's board of directors concludes in good faith, after consultation with its outside legal counsel, that the failure to take such action with respect to such Pentair Takeover Proposal would be inconsistent with Pentair's board of directors' duties under applicable law;

Pentair promptly, and in no event later than 48 hours after its receipt of any Pentair Takeover Proposal, advises Tyco orally and in writing of any Pentair Takeover Proposal and the identity of the person making the proposal and (w) if it is in writing, delivers a copy to Tyco of the proposal and any related draft agreements (subject to customary redactions in the case of any financing commitments), (x) if oral, delivers to Tyco a reasonably detailed summary of the proposal, (y) keeps Tyco reasonably informed in all material respects on a prompt basis of the status, including any change to the status or material terms of the proposal (and in no event later than 48 hours following any such change) and (z) promptly notifies Tyco of any determination by Pentair's board of directors that the proposal constitutes a Pentair Superior Proposal; and

Pentair furnishes any non-public information provided to the maker of a Pentair Takeover Proposal only pursuant to a confidentiality agreement between Pentair and such person on terms no less favorable to Pentair than the confidentiality agreement executed with Tyco. The Merger Agreement provides that the term "Pentair Superior Proposal" means any bona fide proposal made by a third party to acquire at least a majority of the equity securities or all or substantially all of the assets of Pentair, pursuant to a tender or exchange offer, a merger, a consolidation, a liquidation or dissolution, a recapitalization, a sale of assets or otherwise, on terms which the Pentair board of directors determines in its good faith judgment (A) after consulting with its independent financial advisor to be superior from a financial point of view to the holders of Pentair common shares than the transactions contemplated by the Merger Agreement (including any proposed modifications to the transactions which are proposed in writing by Tyco in response to such proposal or otherwise) and (B) is reasonably capable of being completed on its terms, taking into account all legal, regulatory and financial aspects (including certainty of closing) of such proposal and the third party making such proposal.

In addition, the Merger Agreement does not prevent Tyco from furnishing information (including non-public information) with respect to Tyco and its subsidiaries to a person making a Tyco Takeover Proposal or a New Pentair Takeover Proposal and engaging in discussions and negotiations with such person if:

Tyco shareholders have not yet approved the Distribution;

Tyco has received an unsolicited, bona fide, written Tyco Takeover Proposal or New Pentair Takeover Proposal that did not result from a breach of its and its subsidiaries' obligations under the Merger Agreement;

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Tyco's board of directors determines, in good faith, after consultation with its independent financial advisor, that such Tyco Takeover Proposal or New Pentair Takeover Proposal constitutes or would reasonably be likely to lead to a Tyco Superior Proposal (as defined below) or a New Pentair Superior Proposal (as defined below);

Tyco's board of directors concludes in good faith, after consultation with its outside legal counsel, that the failure to take such action with respect to such Tyco Takeover Proposal or New Pentair Takeover Proposal would be inconsistent with Tyco's board of directors' duties under applicable law;

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Tyco promptly, and in no event later than 48 hours after its receipt of any New Pentair Takeover Proposal or Tyco Takeover Proposal, advises Pentair orally and in writing of any such proposal and the identity of the person making such proposal and (w) if it is in writing, delivers a copy to Pentair such proposal and any related draft agreements (subject to customary redactions in the case of any financing commitments) and (x) if oral, delivers to Pentair a reasonably detailed summary of any such proposal, (y) keeps Pentair reasonably informed in all material respects on a prompt basis of the status, including any change to the status or material terms, of any such proposal (and in no event later than 48 hours following any such change) and (z) promptly notifies Pentair of any determination of Tyco's board of directors that such New Pentair Takeover Proposal or Tyco Takeover Proposal constitutes a New Pentair Superior Proposal or Tyco Superior Proposal, as applicable; and

Tyco furnishes any non-public information provided to the maker of a Tyco Takeover Proposal or New Pentair Takeover Proposal only pursuant to a confidentiality agreement between Tyco and such person on terms no less favorable to Tyco than the confidentiality agreement executed with Pentair.

The Merger Agreement provides that the term "Tyco Superior Proposal" means any bona fide proposal made by a third party to acquire at least a majority of the equity securities or all or substantially all of the assets of Tyco pursuant to a tender or exchange offer, a merger, a consolidation, a liquidation or dissolution, a recapitalization, a sale of assets or otherwise, which proposal is (x) on terms which the Tyco board of directors determines in its good faith judgment (A) after consulting with its independent financial advisor to be superior from a financial point of view to the holders of Tyco common shares than the transactions contemplated by the Merger Agreement and the separation of ADT from Tyco, collectively, and (B) is reasonably capable of being completed on its terms, taking into account all legal, regulatory and financial aspects (including certainty of closing) of the proposal and the third party making such proposal and (y) expressly conditioned on the Transactions not being consummated; provided that such transaction or series of transactions will not be a Tyco Superior Proposal if related primarily to the Tyco Flow Control Business, in which case it is a New Pentair Superior Proposal.

The Merger Agreement provides further that the term "New Pentair Superior Proposal" means any bona fide proposal made by a third party (x) to acquire at least a majority of the equity securities or all or substantially all of the assets of New Pentair pursuant to a tender or exchange offer, a merger, a consolidation, a liquidation or dissolution, a recapitalization, a sale of assets or otherwise or (y) in which the Tyco Flow Control Business would be separated from Tyco in a spin-off transaction immediately followed by a merger in a transaction resulting in the New Pentair shareholders owning a majority of the shares of the surviving entity, in each case on terms which the Tyco board of directors determines in its good faith judgment (A) after consulting with its independent financial advisor to be superior from a financial point of view to the holders of Tyco common shares than the transactions contemplated by the Merger Agreement and (B) is reasonably capable of being completed on its terms, taking into account all legal, regulatory and financial aspects (including certainty of closing) of the proposal and the third party making such proposal; provided such proposal is not a Tyco Takeover Proposal.

Board Recommendations

The Pentair board of directors has agreed in the Merger Agreement that it will not:

fail to include a recommendation in this proxy statement/prospectus that the Pentair shareholders approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby, which is referred to elsewhere in this proxy statement/prospectus as the Merger Agreement proposal;

withhold, withdraw, qualify or modify, or publicly propose to withhold, withdraw, qualify or modify in a manner adverse to Tyco, its recommendation that the Pentair shareholders approve the Merger Agreement proposal; or

approve, adopt or recommend to Pentair's shareholders any Pentair Takeover Proposal (all of the foregoing collectively, a "Pentair Change of Recommendation").

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Notwithstanding the foregoing, the Pentair board of directors may make a Pentair Change of Recommendation at any time prior to obtaining approval of the Merger Agreement proposal from Pentair's shareholders if the following conditions are satisfied:

Pentair's board of directors has received a Pentair Superior Proposal and Pentair has not violated the provisions described in "No Solicitation" in any material respect; or

in response to any material event, development, circumstance, occurrence or change in circumstances or facts (including any change in probability or magnitude of consequences) not related to a Pentair Takeover Proposal that was not known to Pentair's board of directors on the date of the Merger Agreement (or if known, the probability or magnitude of consequences of which were not known to or reasonably foreseeable by Pentair's board of directors as of the date of the Merger Agreement) (a "Pentair Intervening Event"), the Pentair board of directors determines in good faith after consultation with outside legal counsel, that the failure to make a Pentair Change of Recommendation would constitute a breach of the board's duties under applicable law.

Pentair may not make a Pentair Change of Recommendation unless:

Pentair has notified Tyco in writing of its intention to take such action at least three business days prior to taking such action, which notice must include certain information required by the Merger Agreement;

if requested by Tyco, Pentair must have negotiated in good faith with Tyco during the notice period to enable Tyco to propose changes to the terms of the Merger Agreement intended to cause the Pentair Superior Proposal to no longer constitute a Pentair Superior Proposal, or, in the case of a proposed change in recommendation as a result of an Pentair Intervening Event, that obviates the need for such a change in recommendation; and

following any such good faith negotiation, such Pentair Takeover Proposal continues to constitute a Pentair Superior Proposal or such Pentair Intervening Event continues to require the Pentair Change of Recommendation.

If any Pentair Superior Proposal is received less than three business days prior to Pentair's shareholder meeting, the notice period will be shortened to expire as of the close of business on the day preceding the shareholder meeting.

The Tyco board of directors has agreed in the Merger Agreement that it will not:

fail to include the recommendation that the Tyco shareholders approve the Distribution in the Tyco Proxy Statement;

withhold, withdraw, qualify or modify, or publicly propose to withhold, withdraw, qualify or modify in a manner adverse to Pentair, its recommendation that Tyco's shareholders approve the Distribution; or

approve, adopt or recommend to Tyco's shareholders any New Pentair Takeover Proposal or Tyco Takeover Proposal (all of the foregoing collectively, a "Tyco Change of Recommendation").

Notwithstanding the foregoing, the Tyco board of directors may, at any time prior to obtaining approval of the Distribution from Tyco's shareholders, make a Tyco Change of Recommendation if the following conditions are satisfied:

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Tyco's board of directors has received a New Pentair Superior Proposal or a Tyco Superior Proposal and Tyco has not violated the provisions described in "No Solicitation" in any material respect; or

in response to any material event, development, circumstance, occurrence or change in circumstances or facts (including any change in probability or magnitude of consequences) not related to a New Pentair Takeover Proposal or a Tyco Takeover Proposal that was not known to Tyco's board of directors on the date

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of the Merger Agreement (or if known, the probability or magnitude of consequences of which were not known to or reasonably foreseeable by Tyco's board of directors as of the date of the Merger Agreement) (a Tyco Intervening Event), the Tyco board of directors determines in good faith after consultation with outside legal counsel, that the failure to make a Tyco Change of Recommendation would constitute a breach of the board's duties under applicable law.

Tyco may not make a Tyco Change of Recommendation unless:

Tyco has notified Pentair in writing of its intention to take such action at least three business days prior to taking such action, which notice must include certain information required by the Merger Agreement;

if requested by Pentair, Tyco must have negotiated in good faith with Pentair during the notice period to enable Pentair to propose changes to the terms of the Merger Agreement, intended to cause the New Pentair Superior Proposal or the Tyco Superior Proposal to no longer constitute a New Pentair Superior Proposal or a Tyco Superior Proposal, or, in the case of a proposed change in recommendation as a result of an Tyco Intervening Event, that obviate the need for such a change in recommendation; and

following any such good faith negotiation, such New Pentair Takeover Proposal or Tyco Takeover Proposal continues to constitute a New Pentair Superior Proposal or Tyco Superior Proposal or such Tyco Intervening Event continues to require the Tyco Change of Recommendation.

If any New Pentair Superior Proposal or Tyco Superior Proposal is received less than three business days prior to Tyco's shareholder meeting, the notice period will be shortened to expire as of the close of business on the day preceding the shareholder meeting.

Financing

The Merger Agreement provides that Tyco, New Pentair and Pentair will cooperate in good faith for (i) a subsidiary of New Pentair to issue up to \$900 million of unsecured senior notes that will be guaranteed by New Pentair prior to the Distribution and (ii) Pentair and New Pentair to establish an unsecured senior credit facility of up to \$1.2 billion (with an option to increase by \$500 million) that will become effective upon the closing of the Merger. Tyco, New Pentair and Pentair will use their reasonable best efforts to arrange such financing as mutually agreed and otherwise consistent with the Separation and Distribution Agreement. Each of Tyco, New Pentair and Pentair will (i) provide to the other parties copies of all documents relating to the financing and (ii) keep the other parties reasonably informed of all material developments relating to the consummation of the financing. The Merger Agreement provides that the issuance of senior notes by a subsidiary of New Pentair is subject to (a) Tyco at its option receiving either (x) the required consent of a majority of the lenders under each of certain of its outstanding credit facilities or (y) Tyco causing its subsidiary, Tyco International Finance S.A., to become a subsidiary guarantor under each of such outstanding credit facilities, which designation shall be removed upon the occurrence of the closing of the Merger, (b) Tyco obtaining approval of the Tyco board of directors for such issuance of senior notes, (c) Tyco's right to determine in its sole discretion that such senior notes issuance should not occur and (d) Pentair's right to determine in its sole discretion that such issuance of senior notes should not occur. If a subsidiary of New Pentair issues senior notes pursuant to which an escrow is established in which the proceeds from such issuance (net of initial purchaser fees) will be held prior to the closing of the Merger, then Pentair will contribute cash to such escrow in an amount equal to the difference between such proceeds (net of initial purchaser fees) and the amount necessary to redeem such senior notes if the Merger does not occur. Upon the closing of the Merger, the proceeds from the senior notes issuance (net of initial purchaser fees) will be released to the subsidiary of New Pentair that issued the senior notes and the cash that Pentair contributed to such escrow will be released to Pentair. Under the Merger Agreement, Pentair agreed to indemnify, defend and hold harmless Tyco and its subsidiaries from and against any and all indemnifiable losses arising out of, by reason of or otherwise in connection with the issuance by a subsidiary of New Pentair of the senior notes or the entering into by New Pentair of the senior credit facility. In addition, Pentair has agreed to reimburse Tyco for all third party costs and expenses incurred in connection with the issuance of senior notes by a subsidiary of New Pentair and the entering into by New Pentair of the senior credit facility.

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Listing

New Pentair has agreed to use its reasonable best efforts to cause the New Pentair common shares to be issued in connection with the Merger to be listed on the NYSE as of the Effective Time, subject to official notice of issuance.

Tax Matters

The Merger Agreement provides that the parties will use reasonable best efforts to cause the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code and to obtain the tax rulings and tax opinions. The parties also agree to refrain from actions or omissions that would prevent or impede the Merger from obtaining the desired tax treatment. Additional representations, warranties and covenants relating to the tax-free status of the transactions are contained in the 2012 Tax Sharing Agreement. See The Separation and Distribution Agreement and the Ancillary Agreements Tax Sharing Agreement.

Employee Benefit Matters

The Merger Agreement provides that for a period of 12 months following the consummation of the Transactions, New Pentair and its subsidiaries will maintain salary or hourly wage rate and cash and long-term equity incentive target opportunities that are substantially comparable in the aggregate to those in effect immediately prior to the consummation of the Transactions for each employee of Tyco and its subsidiaries that remains employed with New Pentair, except that the terms and conditions of employment of any employee covered by a collective bargaining agreement will be governed by such agreement in accordance with its terms. The Merger Agreement also provides that New Pentair will honor and maintain the New Pentair benefit plans for the period of 12 months following the consummation of the Transactions for the benefit of such employees. Additionally, the Merger Agreement provides that New Pentair will give service credit to New Pentair employees for service to Tyco prior to the Transactions for purposes of determining eligibility to participate, vesting, entitlement to benefits and vacation entitlement with respect to each compensation or benefit plan sponsored or otherwise maintained by New Pentair, except as would result in any duplication of benefits.

Conditions to the Completion of the Merger

The obligations of New Pentair and Pentair under the Merger Agreement are subject to the satisfaction or waiver of the following conditions:

no temporary restraining order or preliminary or permanent injunction or other order by any governmental authority preventing consummation of the Merger or the related transactions shall have been issued and remain in effect;

Tyco's shareholders shall have approved the Distribution, and the Distribution shall have been consummated in accordance with the Separation and Distribution Agreement;

Pentair's shareholders shall have approved the Merger Agreement proposal;

the New Pentair common shares to be issued in the Merger shall have been authorized for listing on the NYSE, subject to official notice of issuance;

each of the New Pentair Registration Statement on Form S-1 and the Form S-4 shall have become effective under the Securities Act and shall not be the subject of any stop order suspending its effectiveness or proceedings initiated or threatened by the SEC seeking a stop order, and all necessary permits and authorizations under state securities or blue sky laws, the Securities Act and the Exchange Act relating to the issuance and trading of New Pentair common shares to be issued pursuant to the Merger shall have been obtained and shall be in effect;

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(i) the waiting period applicable to the consummation of the Merger and the related transactions under the HSR Act shall have expired or been earlier terminated and (ii) except as otherwise provided in the Merger

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Agreement, all approvals shall have been obtained and all waiting periods shall have expired or been terminated under certain scheduled and other material antitrust laws, in each case as required for the consummation of the Merger and the related transactions;

Tyco shall have obtained a solvency opinion from Duff & Phelps LLC, in form reasonably satisfactory to Tyco, to the effect that (i) immediately following the Distribution, Tyco, on the one hand, and New Pentair, on the other hand, will be solvent and (ii) Tyco's assets exceed its liabilities and capital as determined pursuant to applicable Swiss law;

the aggregate implied market capitalization of New Pentair, before giving effect to the Merger, shall not exceed CHF 17.5 billion based on (x) the closing price of the New Pentair common shares trading on the last when-issued trading day prior to the Distribution or (y) in the absence of a when-issued trading market for the New Pentair common shares, the closing price of Pentair common shares on the last trading day prior to the Distribution;

Tyco shall have received a private letter ruling from the IRS, which ruling shall be in full force and effect on the closing date of the Merger, to the effect that (i) the Distribution will qualify as tax-free under Sections 355 and 361 of the Code, except for cash received in lieu of fractional common shares and (ii) certain internal transactions will qualify for favorable treatment under the Code;

Tyco shall have received the IRS Supplemental Rulings, which rulings shall be in full force and effect on the closing date of the Merger, to the effect that (i) Section 367(a)(1) of the Code will not cause the Merger to be taxable to Pentair shareholders (except for a U.S. shareholder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS), (ii) certain anticipated post-closing transactions will not prevent the tax-free treatment of the Distribution or the Merger; and (iii) the Merger will qualify as a reorganization pursuant to Section 368(a) of the Code; and

Tyco shall have received one or more rulings from the Swiss Tax Administrations, which rulings shall be in full force and effect on the closing date of the Merger, confirming: (i) that the Merger will be a transaction that is generally tax-free for Swiss federal, cantonal, and communal tax purposes (including with respect to Swiss stamp tax and Swiss withholding tax); (ii) the relevant Swiss tax base of Panthro Acquisition for Swiss tax (including federal, cantonal and communal) purposes; (iii) the relevant amount of capital contribution reserves which will be exempt from Swiss withholding tax in the event of a distribution to the New Pentair shareholders after the Merger; and (iv) that no Swiss stamp tax will be levied on certain post-Merger restructuring transactions.

In addition, the obligation of Pentair to effect the Merger is subject to the following additional conditions, among others:

each of Tyco, New Pentair, Panthro Acquisition and Panthro Merger Sub shall have in all material respects performed all obligations and complied in all material respects with all covenants required by the Merger Agreement, the Separation and Distribution Agreement and the Ancillary Agreements to be performed by them on or before closing;

the representations and warranties of Tyco in the Merger Agreement relating to corporate authority to enter into, and perform the obligations under, the Merger Agreement, the Separation and Distribution Agreement and the other applicable related agreements and enforceability of such agreements, and the capital structure of New Pentair, Panthro Acquisition and Panthro Merger Sub must be true and correct in all material respects both as of the date of the Merger Agreement and as of the Closing Date, as if made as of such time (except to the extent expressly made as of an earlier date, in which case as of such date);

the representations and warranties of Tyco in the Merger Agreement relating to the absence of a New Pentair MAE since September 30, 2011 and the payment of fees to brokers or finders in connection with the transactions shall be true and correct in all respects both as of the date of the Merger Agreement and as of the Closing Date, as if made as of such time (except to the extent expressly made as of an earlier date, in which case as of such date);

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all other representations and warranties of Tyco in the Merger Agreement shall be true and correct both as of the date of the Merger Agreement and as of the Closing Date, as if made as of such time (except to the extent expressly made as of an earlier date, in which case of such date), except where their failure to be true and correct would not reasonably be expected to have, individually or in the aggregate, a New Pentair MAE;

no New Pentair MAE shall have occurred from the date of the Merger Agreement through the Closing Date;

Pentair shall have received a certificate of Tyco addressed to Pentair and dated the Closing Date, signed on behalf of Tyco by a senior officer of Tyco, certifying as to the satisfaction of the foregoing conditions regarding (i) the performance by Tyco, New Pentair, Panthro Acquisition and Panthro Merger Sub of their respective obligations and compliance with all applicable covenants required by the Merger Agreement, the Separation and Distribution Agreement and the Ancillary Agreements and (ii) the truth and correctness of Tyco's representations and warranties;

as of the Effective Time, the board of directors of New Pentair will consist of the persons serving on the board of directors of Pentair as of the mailing of the Tyco Proxy Statement and up to two persons to be selected by Tyco prior to the mailing of the Tyco Proxy Statement and reasonably acceptable to Pentair;

Pentair shall have received the opinion of Cravath, Swaine & Moore LLP to the effect that (i) the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code and (ii) Section 367(a)(1) of the Code will not cause the Merger to be taxable to Pentair shareholders (except for a U.S. shareholder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS); and

Tyco shall have executed and delivered to Pentair, and caused each of its subsidiaries that is a party to an Ancillary Agreement to execute and deliver to Pentair, each of the Ancillary Agreements.

Furthermore, the obligations of the Tyco Merger Parties to effect the Merger are subject to the following additional conditions, among others:

Pentair shall have in all material respects performed all obligations and complied in all material respects with all covenants required by the Merger Agreement and the Ancillary Agreements to be performed by it on or before closing;

the representations and warranties of Pentair in the Merger Agreement relating to corporate authority to enter into, and perform the obligations under, the Merger Agreement and the other related agreements and enforceability of such agreements, and the capitalization of Pentair, must be true and correct in all material respects both as of the date of the Merger Agreement and as of the Closing Date, as if made as of such time (except to the extent expressly made as of an earlier date, in which case as of such date);

the representations and warranties of Pentair in the Merger Agreement relating to the absence of a Pentair MAE since December 31, 2011 and the payment of fees to brokers or finders in connection with the transactions shall be true and correct in all respects both as of the date of the Merger Agreement and as of the Closing Date, as if made as of such time (except to the extent expressly made as of an earlier date, in which case as of such date);

all other representations and warranties of Pentair in the Merger Agreement shall be true and correct both as of the date of the Merger Agreement and as of the Closing Date, as if made as of such time (except to the extent expressly made as of an earlier date, in which case of such date), except where their failure to be true and correct would not reasonably be expected to have, individually or in the aggregate, a Pentair MAE;

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no Pentair MAE shall have occurred from the date of the Merger Agreement through the Closing Date;

Tyco shall have received a certificate of Pentair addressed to Tyco and dated the Closing Date, signed on behalf of Pentair by a senior officer of Pentair, certifying as to the satisfaction of the foregoing conditions regarding (i) the performance by Pentair of its obligations and compliance with all applicable covenants required by the Merger Agreement and the related agreements and (ii) the truth and correctness, of Pentair's representations and warranties;

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Tyco shall have received the opinions of McDermott Will & Emery LLP (i) to the effect that (x) the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code and (y) Section 367(a)(1) of the Code will not cause the Merger to be taxable to Pentair shareholders (except for a U.S. shareholder who is or will be a five-percent transferee shareholder within the meaning of applicable Treasury Regulations but who does not enter into a gain recognition agreement with the IRS) and (ii) confirming that the Distributions will qualify as tax-free under Sections 355 and/or 361 of the Code, except for cash received in lieu of fractional shares; and

Pentair shall have executed and delivered to Tyco each Ancillary Agreement to which it is a party.

Termination of the Merger Agreement

Tyco and Pentair may agree to terminate the Merger Agreement by mutual written consent. Additionally, either Tyco or Pentair may terminate the Merger Agreement for the following reasons, among others:

the Merger has not been consummated by February 1, 2013, provided that the terminating party's failure to perform or comply in all material respects with such party's covenants and agreements set forth in the Merger Agreement and the Separation and Distribution Agreement is not the cause of the Merger not being consummated by February 1, 2013;

the existence of any law that makes consummation of the transactions under the Merger Agreement illegal or otherwise prohibited;

any governmental authority having competent jurisdiction has issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting any material component of the transactions under the Merger Agreement, and such order, decree, ruling or other action becomes final and non-appealable, provided, however, that such right to terminate will not be available to any party whose failure to perform any of its obligations described above under Reasonable Best Efforts or Regulatory Matters resulted in such order, decree or ruling;

Pentair shareholders fail to approve the Merger Agreement proposal; or

Tyco shareholders fail to approve the Distribution at the Tyco special shareholders' meeting.

Pentair may also terminate the Merger Agreement at any time prior to the Merger for the following reasons, among others:

at any time before Pentair shareholders approve the Merger Agreement proposal, to enter into a written definitive agreement for a Pentair Superior Proposal, provided Pentair has complied with certain conditions related to a Pentair Change of Recommendation;

there is a Tyco Change of Recommendation; or

Tyco breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the Merger Agreement or the Separation and Distribution Agreement such that any of the conditions described above in The Merger Agreement Conditions to the Completion of the Merger would not be satisfied and such failure has not been cured within 60 calendar days after Pentair gives written notice thereof to Tyco or where any such condition is incapable of being satisfied and has not been waived by Pentair.

In addition, Tyco may terminate the Merger Agreement for the following reasons, among others:

there is a Pentair Change of Recommendation; or

Pentair breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the Merger Agreement or the Separation and Distribution Agreement such that any of the conditions described above in The Merger Agreement Conditions to the Completion of the Merger would not be satisfied and such failure has not been cured within 60 calendar days after Tyco gives written notice thereof to Pentair or where any such condition is incapable of being satisfied and has not been waived by Tyco.

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Fees and Expenses

General. The Merger Agreement provides that each party will pay its own fees and expenses in connection with the Merger Agreement, the Merger and the transactions contemplated by the Merger Agreement, except that Tyco and Pentair will share equally any filing fees in respect of any notice submitted pursuant to antitrust laws and any fees and expenses of printers utilized by the parties in connection with the preparation of the filings with the SEC required under the Merger Agreement.

Termination Fee. Pentair has agreed to pay to Tyco a termination fee of \$145 million as liquidated damages in the following circumstances:

Tyco terminates the Merger Agreement due to a Pentair Change of Recommendation; or

prior to receipt of Pentair shareholders' approval of the Merger Agreement proposal, Pentair terminates the Merger Agreement to enter into a written definitive agreement for a Pentair Superior Proposal; or

more than five days prior to the Pentair shareholders' meeting any person publicly makes a Pentair Takeover Proposal or publicly announces an intention to make a Pentair Takeover Proposal and within 12 months of termination of the Merger Agreement under specified circumstances, Pentair enters into a definitive agreement to consummate or consummates a Pentair Takeover Proposal.

In addition, Tyco has agreed to pay Pentair a termination fee of \$145 million as liquidated damages in the following circumstances:

Pentair terminates the Merger Agreement due to a Tyco Change of Recommendation other than in connection with a Tyco Takeover Proposal; or

more than five days prior to the Tyco shareholders' meeting any person publicly makes a New Pentair Takeover Proposal or publicly announces an intention to make a New Pentair Takeover Proposal and within 12 months of termination of the Merger Agreement under specified circumstances, Tyco enters into a definitive agreement to consummate or consummates a New Pentair Takeover Proposal or a Tyco Takeover Proposal; or

more than five days prior to the Tyco shareholders' meeting any person publicly makes a Tyco Takeover Proposal or publicly announces an intention to make a Tyco Takeover Proposal and within 12 months of termination of the Merger Agreement under specified circumstances, Tyco enters into a definitive agreement to consummate or consummates a New Pentair Takeover Proposal.

Tyco has further agreed to pay Pentair a termination fee of \$370 million as liquidated damages in the event that:

Pentair terminates the Merger Agreement due to a Tyco Change of Recommendation in connection with a Tyco Takeover Proposal; or

more than five days prior to the Tyco shareholders' meeting any person publicly makes a Tyco Takeover Proposal or publicly announces an intention to make a Tyco Takeover Proposal and within 12 months of termination of the Merger Agreement under specified circumstances, Tyco enters into a definitive agreement to consummate or consummates a Tyco Takeover Proposal.

Pentair is not, in any event, to receive both the \$145 million termination fee and the \$370 million termination fee.

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For purposes of determining the termination fees as described above, a Pentair Takeover Proposal, New Pentair Takeover Proposal and Tyco Takeover Proposal apply to a transaction relating to 50% of any class of equity securities, consolidated net revenues, net income or assets of Pentair, New Pentair or Tyco, as applicable, rather than 10%.

Amendments

All amendments to the Merger Agreement must be in writing and signed by each party.

Table of Contents**THE SEPARATION AND DISTRIBUTION AGREEMENT AND THE ANCILLARY AGREEMENTS**

Following the Transactions, the Tyco Flow Control Business will be operated by New Pentair independently of Tyco, and neither New Pentair nor Tyco will have any ownership interest in the other. In order to govern certain ongoing relationships between New Pentair, ADT and Tyco after the Distribution and to provide mechanisms for an orderly transition, New Pentair, ADT and Tyco have entered into the Separation and Distribution Agreement and intend to enter into other agreements pursuant to which certain services and rights will be provided for following the Distribution. The following is a summary of the material terms and provisions of the Separation and Distribution Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the terms and provisions of the Separation and Distribution Agreement, which is attached as Annex B to this proxy statement/prospectus. Shareholders of Pentair are encouraged to read the entire Separation and Distribution Agreement. The Separation and Distribution Agreement has been included to provide Pentair shareholders with information regarding its terms. The Separation and Distribution Agreement is not intended to provide any other factual information about Pentair, Tyco, New Pentair and their affiliates following completion of the Transactions. Information about Pentair, Tyco, New Pentair and their affiliates can be found elsewhere in this proxy statement/prospectus.

Descriptions regarding the assets and liabilities conveyed to New Pentair and retained by Tyco contained in the Separation and Distribution Agreement are qualified by certain information that has been exchanged between Tyco and New Pentair and that is not reflected in the Separation and Distribution Agreement. Accordingly, shareholders should not rely on the general descriptions of assets and liabilities in the Separation and Distribution Agreement, as they have been modified in important ways by the information exchanged between Tyco and New Pentair. Pentair and Tyco do not believe that securities laws require them to disclose publicly any information related to the Separation and Distribution Agreement other than information that has already been so disclosed.

Separation and Distribution Agreement

Concurrently with the Merger Agreement, New Pentair entered into a Separation and Distribution Agreement with Tyco and ADT. The Separation and Distribution Agreement sets forth New Pentair's agreement with Tyco and ADT regarding the principal transactions necessary to separate the Tyco Flow Control Business from Tyco. It also sets forth other agreements that govern certain aspects of New Pentair's relationship with Tyco and its subsidiaries, including ADT, after the completion of the Distribution.

Distribution Overview

The Separation and Distribution Agreement provides for the Spin-off of the Tyco Flow Control Business from Tyco. Among other things, the agreement sets forth the process by and conditions under which Tyco will spin off the Tyco Flow Control Business to the holders of Tyco common shares; specifies the relevant assets of Tyco and certain of its subsidiaries, including ADT and its subsidiaries, related to the Tyco Flow Control Business to be transferred to New Pentair; and sets forth certain liabilities and covenants to be assumed by Tyco and New Pentair. As consideration for the Spin-off, the Separation and Distribution Agreement provides that, on the distribution date, each holder of Tyco common shares will be entitled to a number of New Pentair common shares determined by a formula based on the number of Pentair and Tyco shares outstanding on a fully-diluted basis and calculated in accordance with the treasury method under U.S. GAAP at 12:01 a.m. Eastern Standard Time on the distribution date.

Post Closing Working Capital and Net Indebtedness Adjustments

At the close of business on the day prior to the day that the Distribution is completed, New Pentair is required to have working capital, defined, subject to certain exceptions, as current assets minus current liabilities, in the amount of \$798 million. If the actual amount of the working capital exceeds \$798 million by an amount in excess of \$125 million, New Pentair will pay to Tyco the full amount of the excess. If the actual amount of the working capital is less than \$798 million by an amount in excess of \$125 million, Tyco will pay to New Pentair the full amount of the deficit.

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Before the close of business on the day prior to the Distribution, a subsidiary of New Pentair will issue an intercompany note to a subsidiary of Tyco in an amount not to exceed \$500 million, which will be repaid at the closing of the Merger with proceeds to New Pentair from a third party financing upon terms negotiated by Pentair. If such third party financing is not available on terms acceptable to the parties, instead of a subsidiary of New Pentair issuing to a subsidiary of Tyco the intercompany note that would be repaid at the closing of the Merger, a subsidiary of New Pentair will issue a one year unsecured bridge note for up to \$500 million to a subsidiary of Tyco in accordance with the Merger Agreement that will bear interest at a rate of 14.0% and be prepayable at any time. New Pentair is then to transfer cash and cash equivalents to Tyco such that, the net indebtedness of New Pentair will be \$275 million as of the close of business on the day prior to the Distribution and as of 12:01 a.m., Eastern Standard Time, on the day of the Distribution. If the actual amount of net indebtedness as of the close of business on the day prior to the Distribution exceeds \$275 million, Tyco will pay to New Pentair the full amount of the excess. If the actual amount of net indebtedness as of the close of business on the day prior to the Distribution is less than \$275 million, New Pentair will pay to Tyco the full amount of the deficit.

Transfer of Assets

The Separation and Distribution Agreement identifies certain transfers of assets that are necessary in advance of the Tyco Flow Control Business separation from Tyco so that each of New Pentair and Tyco retains the assets of, and the liabilities associated with, their respective businesses.

The assets to be assigned to or retained by New Pentair or its subsidiaries include the following:

the ownership interests of New Pentair's subsidiaries;

all New Pentair contracts, any rights or claims arising thereunder, and any other rights or claims or contingent rights or claims primarily relating to or arising from any New Pentair asset or the New Pentair business;

any and all assets reflected on New Pentair's audited balance sheet as of September 30, 2011 and any assets acquired by or for New Pentair or any of its subsidiaries subsequent to the date of such balance sheet which, had they been so acquired on or before such date and owned as of such date, would have been reflected on such balance sheet if prepared on a consistent basis, subject to any dispositions of any of such assets subsequent to the date of such balance sheet not made in violation of the Merger Agreement;

rights of New Pentair and its subsidiaries under any insurance policies and contracts, including any rights thereunder arising after the Distribution in respect of any occurrence-based policies;

any and all assets owned or held immediately prior to the Distribution by Tyco or any of its subsidiaries that primarily relate to or are primarily used in the Tyco Flow Control Business;

certain scheduled assets and any and all assets that are expressly contemplated as assets that have been or that are to be transferred to New Pentair or any its subsidiaries; and

subject to certain exceptions, any and all furnishings and office equipment located at a physical site to the extent the ownership or leasehold interest with respect to such physical site is being transferred to or retained by New Pentair.

The Separation and Distribution Agreement provides that the assets to be transferred or assigned to or retained by New Pentair or one of its subsidiaries will not in any event include any assets to the extent they are expressly contemplated to be retained by or transferred to Tyco or its subsidiaries under the Separation and Distribution Agreement or cash or cash equivalents of New Pentair held before the Distribution except to the extent taken into account to determine the amount of New Pentair's required net indebtedness.

The assets to be transferred or assigned to or retained by Tyco or its subsidiaries include the following:

the ownership interests of Tyco's subsidiaries;

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all Tyco contracts, any rights or claims arising thereunder, and any other rights or claims or contingent rights or claims primarily relating to or arising from any asset owned by Tyco or Tyco's business other than those primarily relating to or arising from the Tyco Flow Control Business;

any and all assets reflected on Tyco's unaudited combined balance sheet as of September 30, 2011 prepared to give pro forma effect to the Spin-off (but not the separation of ADT from Tyco and the ADT Distribution) and any assets acquired by or for Tyco or any subsidiary of Tyco subsequent to the date of such balance sheet which, had they been so acquired on or before such date and owned as of such date, would have been reflected on such balance sheet if prepared on a consistent basis, subject to any dispositions of any of such assets subsequent to the date of such balance sheet not made in violation of the Merger Agreement;

any and all rights of Tyco and its subsidiaries under any insurance policies and contracts;

any and all assets owned or held immediately prior to the Distribution by Tyco or any of its subsidiaries that primarily relate to or are primarily used in Tyco's business;

certain scheduled assets and any and all assets that are expressly contemplated as assets that have been or that are to be transferred to Tyco or any of its subsidiaries; and

subject to certain exceptions, any and all furnishings and office equipment located at a physical site to the extent the ownership or leasehold interest with respect to such physical site is being transferred to or retained by Tyco.

The Separation and Distribution Agreement provides that the assets transferred or assigned to or retained by Tyco or its subsidiaries will not include any assets to the extent they are expressly contemplated as assets to be retained by or transferred to New Pentair or any of its subsidiaries.

Assumptions of Liabilities

The Separation and Distribution Agreement also provides for the settlement or extinguishment of certain liabilities and other obligations between New Pentair and Tyco and identifies the liabilities and other obligations which each of New Pentair and Tyco and their respective subsidiaries will assume or retain.

The liabilities to be assumed or retained by New Pentair or one of its subsidiaries include the following:

certain scheduled liabilities and any and all liabilities that are expressly contemplated as liabilities that have been or that are to be assumed by New Pentair or any of its subsidiaries;

any and all liabilities primarily relating to, arising out of or resulting from the operation or conduct of the Tyco Flow Control Business whether arising before, on or after the Distribution, the operation or conduct of any business conducted by any subsidiary of New Pentair after the Distribution, or any New Pentair assets, whether arising before, on or after the Distribution;

any liabilities to the extent relating to, arising out of or resulting from any terminated or divested business entity, business or operation formerly and primarily owned or managed by or primarily associated with the Tyco Flow Control Business or any New Pentair subsidiary;

40% of certain contingent liabilities of Tyco;

any liabilities relating to any New Pentair employee or former New Pentair employee before, on or after the Distribution;

any liabilities relating to, arising out of or resulting from (x) any indebtedness (including debt securities and asset backed debt) of New Pentair or any of its subsidiaries or indebtedness (regardless of the issuer of such indebtedness) incurred after the Distribution and exclusively relating to the Tyco Flow Control Business, (y) any indebtedness (regardless of the issuer of such indebtedness) incurred after the Distribution and secured exclusively by any of New Pentair's assets (including any liabilities relating to, arising out of or

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resulting from a claim by a holder of any such indebtedness, in its capacity as such) or (z) any indebtedness arising from an intercompany note to a subsidiary of Tyco of up to \$500 million by a subsidiary of New Pentair or the issuance by a subsidiary of New Pentair of up to \$900 million of senior notes or certain scheduled guarantees; and

all liabilities reflected as liabilities or obligations on New Pentair's balance sheet as of September 30, 2011, and all liabilities arising or assumed after the date of such balance sheet which, had they arisen or been assumed on or before such date and been retained as of such date, would have been reflected on such balance sheet if prepared on a consistent basis, subject to any discharge of such liabilities subsequent to the date of the balance sheet.

The Separation and Distribution Agreement provides that the liabilities that are to be assumed or retained by New Pentair or one of its subsidiaries will not in any event include any of the following: (v) any liabilities of Yarway Corporation and Gimpel Corporation; (w) any liabilities that are expressly contemplated as liabilities to be retained or assumed by Tyco or any of its other subsidiaries; (x) any contracts expressly assumed or expressly contemplated as liabilities to be assumed by Tyco or any of its subsidiaries; (y) any intercompany payables expressly discharged pursuant to the Separation and Distribution Agreement and (z) any indebtedness for borrowed money or other intercompany payables and loans (other than obligations under capital leases) outstanding as of the Distribution except to the extent taken into account in determining the amount of required net indebtedness.

The liabilities to be assumed or retained by Tyco or one of its subsidiaries include the following:

certain scheduled liabilities and any and all liabilities that are expressly contemplated as liabilities that have been or that are to be assumed by Tyco or any of its subsidiaries (other than New Pentair or any of its subsidiaries);

any and all liabilities primarily relating to, arising out of or resulting from: (A) the operation or conduct of Tyco's business other than the Tyco Flow Control Business as conducted at any time prior to, on or after the Distribution; (B) the operation or conduct of any business conducted by Tyco or any of its subsidiaries other than the Tyco Flow Control Business at any time after the Distribution; or (C) any assets owned by Tyco, whether arising before, on or after the Distribution;

any liabilities to the extent relating to, arising out of or resulting from any terminated or divested business entity, business or operation formerly and primarily owned or managed by or primarily associated with Tyco or any of its subsidiaries (other than New Pentair or any of its subsidiaries) or Tyco's business (other than the Tyco Flow Control Business);

any liabilities relating to any Tyco employee or former Tyco employee that does not become a New Pentair employee or former New Pentair employee immediately following the Distribution;

any liabilities relating to, arising out of or resulting from (x) any indebtedness (including debt securities and asset-backed debt) of Tyco or any of its subsidiaries or indebtedness (regardless of the issuer of such indebtedness) exclusively relating to the Tyco business (other than the Tyco Flow Control Business) or (y) any indebtedness (regardless of the issuer of such indebtedness) secured exclusively by any of Tyco's assets (including any liabilities relating to, arising out of or resulting from a claim by a holder of any such indebtedness, in its capacity as such);

all liabilities reflected as liabilities or obligations on Tyco's unaudited combined balance sheet as of September 30, 2011 prepared to give pro forma effect to the Separation and the Distribution (but not the separation of ADT from Tyco and the ADT Distribution) and all liabilities arising or assumed after the date of such balance sheet which, had they arisen or been assumed on or before such date and been retained as of such date, would have been reflected on such balance sheet if prepared on a consistent basis, subject to any discharge of such liabilities subsequent to the date of Tyco's balance sheet; and

any liabilities of Yarway Corporation and Gimpel Corporation.
The Separation and Distribution Agreement provides that the liabilities to be assumed or retained by Tyco or one of its subsidiaries shall not include: (x) any liabilities that are expressly contemplated as liabilities to be

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retained or assumed by New Pentair or any of its subsidiaries; (y) any contracts expressly assumed by New Pentair or any of its subsidiaries; and (z) any intercompany payables expressly discharged pursuant to the Separation and Distribution Agreement. For purposes of determining which liabilities should be assumed or retained by Tyco, any other liabilities that are not New Pentair liabilities shall be Tyco liabilities.

Consents and Delayed Transfers

If any transfers or assumptions are not consummated by the closing of the Transactions, Tyco and New Pentair are to use reasonable best efforts to effect such transfers and assumptions while holding such assets or liabilities for the benefit of the appropriate party so that all the benefits and burdens relating to such asset or liability inure to the party entitled to receive or assume such asset or liability. Tyco and New Pentair are to use reasonable best efforts to obtain consents required to transfer assets and contracts and to novate obligations under contracts and liabilities as necessary to effectuate the Spin-off. Additionally, Tyco and New Pentair will use reasonable best efforts to remove New Pentair as a guarantor of liabilities retained by Tyco and its subsidiaries and to remove Tyco and its subsidiaries as a guarantor of liabilities to be assumed by New Pentair.

Shared Contracts

Certain shared contracts are to be assigned or amended to facilitate the separation of the Tyco Flow Control Business from Tyco. If such contracts may not be assigned or amended, the parties are required to take reasonable actions to cause the appropriate party to receive the benefit of the contract after the Spin-off is complete.

Intercompany Arrangements and Guarantees

A series of intercompany transactions will be undertaken in order to transfer the equity interests in certain subsidiaries of Tyco which hold assets and liabilities associated with the Tyco Flow Control Business to New Pentair. These will include the settlement and forgiveness of intercompany payables and receivables among New Pentair and its subsidiaries and Tyco and its subsidiaries, respectively. Except for matters covered by the Ancillary Agreements or other arm's-length transactions entered into in the ordinary course of business, any and all agreements, arrangements, commitments and understandings, including all intercompany accounts payable or accounts receivable, between New Pentair and its subsidiaries and other affiliates, and Tyco and its subsidiaries and other affiliates, respectively, will terminate as of the distribution date.

Mutual Releases and Indemnification

Except as otherwise provided in the Separation and Distribution Agreement, each of New Pentair, and Tyco has agreed to release the other and its affiliates, successors and assigns, directors, officers, agents and employees from any claims against any of them that arise out of or relate to events, circumstances or actions occurring or failing to occur or any conditions existing at or prior to the time of the Distribution. The Separation and Distribution Agreement, however, provides that neither party will be released from the following liabilities:

with respect to Tyco or any of its subsidiaries (other than New Pentair or any of its subsidiaries), any liability assumed or retained by Tyco or any of its subsidiaries (other than New Pentair or any of its subsidiaries) and, with respect to New Pentair or any of its subsidiaries, any liability of New Pentair assumed or retained by New Pentair or its subsidiaries;

any liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a party from or on behalf of another party prior to the effective time of the Distribution;

any liability for unpaid amounts for products or services or refunds owing on products or services due on a value-received basis for work done by a party at the request or on behalf of another party;

any liability provided in or resulting from any other contract or understanding that is entered into after the effective time of the Distribution between any party or any of its subsidiaries, on the one hand, and the other party or any of its subsidiaries, on the other hand;

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any liability with respect to certain contingent liabilities of Tyco;

any liability with respect to certain continuing arrangements;

any liability with respect to the insurance policies written by White Mountain Insurance Company;

any liability that the parties may have with respect to indemnification or contribution pursuant to the Merger Agreement, the Separation and Distribution Agreement or otherwise for claims brought against the parties by third persons; and

any liability for fraud or willful misconduct.

In addition, nothing will release Tyco from (i) indemnifying any director, officer or employee of New Pentair who was a director, officer or employee of Tyco or any of its affiliates on or prior to the Distribution, to the extent such director, officer or employee is or becomes a named defendant in any action with respect to which he or she was entitled to such indemnification pursuant to then existing obligations or (ii) any liability owed to Pentair pursuant to the Merger Agreement.

Under the Separation and Distribution Agreement, Tyco agreed to indemnify, defend and hold harmless New Pentair from and against any and all indemnifiable losses arising out of, by reason of or otherwise in connection with (a) the liabilities retained or allegedly retained by Tyco, including, after the Distribution, the failure of Tyco or any of its subsidiaries (other than New Pentair or any of its subsidiaries) to pay, perform, fulfill, discharge and, to the extent applicable, comply with, in due course and in full, any such liabilities, (b) any breach by Tyco of any provision of the Separation and Distribution Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein, in which case any such indemnification claims shall be made thereunder and (c) any breach by Tyco or any of its affiliates (including New Pentair other than with respect to any post-closing obligation of New Pentair) of any covenant, or inaccuracy of any representation and warranty made by Tyco, in the Merger Agreement that survives the closing of the Merger.

Under the Separation and Distribution Agreement, New Pentair agreed to indemnify, defend and hold harmless Tyco and its subsidiaries (including ADT) from and against any and all indemnifiable losses arising out of, by reason of or otherwise in connection with (a) the Tyco Flow Control Business liabilities or alleged liabilities, including, after the Distribution, the failure of New Pentair or any of its subsidiaries to pay, perform, fulfill, discharge and, to the extent applicable, comply with, in due course and in full, any such liabilities, (b) any breach by New Pentair of any provision of the Separation and Distribution Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein, in which case any such indemnification claims shall be made thereunder and (c) any breach by Pentair or any of its affiliates of any covenant, or inaccuracy of any representation and warranty made by Tyco, in the Merger Agreement that survives the closing of the Merger.

Under the Separation and Distribution Agreement, ADT agreed to indemnify, defend and hold harmless Tyco and its subsidiaries (other than New Pentair and its subsidiaries) and New Pentair and its subsidiaries from and against any and all indemnifiable losses arising out of, by reason of or otherwise in connection with certain specified sections of the Separation and Distribution Agreement to which it is a party. Each of Tyco and New Pentair agreed to indemnify, defend and hold harmless ADT and its subsidiaries from and against any and all indemnifiable losses arising out of, by reason of or otherwise in connection with such specified sections of the Separation and Distribution Agreement.

New Pentair Stock and Incentive Plan

The Separation and Distribution Agreement provides that, prior to the spin-off, Tyco will cause New Pentair to adopt an equity compensation plan for the benefit of the employees of New Pentair, which will be in a form agreed to by the parties within 90 days following the date of the Separation and Distribution Agreement. In the event that, after reasonable consultation between the parties, the parties are unable to agree on the form of the equity compensation plan, the form of such plan will be based on Pentair's 2008 Omnibus Stock Incentive Plan.

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Non-Solicitation and Non-Competition

For two years after the Distribution, Tyco, ADT, New Pentair, Pentair and their subsidiaries must refrain from, either directly or indirectly, hiring employees or independent contractors of another party at or above a specified management level (a Restricted Person) without the prior written consent of the Senior Vice President for Human Resources of such party. In addition, for two years after the Distribution, Tyco, ADT, New Pentair and Pentair must refrain from, either directly or indirectly, soliciting, aiding or inducing any Restricted Person to leave his employment, provided that any general solicitation through advertisements and search firms not specifically directed at employees of the party are permitted, so long as the soliciting party has not encouraged or advised such employment firm to approach any such employee.

For three years following the consummation of the Transactions, neither Tyco, ADT and their subsidiaries, on one hand, nor New Pentair, on the other hand, may establish or acquire any new businesses that involve the sale of products or the provision of services that compete with the business of Tyco and ADT, on one hand, or the business of New Pentair, on the other hand, subject to exceptions for ownership of securities in entities at various specified thresholds.

Conversion of Equity Awards

Options to purchase Tyco common shares (Tyco Options), restricted stock units with respect to Tyco common shares (Tyco RSUs) and performance share units with respect to Tyco common shares (Tyco PSUs) and, together with Tyco Options and Tyco RSUs, Tyco Equity Awards) have been granted to various Tyco employees, including employees in the Tyco Flow Control Business who will become officers and employees of New Pentair following the Spin-off.

Under the terms of the stock and incentive plans under which the outstanding Tyco Equity Awards were issued, the Tyco Compensation Committee has the authority to make equitable adjustments to outstanding Tyco Equity Awards in the event of certain transactions, including the distribution of New Pentair common shares in connection with the Spin-off. Accordingly, the Tyco Compensation Committee has authorized that various adjustments be made to outstanding Tyco Equity Awards to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the applicable Tyco Equity Awards following the Spin-off, as discussed below. These adjustments will be made in the same manner for all employees of Tyco who will become employees of New Pentair who hold Tyco Equity Awards. Any options to purchase, or awards relating to, New Pentair common shares issued in connection with such adjustments will be our obligations.

New Pentair intend to file a registration statement with respect to New Pentair common shares issuable upon exercise, or vesting, of the equity awards that New Pentair issues, as soon as practicable following the effective date of the Distribution.

Treatment of Tyco Options

Each Tyco Option that is held, as of the Distribution, by a Tyco employee who will become an employee of New Pentair following the Spin-off (other than a Tyco Option held by a Tyco corporate-level employee that was granted prior to October 12, 2011), will be converted into an option to acquire New Pentair common shares, in the following manner:

each converted option will be exercisable for a number of New Pentair common shares determined by multiplying the number of Tyco common shares for which the option is exercisable by a fraction, the numerator of which is the closing regular-way trading price of Tyco common shares on the NYSE on the last trading day immediately prior to the Distribution, and the denominator of which is the when-issued closing trading price of the New Pentair common shares on the NYSE on the last trading day immediately prior to the Distribution (or, in the absence of a when-issued trading market with respect to New Pentair, the closing price of Pentair common shares on the NYSE on the last trading day immediately prior to the Distribution), rounded down to the nearest whole share; and

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each converted option will have an exercise price equal to the exercise price of the applicable Tyco Option prior to the Distribution multiplied by a fraction, the numerator of which is the when-issued closing trading price of the New Pentair common shares on the NYSE on the last trading day immediately prior to the Distribution (or, in the absence of a when-issued trading market with respect to New Pentair, the closing price of Pentair common shares on the NYSE on the last trading day immediately prior to the Distribution) and the denominator of which is the closing regular-way trading price of Tyco common shares on the NYSE on the last trading day immediately prior to the Distribution, rounded up to the nearest hundredth of a cent.

Each Tyco Option that was granted prior to October 12, 2011 and that is held, as of the Distribution, by a Tyco director or by certain specified corporate-level employees of Tyco who will not become employees of New Pentair following the Spin-off, will be converted into an option to separately acquire an equal number of New Pentair common shares and Tyco common shares and, assuming the ADT Distribution occurs simultaneously, ADT shares of common stock in the following manner:

the adjusted number of shares subject to each option to acquire:

Tyco shares will be determined by multiplying the number of Tyco shares for which the Tyco Option is exercisable by a fraction, the numerator of which is the aggregate spread of the original Tyco Option, calculated by reference to the closing regular-way trading price of Tyco common shares on the NYSE on the last trading day immediately prior to the Distribution, and the denominator of which is the sum of (a) the ex-distribution closing trading price of Tyco common shares on the NYSE on the last trading day immediately prior to the Distributions minus the adjusted exercise price for Tyco options described below, (b) the product of (1) the when-issued closing trading price of the New Pentair common shares on the NYSE on the last trading day immediately prior to the Distributions (or, in the absence of a when-issued trading market with respect to New Pentair, the closing price of Pentair common shares on the NYSE on the last trading day immediately prior to the Distributions) minus the adjusted exercise price for the New Pentair options described below and (2) the distribution ratio for shares of New Pentair (which shall be determined on the distribution date), and (c) the product of (1) the when-issued closing trading price of ADT common shares on the NYSE on the last trading day immediately prior to the Distributions minus the adjusted exercise price for ADT options described below and (2) the distribution ratio for shares of ADT of 0.5 (based on one ADT common share for every two Tyco common shares outstanding as of the record date), rounded down to the nearest whole share;

New Pentair shares will be determined by multiplying the number of Tyco shares subject to the converted option by the distribution ratio for shares of New Pentair (which shall be determined on the distribution date); and

ADT shares will be determined by multiplying the number of Tyco shares subject to the converted option by the distribution ratio for shares of ADT of 0.5 (based on one ADT common share for every two Tyco common shares outstanding as of the record date).

each converted option will have an exercise price as follows: The exercise price of each New Pentair option will be equal to the exercise price of the applicable Tyco Option prior to the Distribution multiplied by a fraction, the numerator of which is the when-issued closing trading price of New Pentair common shares on the NYSE on the last trading day immediately prior to the Distribution (or in the absence of a when-issued trading market, the closing price of Pentair common shares on the NYSE on the last trading day immediately prior to the Distribution) and the denominator of which is the closing regular-way trading price of Tyco common shares on the NYSE on the last trading day immediately prior to the Distribution, rounded up to the nearest hundredth of a cent; the exercise price of each ADT option will be equal to the exercise price of the applicable Tyco Option prior to the ADT Distribution multiplied by a fraction, the numerator of which is the when-issued closing trading price of ADT common shares on the NYSE on the last trading day immediately prior to the ADT Distribution and the denominator of which is the closing regular-way trading price of Tyco common shares on the NYSE on the last trading day immediately prior to the ADT Distribution, rounded up to the nearest hundredth of a cent; and the exercise price of each Tyco option will

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be equal to the exercise price of the Tyco option prior to the Distributions multiplied by a fraction, the numerator of which is the ex-distribution closing trading price of Tyco common shares on the NYSE on the last trading day immediately prior to the Distributions and the denominator of which is the closing regular-way trading price of Tyco common shares on the NYSE on the last trading day immediately prior to the Distributions, rounded up to the nearest hundredth of a cent.

Each converted option will take into account all employment with both Tyco and New Pentair for purposes of determining when the option vests and terminates.

Treatment of Tyco RSUs

Except as provided below, each Tyco RSU that was granted on or after October 12, 2011 and that is held, as of the Distribution, by a Tyco employee who will become an employee of New Pentair following the Spin-off, will be converted into a number of New Pentair restricted stock units determined by multiplying the number of Tyco RSUs by a fraction, the numerator of which is the closing regular-way trading price of Tyco common shares on the NYSE on the last trading day immediately prior to the Distribution and the denominator of which is the when-issued closing trading price of the New Pentair common shares on the NYSE on the last trading day immediately prior to the Distribution (or, in the absence of a when-issued trading market with respect to New Pentair, the closing price of Pentair common shares on the NYSE on the last trading day immediately prior to the Distribution).

Each Tyco RSU that (i) was granted prior to October 12, 2011, and that is outstanding, as of the Distribution, or (ii) that is held by former Tyco employees or former members of the Tyco board of directors who no longer serve on Tyco's board of directors as of the Spin-off, will be converted into the right to receive, in addition to the Tyco RSUs, an additional award of ADT restricted stock units and New Pentair restricted stock units. The number of additional restricted stock units of ADT and New Pentair will equal the number of common shares that the holder thereof would be entitled to if such restricted stock units were with respect to Tyco common shares.

The Distribution will not have any other effect on the Tyco RSUs being converted to ADT, New Pentair or new Tyco restricted stock units, as applicable, and such converted restricted stock units will be subject to the same terms and conditions as apply to Tyco RSUs. Each converted restricted stock unit will take into account all employment with both Tyco and New Pentair for purposes of determining when the award vests. Fractional restricted stock units will be adjusted or compensated by the Tyco Compensation Committee as appropriate in the sole discretion of the Tyco Compensation Committee.

Treatment of Tyco PSUs

Each Tyco PSU outstanding as of June 29, 2012 that is held by a Tyco employee who will become an employee of New Pentair following the Spin-off, will be converted into Tyco restricted stock units based on performance results through June 29, 2012. The resulting Tyco RSUs held as of the Distribution will then be converted into the right to receive a number of New Pentair RSUs determined by multiplying the number of such Tyco RSUs by a fraction, the numerator of which is the closing regular-way trading price of Tyco common shares on the NYSE on the last trading day immediately prior to the Distribution and the denominator of which is the when-issued closing trading price of the New Pentair common shares on the NYSE on the last trading day immediately prior to the Distribution (or, in the absence of a when-issued trading market with respect to New Pentair, the closing price of Pentair common shares on the last trading day immediately prior to the Distribution), rounded down to the nearest whole share. The Tyco Compensation Committee will determine the level of performance attained with respect to the Tyco PSUs that convert into Tyco RSUs as of June 29, 2012.

Each Tyco PSU (i) that was granted prior to October 12, 2011 and that is held, as of June 29, 2012, by certain specified corporate-level employees of Tyco who will not become employees of New Pentair following

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the Spin-off or (ii) that is held by former Tyco employees, will be converted into Tyco RSUs based on performance results through June 29, 2012. As of the distribution date, such Tyco RSUs will be converted into the right to receive the same number of Tyco RSUs and an additional award of ADT restricted stock units and New Pentair restricted stock units. The number of additional restricted stock units of ADT and New Pentair will equal the number of common shares that the holder thereof would be entitled to if such restricted stock units were with respect to Tyco common shares.

The Tyco PSUs that are ultimately converted into New Pentair restricted stock units will have a vesting period that is identical to the vesting period for the Tyco PSUs (generally, three years from grant date), and will take into account all employment with Tyco and New Pentair for these purposes. All other terms and conditions of the converted awards will be equivalent to those that apply to Tyco PSUs. Fractional shares will be adjusted or compensated by the Tyco Compensation Committee as appropriate in the sole discretion of the Tyco Compensation Committee.

As a result of the Distribution and the conversion of Tyco Options, Tyco RSUs, Tyco PSUs and Tyco deferred stock units held by Tyco corporate-level employees or by former Tyco employees, former New Pentair employees, or former members of the Tyco board of directors who no longer serve on the Tyco board of directors as of the Spin-off (which will be converted into deferred stock units of each of the three publicly traded companies in the same manner as common shares), there will be outstanding options to acquire approximately 12.5 million New Pentair common shares, and approximately 3 million New Pentair common shares subject to outstanding restricted stock unit and deferred stock unit awards.

Employee Matters

The Separation and Distribution Agreement sets forth the agreements between Tyco and New Pentair as to certain employee compensation and benefit matters. In general, employees of New Pentair participate in various Tyco retirement, health and welfare and other employee benefit plans. After the Distribution, it is anticipated that employees of New Pentair will generally participate in similar plans and arrangements established and maintained by New Pentair. Except as expressly provided in the Separation and Distribution Agreement, New Pentair employees will immediately cease active participation in Tyco benefit plans.

Exchange of Information

New Pentair and Tyco have agreed to provide each other with information reasonably necessary to comply with reporting, disclosure, filing or other requirements of any national securities exchange or governmental authority, for use in judicial, regulatory, administrative and other proceedings and to satisfy audit, accounting, litigation and other similar requests. New Pentair, ADT and Tyco have also agreed to retain such information until the latest of (i) seven years following the distribution date or (ii) the date on which such records are no longer required to be retained pursuant to each party's applicable record retention policy and schedules as in effect immediately prior to the distribution date.

Conditions and Termination

Under the terms of the Separation and Distribution Agreement, the consummation of the Distribution is conditioned upon (i) the satisfaction (or waiver by Tyco) of each of the conditions to Tyco's obligation to effect the closing of the transactions contemplated by the Merger Agreement (other than the consummation of the Distribution) as described in The Merger Agreement Conditions to Completion of the Merger and (ii) each of Tyco and Pentair having irrevocably confirmed to the other that each of the conditions to its obligations to effect the closing of the Merger has been satisfied or waived and that it is prepared to proceed with the Merger. For a more detailed description of the Merger conditions, see The Merger Agreement Conditions to Completion of the Merger.

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The Separation and Distribution Agreement provides that prior to the distribution date it may be terminated by the mutual consent of Tyco, New Pentair and ADT, but only in the event that the Merger Agreement has been terminated pursuant to its terms.

Parties in Interest

The Separation and Distribution Agreement provides that Pentair is a third party beneficiary and that the Separation and Distribution Agreement may not be amended, and the rights under the Separation and Distribution Agreement may not be waived, without the prior written consent of Pentair. In addition, under the Merger Agreement, Tyco and New Pentair are obligated to keep Pentair reasonably informed of their progress in obtaining any necessary or advisable consents or governmental approvals, and other aspects of the Spin-off and Distribution.

Transition Services Agreement

New Pentair intends to enter into a Transition Services Agreement with Tyco in connection with the Transactions. Pursuant to this agreement, New Pentair and Tyco will provide to each other certain transition services from the period beginning on or prior to the distribution date and generally ending within two years after the commencement of such services, subject in certain cases to the right of the service recipient to terminate services early. The transition services to be provided under the agreement are intended to facilitate an orderly and efficient separation of the Tyco Flow Control Business from Tyco's remaining businesses. The fees payable by a service recipient under the agreement are on an arm's length basis and generally based on the cost of services provided plus associated taxes, costs and expenses.

Tax Sharing Agreement

Prior to the Distribution, New Pentair intends to enter into the 2012 Tax Sharing Agreement with Tyco and ADT that will govern the respective rights, responsibilities and obligations of Tyco, ADT and New Pentair after the Spin-off with respect to tax liabilities and benefits, tax attributes, tax contests and other tax matters regarding income taxes, other taxes and related tax returns. Because certain of New Pentair's subsidiaries are members of one of Tyco's U.S. consolidated groups, it has (and will continue to have following the Spin-off) several liability with Tyco to the IRS for the consolidated U.S. federal income taxes of such consolidated group relating to the taxable periods in which its subsidiaries were part of such consolidated group. New Pentair expects that the 2012 Tax Sharing Agreement will provide that New Pentair, Tyco and ADT will share (i) certain pre-Distribution income tax liabilities that arise from adjustments made by tax authorities to New Pentair's, Tyco's and ADT's U.S. income tax returns, and (ii) payments required to be made by Tyco with respect to the 2007 Tax Sharing Agreement (collectively, Shared Tax Liabilities). Tyco will be responsible for the first \$500 million of Shared Tax Liabilities. New Pentair and ADT will share 42% and 58%, respectively, of the next \$225 million of Shared Tax Liabilities. New Pentair, ADT and Tyco will share 20%, 27.5% and 52.5%, respectively, of Shared Tax Liabilities above \$725 million.

In the event the Distribution, the ADT Distribution, or certain internal transactions undertaken in connection therewith were determined to be taxable as a result of actions taken after the Distributions by New Pentair, ADT or Tyco, the party responsible for such failure would be responsible for all taxes imposed on New Pentair, ADT or Tyco as a result thereof. Taxes resulting from the determination that the Distribution, the ADT Distribution, or any internal transaction that was intended to be tax-free, is taxable are referred to herein as Distribution Taxes. If such failure is not the result of actions taken after the Distributions by New Pentair, ADT or Tyco, then New Pentair, ADT and Tyco would be responsible for any Distribution Taxes imposed on New Pentair, ADT or Tyco as a result of such determination in the same manner and in the same proportions as the parties share Shared Tax Liabilities. ADT will have sole responsibility for any income tax liability arising as a result of Tyco's acquisition of Brink's Home Security Holdings, Inc. (BHS) in May 2010, including any liability of BHS under the tax sharing agreement between BHS and The Brink's Company dated October 31, 2008 (collectively, the BHS Tax

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Liabilities). Costs and expenses associated with the management of Shared Tax Liabilities, Distribution Taxes and BHS Tax Liabilities will generally be shared 20% by New Pentair, 27.5% by ADT and 52.5% by Tyco. New Pentair is responsible for all of its own taxes that are not shared pursuant to the 2012 Tax Sharing Agreement's sharing formulae. Tyco and ADT are responsible for their tax liabilities that are not subject to the 2012 Tax Sharing Agreement's sharing formulae.

The 2012 Tax Sharing Agreement is also expected to provide that, if any party were to default in its obligation to another party to pay its share of the Distribution Taxes that arise as a result of no party's fault, each non-defaulting party would be required to pay, equally with any other non-defaulting party, the amounts in default. In addition, if another party to the 2012 Tax Sharing Agreement that is responsible for all or a portion of an income tax liability were to default in its payment of such liability to a taxing authority, New Pentair could be legally liable under applicable tax law for such liabilities and required to make additional tax payments. Accordingly, under certain circumstances, New Pentair may be obligated to pay amounts in excess of its agreed-upon share of its, Tyco's and ADT's tax liabilities.

Each of New Pentair, Tyco and ADT will agree to indemnify the other two parties against any amounts paid by such other parties pursuant to the 2012 Tax Sharing Agreement and with respect to which such paying parties are not responsible pursuant to the 2012 Tax Sharing Agreement. Though valid as between the parties, the 2012 Tax Sharing Agreement will not be binding on the IRS.

Under the 2012 Tax Sharing Agreement, there will be restrictions on New Pentair's ability to take actions that could cause the Distribution or certain internal transactions undertaken in anticipation of the Distribution to fail to qualify for favorable treatment under the Code, including entering into, approving or allowing any transaction that results in a change in ownership of more than 35% of its common shares (when combined with any other changes in ownership of its shares), a redemption of equity securities, a sale or other disposition of more than 35% of its assets or engaging in certain internal transactions. These restrictions will apply for the two-year period after the Distribution, unless, for certain transactions, it obtains the consent of Tyco and ADT or it obtains a private letter ruling from the IRS or an unqualified opinion of a nationally recognized law firm that such action will not cause the Distribution or the internal transactions undertaken in anticipation of the Distribution to fail to qualify for favorable treatment under the Code, and such letter ruling or opinion, as the case may be, is acceptable to Tyco and ADT. Moreover, the 2012 Tax Sharing Agreement will also provide that New Pentair is responsible for any taxes imposed on Tyco, ADT or any of their affiliates as a result of the failure of the Distribution or the internal transactions to qualify for favorable treatment under the Code if such failure is attributable to certain post-Distribution actions taken by or in respect of it, any of its affiliates or its shareholders, regardless of whether the actions occur more than two years after the Distribution, Tyco and ADT consent to such actions or it obtains a favorable letter ruling or opinion of tax counsel as described above. For example, New Pentair would be responsible for a third party's acquisition of it at a time and in a manner that would cause such failure. These restrictions may prevent it from entering into transactions which might be advantageous to it or its shareholders.

Tyco Flow Control Transitional Trademark License Agreements

GRINNELL Trademarks

Prior to the Spin-off, New Pentair will enter into a Transitional Trademark License Agreement (Grinnell TTLA) with Grinnell, LLC, an indirect wholly-owned subsidiary of Tyco (Grinnell). The license will allow New Pentair to use certain trademarks, including GRINNELL FLOW CONTROL, GRINNELLONLINE.COM and a stylized version of the Grinnell mark (the Grinnell TTLA Licensed Marks) effective at the time of the Distribution and for a period of 5 years thereafter, subject to certain termination provisions. Grinnell will grant to New Pentair a fully paid-up, worldwide license to use the Grinnell TTLA Licensed Marks for specified activities related to the Tyco Flow Control Business' existing operations.

New Pentair may not assign the Grinnell TTLA without the prior written consent of Grinnell in its sole discretion, and such consent shall be required in connection with a merger, change of control, reorganization, assumption in bankruptcy or equity or asset sale.

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TYCO Trademarks

Prior to the Spin-off, New Pentair will enter into a Transitional Trademark License Agreement (Tyco TTLA) with Tyco International Services Holding GmbH, an indirect wholly-owned subsidiary of Tyco (Tyco Services). The license will allow New Pentair to use certain trademarks that contain the Tyco name and were used in the Tyco Flow Control Business on or prior to the Distribution, including TYCO THERMAL CONTROLS and TYCO FLOW CONTROL (the Tyco TTLA Licensed Marks) effective at the time of the Distribution and for a period of 2 years thereafter, subject to certain termination provisions. Tyco Services will grant to New Pentair a fully paid-up, worldwide license to use the Tyco TTLA Licensed Marks for specified industrial flow control products and services, including the design, manufacture and servicing of engineered valves, actuation and controls, electric heat management solutions and water transmission and distribution products and services sold or provided by the Tyco Flow Control Business existing operations.

New Pentair may not assign the Tyco TTLA without the prior written consent of Tyco Services in its sole discretion, and such consent shall be required in connection with a merger, change of control, reorganization, assumption in bankruptcy or equity or asset sale.

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DEBT FINANCING

Existing Pentair Indebtedness

Pentair has a Fourth Amended and Restated Credit Agreement (the "Pentair Credit Facility") that creates an unsecured, committed credit facility of up to \$700 million, with multi-currency sub facilities to support investments outside the U.S. The Pentair Credit Facility expires on April 28, 2016. Borrowings under the Pentair Credit Facility currently bear interest at the rate of London Interbank Offered Rate ("LIBOR") plus 1.75%. Interest rates and fees on the Pentair Credit Facility will vary based on Pentair's credit ratings. Total availability under the Pentair Credit Facility was \$487.4 million, of which \$205.6 million was outstanding, as of June 30, 2012.

Pentair is authorized to sell short-term commercial paper notes to the extent availability exists under the Pentair Credit Facility. Pentair uses the Pentair Credit Facility as back-up liquidity to support 100% of commercial paper outstanding. As of June 30, 2012, Pentair had \$7.0 million of commercial paper outstanding.

In addition to the Pentair Credit Facility, Pentair has various other credit facilities with an aggregate availability of \$73.1 million, of which \$7.6 million was outstanding at June 30, 2012. Borrowings under these credit facilities bear interest at variable rates.

Pentair has outstanding \$500 million aggregate principal amount of 5.00% Senior Notes due 2021 (the "Notes") that were issued in a public offering in May 2011. The Notes are guaranteed by certain of Pentair's wholly owned domestic subsidiaries that are also guarantors under the Credit Facility.

Pentair has outstanding \$400 million aggregate principal amount of private placement, fixed rate notes that had an average interest rate of 5.65% as of June 30, 2012 and mature between 2013 and 2017. Pentair has outstanding \$100 million aggregate principal amount of private placement, floating rate notes that had an average interest rate of 1.07% as of June 30, 2012 and matures in 2013.

In connection with the consummation of the Transactions, Pentair may refinance some or all of this indebtedness, subject to the terms of the Merger Agreement, which provides that Pentair may not repay, incur or refinance any indebtedness to the extent such action would cause Pentair not to be rated investment grade by a ratings agency.

New Pentair Financing

Prior to the Distribution, a subsidiary of New Pentair will issue an intercompany note to a subsidiary of Tyco in an amount not to exceed \$500 million. Concurrently with the closing of the Merger, New Pentair will repay the intercompany note.

Prior to the consummation of the Transactions, a subsidiary of New Pentair plans to issue unsecured senior notes in an amount up to \$900 million that will be guaranteed by New Pentair. The net proceeds from the issuance of the senior notes will be held in escrow until the completion of the Merger. New Pentair plans to use the net proceeds from the issuance of the senior notes to repay \$500 million of Pentair private placement notes and the intercompany note. However, the issuance of the senior notes is not a condition to the Merger and New Pentair cannot provide any assurance that it will complete the issuance of the senior notes. See "The Merger Agreement" Financing.

Prior to the consummation of the Transactions, Pentair plans to execute a credit agreement with a syndicate of banks providing for an unsecured, committed senior credit facility of up to \$1.2 billion that will become effective upon completion of the Merger. Upon completion of the Merger, New Pentair will become a guarantor of, and a subsidiary of New Pentair will become a borrower under, the senior credit facility. New Pentair plans to use availability under the senior credit facility to repay borrowings outstanding under the Pentair Credit Facility as of the completion of the Merger and, if the senior notes are not issued, to repay the intercompany note.

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In the event that New Pentair is unable to enter into the senior credit facility or issue the senior notes on acceptable terms, instead of a subsidiary of New Pentair issuing to a subsidiary of Tyco the intercompany note that would be repaid at the closing of the Merger, a subsidiary of New Pentair will issue a one year unsecured bridge note for up to \$500 million to a subsidiary of Tyco that will bear interest at a rate of 14.0% and be prepayable at any time.

After accounting for the issuance of either the intercompany note or the bridge note, the payment of transaction expenses and transfer of any excess cash to Tyco, but not taking into account any third party financing, New Pentair will have a net indebtedness immediately prior to the Distribution of \$275 million.

New Pentair expects to have pro forma aggregate long-term debt of approximately \$1.7 billion at the closing of the Merger.

Table of Contents**INFORMATION ABOUT PENTAIR**

Pentair is a focused diversified industrial manufacturing company comprised of two operating segments: Water & Fluid Solutions and Technical Products. Water & Fluid Solutions is a global leader in providing innovative products and systems used worldwide in the movement, storage, treatment and enjoyment of water. Technical Products is a leader in the global enclosures and thermal management markets, designing and manufacturing standard, modified and custom enclosures that house and protect sensitive electronics and electrical components and protect the people that use them.

Water and Fluid Solutions

Pentair Water & Fluid Solutions is a leading provider of innovative water management and fluid processing products and solutions. Pentair's comprehensive product suite addresses a broad array of fluid handling needs, with products ranging from energy-efficient pumps and point-of-use filtration to engineered pumps and fluid processing systems. Water & Fluid Solutions' products have a wide range of residential, industrial, commercial, municipal and agricultural applications.

Water & Fluid Solutions comprises the three platforms shown below:

Flow

In the Flow platform, Pentair manufactures and sells products ranging from light duty diaphragm pumps to high-flow turbine pumps and solid handling pumps while serving the global residential, municipal, commercial, industrial and agricultural end-markets. Pentair's pumps are used in a range of applications, including use in residential and municipal wells, water treatment, wastewater solids handling, pressure boosting, engine cooling, fluid delivery, circulation and transfer, fire suppression, flood control, agricultural irrigation and crop spray. The Flow platform is a combination of the former Residential Flow and Engineered Flow global business units.

Brand names for Flow include Aurora®, Berkeley®, Fairbanks Morse, Flote®, Hydromatic®, Hypro®, JUNG PUMPEN®, Myers®, Nijhuis, Onga and STA-RITE®.

Treatment & Process

In the Treatment & Process platform, Pentair manufactures and sells water and fluid treatment products and systems, including pressure tanks and vessels, control valves, activated carbon products, conventional filtration products, point-of-entry and point-of-use systems, gas recovery solutions, membrane bioreactors, wastewater reuse systems and advanced membrane filtration and separation systems into the global residential, industrial, commercial, and municipal end-markets. These products are used in a range of applications, including use in fluid filtration, ion exchange, desalination, food and beverage, food service, separation technologies for the oil and gas industry, medical and hydraulic, marine and recreational vehicles. The Treatment & Process platform is a combination of the former Residential Filtration and Filtration Solutions global business units.

Brand names for Treatment & Process include Aquamatic®, Autotrol®, CodeLine®, Everpure®, Fleck®, Haffmans, OMNIFILTER, Pentair®, SHURflo®, Structural and X-Flow®.

Aquatic Systems

In the Aquatic Systems platform, Pentair manufactures and sells a complete line of energy-efficient residential and commercial pool equipment and accessories including pumps, filters, heaters and heat pumps, lights, automatic controls, automatic cleaners, maintenance equipment and pool accessories. Applications for Pentair's Aquatic Systems products include residential and commercial pool maintenance, pool repair, renovation, service and construction and aquaculture solutions. The Aquatic Systems platform is the former Pool global business unit.

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Brand names for Aquatic Systems include Kreepy Krauly®, Onga®, Pentair®, Pentair Pool Products®, Pentair Water Pool and Spa® and STA-RITE®.

Technical Products

Pentair Technical Products is a leading provider of products that guard and protect some of the world's most sensitive electronics and electronic equipment, ensuring their safe, secure and reliable performance. Pentair's innovative product offerings include mild steel, stainless steel, aluminum and non-metallic enclosures, cabinets, cases, subracks, backplanes and associated thermal management systems. Pentair's products serve a range of end-markets, including use in industrial, communications (including telecommunications and data communications), networking, general electronics, energy, commercial infrastructure, security and defense and medical.

Brand names for Technical Products include Hoffman®, McLean® and Schroff®.

For further information on Pentair's operating segments, see Item 1, Business in Pentair's Annual Report on Form 10-K for the year ended December 31, 2011 and Note 15 of the Notes to the Consolidated Financial Statements, Business Segments in Pentair's Annual Report on Form 10-K/A for the year ended December 31, 2011, both of which have been incorporated by reference in this proxy statement/prospectus.

Table of Contents**INFORMATION ABOUT THE TYCO FLOW CONTROL BUSINESS****Overview**

The Tyco Flow Control Business is a global leader in the industrial flow control market, specializing in the design, manufacture and servicing of highly engineered valves, actuation & controls, electric heat management solutions and water transmission and distribution products. The Tyco Flow Control Business' broad portfolio of products and services, sold under well-known brands such as Keystone, Vanessa, Anderson Greenwood, Crosby, Sempell, Biffi, Raychem, Tracer and SINTAKOTE, serve flow control needs across the general process, oil & gas, water, power generation, mining and other industries. The Tyco Flow Control Business provides its customers with highly engineered, customized solutions designed to meet their unique specifications and needs. End users of the Tyco Flow Control Business' products generally consist of private industrial enterprises and municipalities and other governmental entities involved in infrastructure projects. The Tyco Flow Control Business' customers' needs center around protecting the safety of their people and assets, increasing the efficiency and productivity of their operations and reducing their impact on the environment.

One of the keys to the Tyco Flow Control Business' success is its ability to partner with customers from the earliest stages of a new project. The Tyco Flow Control Business works closely with them from the design and manufacturing phases to the ongoing after-market service and maintenance of the Tyco Flow Control Business' products. The Tyco Flow Control Business holds leading positions in large fragmented industries, and the Tyco Flow Control Business believes that it is well positioned because of the Tyco Flow Control Business' global footprint, extensive industry experience, project management capabilities and applications expertise to expand the Tyco Flow Control Business in both developed and emerging markets. The Tyco Flow Control Business' net revenue and operating income for fiscal year 2011 were \$3.6 billion and \$306 million, respectively.

The Tyco Flow Control Business conducts its business through three reportable segments:

The *Valves & Controls* segment is one of the world's largest manufacturers of valves, actuators and controls. The segment's leading products, services and solutions address many of the most challenging flow applications in the general process, oil & gas, power generation and mining industries. The Tyco Flow Control Business' key brands in this segment include Keystone, Vanessa, Anderson Greenwood, Crosby, Sempell, Biffi and Westlock, all of which are leaders in the industries they serve and pioneers in their specific field of application.

The *Thermal Controls* segment is a leading provider of complete electric heat management solutions, primarily for the oil & gas, general process and power generation industries. The Tyco Flow Control Business pioneered the development of this market. The Tyco Flow Control Business provides its customers with turnkey and full life-cycle solutions, from front-end engineering and installation to MRO services. The Tyco Flow Control Business also provides products and services for safety and comfort applications, as well as engineered and specialty technologies for critical industry applications. The Tyco Flow Control Business' major offerings include heat tracing, floor and specialty heating, electronic controls, leak detection systems and fire and performance wiring products. The Tyco Flow Control Business' key brands in this segment include Raychem, Tracer, TraceTek, DigiTrace, Pyrotenax and PetroTrace.

The *Water & Environmental Systems* segment is a leading provider of large-scale water transmission and distribution products and water/wastewater systems in the Pacific and Southeast Asia region. The segment serves mainly regional governmental water authorities, industrial clients and the agricultural water sector, primarily in that region. The Tyco Flow Control Business is one of the region's leading manufacturers of pipes, valves, fittings, pumps, instruments and meters for the markets the Tyco Flow Control Business serves. The Tyco Flow Control Business also specializes in the design and manufacture of environmental systems for both water and air applications in niche markets worldwide. The Tyco Flow Control Business' key brands in this segment include SINTAKOTE, Goyen and Water Infrastructure Group.

The Tyco Flow Control Business' products are sold in nearly 100 countries through multiple channels based on local market conditions and demand. The Tyco Flow Control Business' primary sales channel is the Tyco

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Flow Control Business direct sales force, many of whose members are highly skilled engineers who can provide value-added services in the early engineering and design phases of the Tyco Flow Control Business customers projects. The Tyco Flow Control Business also utilizes distributors, wholesalers, manufacturers representatives and other channels where conditions warrant. Additionally, many of the Tyco Flow Control Business products are incorporated into products sold by original equipment manufacturers (OEMs) or are sold to EPC firms that manage capital projects for the Tyco Flow Control Business end customers. The Tyco Flow Control Business revenue is broadly diversified across thousands of customers, with no single customer accounting for more than 5% of the Tyco Flow Control Business revenue during fiscal year 2011.

The Tyco Flow Control Business serves its extensive global customer base through 45 major manufacturing facilities and 93 after-market service centers around the world.

The Tyco Flow Control Business believes its strategy of leveraging the Tyco Flow Control Business global reach, premier brands and highly engineered solutions will drive sustained, profitable growth across its businesses. The Tyco Flow Control Business continues to enhance and expand its product and service offerings, and believes the Tyco Flow Control Business is well positioned to grow its customer base in each of the Tyco Flow Control Business strategic markets.

The Tyco Flow Control Business Segments, Products and Brands

Each of the Tyco Flow Control Business three segments Valves & Controls, Thermal Controls and Water & Environmental Systems serves a highly diverse customer base, and none is dependent upon a single customer or group of customers. In fiscal year 2011, no customer accounted for more than 3% of the Tyco Flow Control Business net revenue.

As discussed under Competition below, the markets in which the Tyco Flow Control Business competes are generally highly fragmented. The Tyco Flow Control Business therefore faces competition from many other businesses throughout the world, including other large global businesses, significant regional businesses and many smaller regional and local businesses.

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The table below summarizes the Tyco Flow Control Business segments and the products and services they offer. No class of similar products or services accounted for 10% or more of the Tyco Flow Control Business net revenue in any of the last three fiscal years.

Business Segment	Products and Services	General Description	Key Brands
Valves & Controls	Valves	A broad range of industrial valve products and services, including pressure-relief, butterfly, ball, triple offset, gate/globe/check and other specialty valves and related products. Valves products and services address the many challenging flow control needs, including extreme pressure and temperature and remote or severe service applications.	
	Actuation & Controls	A broad range of actuation and control products and services, including pneumatic, hydraulic and electric actuators, gas-hydraulic and subsea actuators, limit switches, solenoid valves, valve positioners, rotary and linear valve position and control monitors, control panels, and network systems and accessories.	
Thermal Controls	Industrial Heat Management Products	Electric heat tracing systems for a wide variety of industrial applications, including process temperature maintenance, freeze protection for pipes and vessels, long pipeline heating, tank heating & insulation, power distribution and control & monitoring systems.	
	Tracer Turnkey Solutions	Complete turnkey electric heat management solutions, including engineering, project management, field construction, quality assurance, start-up & commissioning and maintenance & auditing.	
	Building & Infrastructure Solutions	Smart, system-based product and service solutions for the commercial, residential and infrastructure markets. Applications address safety and comfort concerns, including pipe freeze protection, flow maintenance, rail heating, fire rated & specialty wiring, floor heating and other applications.	
	Engineered & Specialty Technologies	Customized product solutions with full design and development services for a variety of critical industry applications. Technologies include electro-thermal down-hole heating, tip clearance sensors and liquid leak detection systems.	

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Business Segment	Products and Services	General Description	Key Brands
Water & Environmental Systems	Water	A broad range of products and services to support the process of collecting water, distributing it to users and returning wastewater responsibly to the environment, including steel, ductile iron and thermoplastic pipeline systems and an array of related products.	
	Transmission		
	Water Systems	Water systems to commercial and governmental customers consisting of customized project engineering, planning and management solutions for water projects; and irrigation products and solutions consisting of smart irrigation systems, from pumping products to large-scale pivot irrigators and subsurface drip systems.	
	Environmental Systems	Products and services tailored to address needs for reliable and efficient environmental systems in niche markets worldwide, including clean air systems, water quality monitoring, water flow monitoring, pipeline condition assessment, complete tapping systems, system integration, pumping systems and hydro power turbines.	

For a discussion of the share of revenue contributed by each segment during each of the last three fiscal years and the share of total assets held by each segment at the end of each of those years, see Note 16 (Combined Segment Data) to the Tyco Flow Control Business Audited Combined Financial Statements included elsewhere in this proxy statement/prospectus.

Valves & Controls

Valves & Controls, the Tyco Flow Control Business largest business segment, had net revenue of \$2.2 billion in fiscal year 2011, representing 61% of the Tyco Flow Control Business total net revenue for the year. A global business, it is one of the world s largest manufacturers of valves, actuators and controls. It provides leading products, services and solutions for many of the most challenging flow applications (such as extreme pressure or temperature) in the general process, oil & gas, power generation and mining industries. Its highly diversified customer base includes thousands of businesses spanning major industrial markets worldwide. Valves & Controls global presence is supported by a network of 30 major manufacturing facilities and 69 after-market service centers strategically located worldwide.

The Tyco Flow Control Business believes that Valves & Controls brands are among the most trusted in the industry for quality and reliability. Several of those brands including Keystone, Vanessa, Crosby, Sempell, KTM and Biffi created the product categories in which they operate, and they maintain their reputation as trusted innovators. Valves & Controls products are primarily custom-designed pieces of equipment tailored to specific applications, although the segment also produces standardized off-the-shelf products.

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Valves & Controls major product categories include the following:

Valves. The Tyco Flow Control Business offers a wide range of valves, including pressure relief, butterfly, ball, triple offset, gate/globe/check and other specialty valves. The valves vary in size (from 20 mm up to 4,300 mm), pressure class (from vacuum up to 720 bar) and materials (including bronze, steel and corrosion-resistant alloys), to handle a wide range of temperatures and substances (including liquids, gases, slurries, corrosives and flammables). The Tyco Flow Control Business believes that this product breadth enables it to more effectively meet customer needs than many of the Tyco Flow Control Business competitors are able to do. The Tyco Flow Control Business has built a reputation for expertise and reliable service by working closely with its customers in designing or selecting the specific valves that best serve their processes, applications and cost considerations. Some of the valve types most commonly offered by the Tyco Flow Control Business include the following:

Pressure Relief Valves and Related Products. The Tyco Flow Control Business pressure relief valves are often mission-critical safety equipment, offering over-pressure protection for its customers employees, assets and processes. The Tyco Flow Control Business Crosby line of direct spring-operated safety and relief valves has been among the world s most widely used pressure relief lines since it was pioneered in 1874. The Tyco Flow Control Business couples its pressure relief valves with pressure management products such as remote sensors and lift indicators, which help its customers identify over-pressure scenarios at an early stage. Typical applications for pressure relief valves include gas systems, offshore platforms and nuclear facilities.

Butterfly Valves. Keystone, one of the Tyco Flow Control Business leading brands, launched the first rubber-seated butterfly valve in 1951. The butterfly valve provides a bubble-tight shutoff, requires only a quarter-turn (90 degrees) to open or close, can be used for isolation as well as flow control, and is smaller, lighter and generally less expensive than comparable ball valves. Butterfly valves are most commonly used for lower pressure, non-corrosive applications, such as general utility, air handling, water lines and wastewater applications. The Tyco Flow Control Business has refined butterfly valve technology to offer a longer life cycle and to suit most applications for isolation and control of non-corrosive liquids, gases and slurries. The Tyco Flow Control Business complements its butterfly valves with direct-mount actuation packages that eliminate the need for brackets and couplings.

Ball Valves. The Tyco Flow Control Business manufactures and markets a diverse range of standard and customized ball valves that can be configured to suit most process applications, both critical and non-critical. Applications include water lines, air lines, general utility applications, oil & gas pipelines, subsea lines, offshore platforms and petrochemical and refining processes. Where safety is paramount due to the critical nature of the application, the Tyco Flow Control Business ball valves meet that need by providing zero-leakage shutoff and pressure ranges that exceed those of most other valve types.

Triple Offset Valves. In the mid-1970s, the Tyco Flow Control Business introduced its Vanessa triple offset valve. Over time, this brand introduced revolutionary metal-to-metal seating, zero-leakage triple offset valve technology. Vanessa remains the leading manufacturer of high-technology rotary process valves, which have replaced gate and ball valves in many applications by achieving higher performance, lower cost, tighter shutoff and more reliable sealing. Triple offset valves are used extensively in the extraction, processing, refining, storing and transporting of hydrocarbons and liquefied gases; chemical and petrochemical processing; power generation; district heating; pulp and paper processing; and sugar refining. The Tyco Flow Control Business believes that as triple offset valves are increasingly accepted in more diverse applications, its sales of these valves will continue to grow as a percentage of total segment sales over the next several years.

Actuation & Controls. Actuation products open and close valves, and control products automate actuated valves. The Tyco Flow Control Business actuation products include pneumatic, hydraulic and electric actuators, and the Tyco Flow Control Business control products include limit switches, solenoid valves, valve positioners, rotary and linear valve position and control monitors, customized control panels, and network systems and accessories. The Tyco Flow Control Business Biffi business has been a leading manufacturer of valve actuators

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for more than 50 years, offering a comprehensive selection of standard as well as specially designed actuation products (including gas-hydraulic and subsea actuators). The Tyco Flow Control Business Westlock business is a leading supplier of innovative solutions for the monitoring and control of process valves.

The Tyco Flow Control Business believes that the combination of its valve products, its actuation and control products and its engineering expertise enables the Tyco Flow Control Business to offer its customers complete, integrated valve automation solutions across the industries the Tyco Flow Control Business serves. Many customers look to the Tyco Flow Control Business early in their industrial planning processes to design innovative solutions to complex problems. After the design stage, the Tyco Flow Control Business is able to implement solutions at the local level through its worldwide network of after-market service centers. The centers integrate various products at the Tyco Flow Control Business sites in order to prepare installation-ready solutions for delivery to customers sites. To better serve customers, the Tyco Flow Control Business often integrates its products with third-party products and repair or overhaul customers existing third-party equipment at its after-market service centers.

The segment's extensive worldwide sales force, which includes many highly skilled engineers, provides customers with sales support that the Tyco Flow Control Business believes differentiates it in a highly fragmented market. Such support includes design and selection recommendations. The Tyco Flow Control Business attempts to engage customers as early as possible or continuously in the case of the Tyco Flow Control Business larger customers in their project planning process so that the Tyco Flow Control Business can help design solutions to complicated flow problems. Many of the Tyco Flow Control Business customer engagements, especially those involving large projects, have significantly long lead times. The timeline from early planning through product package award for a large project can range from one to five years. When the Tyco Flow Control Business is awarded the contract for a large project, the Tyco Flow Control Business timeline for project completion and invoice satisfaction is generally 6-12 months. Accordingly, the Tyco Flow Control Business invests in building customer relationships over the long term, which sometimes results in the Tyco Flow Control Business investing considerable time and resources in bidding for capital projects that it does not win or that are not completed by customers because of economic or other factors.

The Tyco Flow Control Business sales organization is built around local technical sales talent serving industrial sites on a local level. The Tyco Flow Control Business sales organization predominantly comprises direct sales professionals, but also includes many valued local business partners serving as distributors, manufacturer's representatives and agents. In fiscal year 2010, the Tyco Flow Control Business reorganized its global sales organization along industry lines and supplemented the Tyco Flow Control Business local sales capability with global account teams focused on the Tyco Flow Control Business largest customers. These teams are responsible for negotiating large projects and framework agreements, and for ensuring that the Tyco Flow Control Business local sales organizations provide consistent and coordinated support to customers sites. The Tyco Flow Control Business believes that the combination of local and global sales organizations gives it the depth and flexibility to adapt to the multifaceted needs of the Tyco Flow Control Business markets, including the needs of both small, specialized local customers and the industry's largest global customers.

The Tyco Flow Control Business believes that one of Valves & Controls' distinguishing capabilities is its global services network. Because the Tyco Flow Control Business valves are commonly engineered for a customer's specific application, customers strongly prefer to obtain support from the Tyco Flow Control Business after-market service centers for their service requirements. This helps them avoid costly and time-consuming compatibility problems, the disruption of critical processes and the need for recertification of system designs. In certain industries (e.g., nuclear power generation, where the Tyco Flow Control Business has the American Society of Mechanical Engineers N Stamp certification) and for certain applications (e.g., those involving pressure relief valves), the prior certification of the Tyco Flow Control Business products or installations by regulators or standards organizations results in a low incidence of customers switching to competitors' products for repairs and replacements. The Tyco Flow Control Business has 69 Valves & Controls after-market service centers globally, and the Tyco Flow Control Business continues to add new after-market service centers near its customers' installations.

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Thermal Controls

Thermal Controls is a leading provider of complete electric heat management solutions for industrial and commercial facilities. The segment has operations in more than 20 countries and experience managing industrial heat management projects around the world. Thermal Controls had net revenue of \$734 million in fiscal year 2011, representing 20% of the Tyco Flow Control Business total net revenue for the year.

The Tyco Flow Control Business believes that Thermal Controls is one of the largest industrial electric heat tracing businesses in the world. Electric heat tracing is the application of an electrical heating element along the length of a pipe or around a vessel to maintain or increase its temperature in order to prevent freezing or solidification or to facilitate an industrial or chemical process. Besides heat tracing, the Tyco Flow Control Business products include floor and specialty heating, electronic controls, leak detection and fire and performance wiring products. Some of these products are sold under brand names that have been trusted in the industry for more than 75 years. The Tyco Flow Control Business Raychem brand introduced the first self-regulating heating cable, which soon became the industry standard for pipe freeze protection and temperature maintenance applications. Over the past several years, the Tyco Flow Control Business Tracer business line has established a new market for turnkey electric heat management solutions for the Tyco Flow Control Business industrial customers. One of the keys to the Tyco Flow Control Business success in expanding this market has been the ability to provide safe, reliable end-to-end heat management solutions for the Tyco Flow Control Business customers processing needs at a lower total life cycle cost. The Tyco Flow Control Business serves thousands of diverse customers ranging from large global industrial companies to hospitality businesses and residential, commercial and institutional architects and contractors.

Thermal Controls is managed on a regional basis and operates the following four principal business lines:

Industrial Heat Management Products. This business offers a complete line of electric heat tracing products for a wide variety of industrial applications, including process temperature maintenance, freeze protection of pipes and vessels, long-pipeline heating, tank heating and insulation, and power distribution. The Tyco Flow Control Business believes its industrial heat management systems is among the most advanced control and monitoring systems in the heat tracing industry. The Tyco Flow Control Business believes its electric heat management products generally offer lower installation and maintenance costs and more precise operational control than more traditional low-pressure-steam heat tracing solutions.

Tracer Turnkey Solutions This business offers a complete line of turnkey heat management solutions for all phases of an electric heat tracing project. Services offered include front-end engineering, start-up and commissioning, field construction, project management, quality assurance, and maintenance and auditing. By managing and executing all aspects of the heat tracing system design, installation and maintenance, the Tyco Flow Control Business provides a single interface to the project team on the customer side, which the Tyco Flow Control Business believes increases its value to customers. Much of the Tyco Flow Control Business revenue from turnkey management solutions is derived from long-lead-time, major capital projects, whose timing and scope are subject to change based on customer scheduling and other factors outside the Tyco Flow Control Business control. These major capital projects can take 2-3 years from concept to inception, and an additional 2-3 years to execute. Therefore, this business is subject to significant fluctuations from period to period.

Building & Infrastructure Solutions. This business offers an array of smart, system-based products and services for the commercial, residential and infrastructure markets. The Tyco Flow Control Business groups applications in this business into two categories: safety and comfort. Safety applications include pipe freeze protection, flow maintenance, rail heating, fire-rated and specialty wiring, surface snow melting, and roof and gutter de-icing. Comfort applications, which are designed to increase comfort and convenience and save energy costs, include mainly floor heating solutions and hot-water-temperature maintenance solutions.

Engineered & Specialty Technologies. This line offers customized product solutions (including full design and development services) for a variety of critical industry applications. Technologies include electrothermal down-

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hole heating for enhanced oil recovery and flow assurance; tip clearance sensors for the power generation and aerospace industries; and liquid-leak-detection systems for water, hydrocarbon and environmental applications.

In fiscal year 2011, Thermal Controls generated more than 77% of its revenue from customers in the oil & gas, general process and power generation industries. The Tyco Flow Control Business has maintained strong relationships with many of these customers for decades. Such relationships have enabled the Tyco Flow Control Business to develop a highly innovative and collaborative culture, designed to quickly react to, and in many cases proactively address, its customers' constantly evolving needs. Where possible, Thermal Controls seeks to work directly with industrial customers on the front end of project development in order to deliver comprehensive product and service packages. Included in such packages are design, engineering, procurement, fabrication, installation, project management and longer term MRO agreements. Accordingly, Thermal Controls operates a global network of six major manufacturing facilities and 17 after-market service centers to provide customers with regional experts familiar with specific codes and requirements. The Tyco Flow Control Business believes that this direct, full-service approach enables Thermal Controls to reduce initial and operational life cycle costs and improve the performance of heat tracing solutions for its customers. It also helps the segment build an attractive revenue base through after-market products and services.

Thermal Controls' unique engineering capabilities include TRACERLYNX, the Tyco Flow Control Business' proprietary 3D design software that integrates heat management systems design with 3D plant modeling systems. The Tyco Flow Control Business believes that TRACERLYNX enables Thermal Controls to design heat management systems more quickly and effectively, and to accommodate requested changes more easily.

Like Valves & Controls, Thermal Controls benefits from a large installed base that provides revenue through sales of after-market repair and replacement products and services. Many industrial customers prefer to use incumbent suppliers when replacing their heat management solutions. The Tyco Flow Control Business believes that this incumbent-preference effect is heightened by the mission-critical nature of many of Thermal Controls' products. For example, the Tyco Flow Control Business' heat tracing products are often used in critical service environments or for applications in which fluids must be maintained within narrow temperature ranges to prevent process failure, and the Tyco Flow Control Business' fluid-leak-detection systems are frequently installed in environments where the leakage of even small amounts of fluids may cause explosions, hazardous chemical reactions or corrosion of critical equipment. Conversely, when customers have an installed base of competitors' products, it is difficult for Thermal Controls to win business unless the customer is undertaking a new capital project.

Thermal Controls sells its products through multiple channels based on local market conditions and demands. While in general the Tyco Flow Control Business strongly prefers to develop sales and service relationships directly with industrial end users, Thermal Controls is also served by a robust sales channel that includes systems and products integrators, EPC firms, contracted and wholesale distributors, installers and manufacturers' representatives. The Tyco Flow Control Business generally markets Thermal Controls products and services as premium offerings. To support this, the Tyco Flow Control Business highlights its reputation for delivering quality products, its strong sales support and its extensive design and engineering capabilities.

Water & Environmental Systems

Water & Environmental Systems is a leading provider of large-scale water transmission and distribution products and water/wastewater systems in the Pacific and Southeast Asia region. It serves mainly regional governmental water authorities, industrial clients and the agricultural water sector, primarily in that region. The Tyco Flow Control Business is one of the region's leading manufacturers of pipes, valves, fittings, pumps, instruments and meters. The Tyco Flow Control Business also specializes in the design and manufacture of environmental systems for both water and air applications in niche markets worldwide. Water & Environmental Systems operates nine major manufacturing facilities and seven after-market service centers strategically located across the region. In fiscal year 2011, Water & Environmental Systems generated net revenue of \$699 million, or 19% of the Tyco Flow Control Business' total net revenue.

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The segment operates the following three principal lines of business:

Water Transmission. The Tyco Flow Control Business Water Transmission business is a complete pipeline solution provider. It focuses on the manufacture and service of systems to support the process of collecting water from its source, distributing it to users and returning wastewater responsibly to the environment. It is one of the leading manufacturers and suppliers of pipeline products to the water industry in the Pacific and Southeast Asia region, and has after-market service centers strategically located across the region. Although the business specializes in high-pressure steel and ductile iron, it also offers products based on economical and versatile materials such as polyvinylchloride (PVC), acrylonitrile butadiene styrene (ABS) and polyethylene (PE). Together, these products which are available in nominal diameters ranging from 15 mm to 2,500 mm suit almost every pipe application a customer would have. The Tyco Flow Control Business premier steel pipeline product line, SINTAKOTE, offers the strength and ductility of steel combined with the corrosion resistance of plastics. SINTAJoint, the rubber-ring-joined version of SINTAKOTE, provides significant construction savings and better on-site safety performance relative to traditional welded solutions; moreover, its unique joint system allows for more flexible use in the field. Both of these product lines are pioneers in the industry. The Tyco Flow Control Business pipe products are complemented by a full range of pipeline components, including fittings, jointing systems, valves, hydrants, clamps and couplings.

To support its product offerings, the Tyco Flow Control Business Water Transmission business provides comprehensive pipeline services to industrial and governmental customers, including maintenance and repair of water and wastewater systems, structural pipe lining, pipeline coating, pipeline asset maintenance and installation, pipeline replacement and pipe bursting, under-pressure tapping and stopping, and comprehensive installation and repair training for steel and ductile iron. The Tyco Flow Control Business network of after-market service centers, R&D facilities and skilled employees help to ensure that the Tyco Flow Control Business products, services and quality standards remain at the forefront of pipeline innovation.

Water Systems. The Tyco Flow Control Business Water Systems group provides water systems and irrigation products to commercial and governmental customers. It is subdivided into two operating groups: Water Dynamics and the Water Infrastructure Group.

Water Dynamics designs, manufactures, distributes, installs and services smart irrigation systems, from pumping products to large-scale pivot irrigators and subsurface drip systems. Water Dynamics supplies irrigation products and design and project management services through its 23 locations across the Pacific region as well as through regional agricultural distributors. The Tyco Flow Control Business believes that Water Dynamics enjoys a reputation for rapid-response service and maintenance and for the ability to manage complicated agricultural irrigation projects.

The Water Infrastructure Group provides an array of turnkey solutions for water infrastructure, including design, build, operation and maintenance services. The business serves regional water authorities and industrial customers. The Water Infrastructure Group is Australia's largest non-governmental supplier of Class A recycled water for farming and residential use, and is one of Australia's leading specialists in pipeline assessment, maintenance, rehabilitation and upgrades. In fiscal year 2011, the Tyco Flow Control Business refocused the Water Infrastructure Group to also serve as a business development arm for the Tyco Flow Control Business water transmission business. The Tyco Flow Control Business believes this will help expand the segment's core pipe business by helping it win turnkey infrastructure projects in new markets.

Environmental Systems. The Environmental Systems business is a supplier of integrated environmental solutions to niche markets in three regions: Europe, Middle East and Africa (EMEA), the Americas and Asia-Pacific. Its diverse range of business lines includes Clean Air Systems, Water Monitoring, Environmental Monitoring and Pumping & Tank Systems. Clean Air Systems products consist of particulate and gas monitoring systems and reverse-jet pulse-cleaning systems for fabric filter dust collectors. The business serves the power generation, steel, alumina, cement, waste incineration, bulk solids and general manufacturing

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industries. Water Monitoring's products consist of water quality sensors, analyzers and flow meters specifically designed for long-term unattended environmental monitoring. Its principal markets are regional water authorities. Environmental Monitoring offers a complete suite of environmental monitoring solutions comprising telemetry, flood warning and forecasting systems, and fresh water and wastewater monitoring. The business provides environmental solutions to international funding agencies, government utilities, power authorities, irrigation groups and the mining sector. Pumping & Tank Systems supplies solutions ranging from bare shaft pumps, storage tanks and hydropower turbines to customer-specific turnkey pumping systems.

The Tyco Flow Control Business believes that its Water & Environmental Systems segment has effectively differentiated itself from competitors by providing experienced service and support across its entire pipeline product spectrum (from steel to ductile iron to plastic pipe) and delivery chain (from initial project design to ongoing maintenance). Several of the Tyco Flow Control Business' brands, including SINTAKOTE, Goyen and Water Infrastructure Group, have been trusted in Australia for decades. The segment's business has been bolstered in recent years by major water pipeline projects in Australia, as well as by strong commodity prices, which have spurred water-intensive mining projects in the region. At the same time, the Tyco Flow Control Business faces increased competition in ductile iron manufacturing from companies in lower cost countries; the Tyco Flow Control Business is therefore exploring opportunities to manufacture ductile iron products in or source them from lower cost countries.

Although the Tyco Flow Control Business believes it is well positioned to successfully compete for and win large infrastructure assignments in the future, such projects require long lead times to secure and execute, often take more than one year to carry out given customer schedules, and are non-recurring in nature. With their timing and scope subject to change based on factors outside the Tyco Flow Control Business' control, the Tyco Flow Control Business' financial results in this segment are subject to significant fluctuations from period to period.

Raw Materials

The principal raw materials used in manufacturing the Tyco Flow Control Business' products are readily available. They include ferrous and non-ferrous metals in the form of castings, steel plate, forgings, bar stock and fasteners, as well as non-metal raw materials such as specialty polymers, synthetic rubber and fluoropolymer components. The Tyco Flow Control Business purchases a substantial portion of raw materials from outside sources and have developed a robust supply network. The Tyco Flow Control Business continually monitors the business conditions of its suppliers to manage competitive market conditions and to avoid potential supply disruptions. The Tyco Flow Control Business continues to expand global sourcing opportunities to capitalize on emerging markets and other low-cost sources of purchased goods, balancing low cost with high quality and efficient, consolidated and compliant logistics. The Tyco Flow Control Business does not currently anticipate shortages of raw materials in the near future.

In the Tyco Flow Control Business' Valves & Controls segment, engineered castings and forgings are essential to its fabrication of valves for the Tyco Flow Control Business' customers. While the Tyco Flow Control Business manufactures certain castings at its foundries, the Tyco Flow Control Business purchases other castings and forgings from qualified and approved sources. Because the Tyco Flow Control Business and many of its competitors rely on the same foundries to supply castings and forgings, the Tyco Flow Control Business and they have experienced delays in obtaining these components during prior periods of growth in the worldwide market for valves. The Tyco Flow Control Business could potentially experience such delays in the future. Based on the Tyco Flow Control Business' continual monitoring of its supply chain, it currently does not expect any such delays to materially impact the Tyco Flow Control Business' competitive position.

In the Tyco Flow Control Business' Thermal Controls segment, its most important raw materials are copper and specialty polymers. The specialty polymer business has been fairly steady except for occasional periods of tight supply related to unusual events such as the 2011 Japanese tsunami, which impacted Japanese producers and therefore worldwide supply.

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Finally, in the Tyco Flow Control Business Water & Environmental Systems segment, its most important raw materials are hot rolled strip steel, aluminum ingots, copper wire, iron castings, scrap steel, coke and various plastic resins. Except for coke, these materials have historically been readily available to the Tyco Flow Control Business from an array of suppliers. The Tyco Flow Control Business does not anticipate any material disruptions in their supply.

The Tyco Flow Control Business is exposed to fluctuations in the price of raw materials. The Tyco Flow Control Business generally manages these fluctuations through contractual arrangements with its customers and by timing the Tyco Flow Control Business raw material purchases concurrently with customer price quotations.

Research and Development; Intellectual Property

Research and development (R&D) is an important element of the Tyco Flow Control Business engineering culture. The Tyco Flow Control Business engineers and scientists focus on developing new products, improving existing ones (including their installation and operation) and applying know-how to anticipate customer needs and emerging trends. The Tyco Flow Control Business invested \$18 million, \$18 million and \$11 million in R&D during fiscal years 2011, 2010 and 2009, respectively. Total expenditures for R&D and other product development activities during those years amounted to \$47 million, \$42 million and \$41 million, respectively.

The Tyco Flow Control Business conducts its R&D activities in its 27 technology centers, which are located close to some of the Tyco Flow Control Business major manufacturing facilities to ensure an efficient development process. The Tyco Flow Control Business has launched R&D centers of excellence in China and India, where it is accelerating the customization of the Tyco Flow Control Business applications to local needs. Scale-up activities within the R&D process are conducted at the Tyco Flow Control Business piloting and testing facilities, which enables it to serve the Tyco Flow Control Business strategic markets in each region of the world. Scale-up is also conducted at strategic customer sites. To further strengthen the Tyco Flow Control Business position in the markets it serves, the Tyco Flow Control Business expects to increase its investment in R&D and product development capabilities to rates similar to those of the Tyco Flow Control Business market peers.

The Tyco Flow Control Business generally seeks patent protection for inventions and improvements likely to be incorporated into the Tyco Flow Control Business products and their applications, or when proprietary rights will improve the Tyco Flow Control Business competitive position. The Tyco Flow Control Business also seeks trademark, trade name and service mark protection for brand names the Tyco Flow Control Business believes are valuable to its business, and copyright protection for proprietary software that the Tyco Flow Control Business develops for use in its operations or as components of its control and monitoring products. The Tyco Flow Control Business licenses intellectual property from third parties when it believes it will be advantageous and cost-effective for the Tyco Flow Control Business to do so. The Tyco Flow Control Business believes that its patents, patent applications, trademarks, trade names, service marks and copyrights are important for maintaining the competitive differentiation of the Tyco Flow Control Business products and improving its return on R&D investments. The Tyco Flow Control Business owns, controls or has rights to use a significant number of patents, trade secrets, trademarks, trade names, service marks and copyrights, as well as confidential information and other intellectual property rights. In the aggregate, these rights are of material importance to the Tyco Flow Control Business. However, the Tyco Flow Control Business believes that the Tyco Flow Control Business as a whole, as well as the business of each of the Tyco Flow Control Business segments, is not materially dependent on any one intellectual property right or related group of rights.

Patents, patent applications, license agreements and copyrights expire or terminate over time by operation of law, in accordance with their terms or otherwise. As the Tyco Flow Control Business portfolio of patents, patent applications, license agreements and copyrights evolves over time, the Tyco Flow Control Business does not expect the expiration of any specific intellectual property right to have a material adverse effect on the Tyco Flow Control Business financial position, results of operations or cash flows. The Tyco Flow Control Business believes that in certain cases, the knowledge and experience it has gained in manufacturing and marketing a

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product (including trade secrets regarding manufacturing processes that the Tyco Flow Control Business vigorously protects) may prove to be a more effective barrier to competition than the underlying patent.

Competition

The end-markets in which the Tyco Flow Control Business competes remain highly fragmented despite substantial merger and acquisition activity. Despite this fragmentation, its businesses generally are amongst the leaders in the end-markets they serve. The Tyco Flow Control Business Valves & Controls business is recognized as one of the largest, most global competitors in the industry; the Tyco Flow Control Business Thermal Controls business is a leader in the global electric heat tracing industry; and the Tyco Flow Control Business Water & Environmental Systems business is a leader in water pipeline systems in the Pacific and Southeast Asia region. Nonetheless, the Tyco Flow Control Business still faces significant competition from many other businesses, including large global businesses, large regional businesses and many smaller regional and local businesses.

Despite this competitive landscape, the Tyco Flow Control Business believes that it is well positioned to continue growing its business by optimizing the Tyco Flow Control Business operations to deliver competitive products and services to local markets worldwide. In particular, the Tyco Flow Control Business believes that market fragmentation provides opportunities for it to capture additional share in the Tyco Flow Control Business current markets, as well as to expand into adjacent markets. The Tyco Flow Control Business believes it can capitalize on these opportunities through both organic initiatives and strategic acquisitions aimed at areas that complement the Tyco Flow Control Business portfolio of offerings. In addition, because the Tyco Flow Control Business believes that emerging markets will supply an increased portion of its future revenue stream, the Tyco Flow Control Business expects to invest considerable resources in building its distribution channels and engineering and manufacturing facilities in these markets to ensure that the Tyco Flow Control Business can address customer demand.

The Tyco Flow Control Business market positions continue to be determined by its relative performance in a number of areas, including product and solution performance (design, quality, specification), delivery (history, reliability, efficiency), support (sales, engineering) and value (price, terms, total life cycle cost). The relative weight of these factors depends upon the type of customer and need (capital project or after-market sale) and industry dynamics (slow or high growth). Price tends to be a greater consideration in capital project and slow-growth applications. In the after-market category, on the other hand, timeliness of delivery, quality and the proximity of after-market service centers tend to weigh more. To remain competitive, the Tyco Flow Control Business must continually adapt to customer needs and industry dynamics. For example, for slow-growth applications and capital projects, the Tyco Flow Control Business attempts to lower its costs by manufacturing products in lower cost countries. Additionally, to strengthen the Tyco Flow Control Business sales and services, especially in emerging markets, the Tyco Flow Control Business continually builds its local presence in key areas and develop mobile service capabilities to reach remote customer locations.

The Tyco Flow Control Business estimates that its Valves & Controls business comprises 6% of the approximately \$34 billion global valve market that the Tyco Flow Control Business serves. The Tyco Flow Control Business larger competitors in this space vary significantly based on the specific end user application (e.g., product type) and end user industry. Competitors in the in the general process industries include Kitz, Flowserve and Bray; in the oil & gas industry include Cameron, Rotork, the Dresser unit of General Electric and Emerson's actuator unit; in the power generation industry include Flowserve, KSB, Velan, CCI and Weir; and in the mining industry include Weir, FL Smidth and Bray.

The Tyco Flow Control Business estimates that its Thermal Controls business comprises 7% of the approximately \$10 billion electric heat tracing market. The Tyco Flow Control Business believes it is one of a few companies in this space, if not the only one, to provide a true turnkey solution covering all stages of the heat management project life cycle. The Tyco Flow Control Business most meaningful competitor in supplying products to this space is Thermon. Smaller product-focused competitors include Bartec, Chromalox and DEVI (Danfoss).

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The Tyco Flow Control Business estimates that its Water & Environmental Systems business comprises 20% of the approximately \$1.6 billion Pacific and Southeast Asia market for water transmission and distribution products. This share makes the business one of the leading players in the region. The Tyco Flow Control Business' most significant competitors include the Vinindex unit of Metal Manufactures Group, the Iplex unit of Fletcher Building, Pipe Lining & Coating and Fibrelogic. Pricing competition, particularly in the ductile iron pipeline area, has increased in recent years. In particular, competition from players who source or manufacture ductile iron from or in lower cost countries, including Vinindex and Iplex, has recently challenged the Tyco Flow Control Business. The Tyco Flow Control Business expects that such competition will intensify over the next several years. Additionally, an Australia-based pipe company recently announced the manufacture of coated and lined steel pipe products and fittings that could compete directly with the Tyco Flow Control Business' SINTAKOTE line of steel pipeline systems; however, the Tyco Flow Control Business believes that its competitive position is strong owing to the Tyco Flow Control Business' 30 years of successful installations and its company reputation. The Tyco Flow Control Business continues to monitor these developments closely.

Cyclicality and Seasonality

The Tyco Flow Control Business uses the term 'cyclicality' to refer to general economic cycles and to the periodic ebb and flow of business cycles in the industries it serves. The Tyco Flow Control Business is exposed to such cyclicality, particularly to the extent that it impacts industrial capital spending, which tends to trail the overall economy. However, the Tyco Flow Control Business believes that the breadth of its product portfolio, industrial end-markets and geographical markets reduces the Tyco Flow Control Business' exposure to cyclicality in any particular market. The Tyco Flow Control Business also believes that its after-market sales and service offerings reduce the Tyco Flow Control Business' exposure to cyclicality to the extent that companies choose to substitute MRO of existing facilities for new major capital projects.

The Tyco Flow Control Business' Valves & Controls business is the Tyco Flow Control Business' largest business and also its most diversified business by industrial end-market and geographical location. Because of this diversity, and because it derives a significant portion of its revenue from after-market products and services, the Tyco Flow Control Business believes it is less exposed to cyclicality in its markets than its other segments. The Tyco Flow Control Business' Thermal Controls business is exposed to cyclical forces across the markets it serves, but particularly in the oil & gas industry, from which it derived 39% of its revenue in fiscal year 2011. Although that industry has been robust in recent years, a significant downturn would adversely impact the performance of the segment. The Tyco Flow Control Business' Water & Environmental Systems segment focuses mainly on Australian governmental and industrial projects. These may vary significantly from year to year depending on a number of factors, including general economic conditions and regional water authority budgets. Except in the Tyco Flow Control Business' Water & Environmental Systems business, the Tyco Flow Control Business does not believe that it is significantly more exposed to cyclical factors than are the Tyco Flow Control Business' competitors.

The strength of some of the Tyco Flow Control Business' end-markets varies based on the impact of weather or other seasonal variables. For example, Thermal Controls' electric heat tracing business, which mainly serves customers in the Northern Hemisphere, generally experiences increased demand for repair and maintenance products and services during the fall and winter months. Water & Environmental Systems, which mainly serves customers in the Southern Hemisphere, generally experiences lower demand from irrigation systems and major pipeline projects during the wet season (roughly, December - March). These seasonal effects, which coincide with the Tyco Flow Control Business' first two fiscal quarters, may vary from year to year based on the relative severity of weather conditions.

Geographical Information

For a discussion of net revenue and long-lived assets by geographical area for each of the last three fiscal years, please see Note 16 ('Combined Segment Data') to the Tyco Flow Control Business' Audited Combined Financial Statements included elsewhere in this proxy statement/prospectus.

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The global nature of the Tyco Flow Control Business presents certain risks, including risks related to local laws and regulations; currency exchange rate fluctuations and restrictions on currency repatriation; import and export restrictions and changes in trade regulations; adverse tax developments; political or social unrest; intellectual property rights; and corruption. See Risk Factors Risks Related to the Combined Business Risks Relating to the Tyco Flow Control Business The Tyco Flow Control Business has significant operations outside of the United States, which are subject to political, economic and other risks inherent in operating outside of the United States.

Backlog

Many of the products the Tyco Flow Control Business sells including those it designs and fabricates for specific customers, applications or projects are long-lead time items or items that the Tyco Flow Control Business generally does not carry in inventory. As a result, during any period of the Tyco Flow Control Business fiscal year, it may carry a significant backlog of customer orders. See Management Discussion and Analysis of Financial Condition and Results of Operations of the Tyco Flow Control Business Orders and Backlog.

Employees

As of September 30, 2011, the Tyco Flow Control Business employed approximately 15,500 people worldwide, of whom approximately 3,700 were employed in the United States and 11,800 were outside the United States. Approximately 4,800 employees were covered by collective bargaining agreements or works councils. The Tyco Flow Control Business believes that its relations with the labor unions representing the Tyco Flow Control Business employees are generally good.

Properties and Facilities

The Tyco Flow Control Business operates from 307 locations in 40 countries. These properties total 10.3 million square feet, of which the Tyco Flow Control Business owns 5.9 million square feet and lease 4.4 million square feet.

The Tyco Flow Control Business considers the many offices, manufacturing facilities, warehouses, foundries and other properties that it owns or leases to be in good condition and generally suitable for the purposes for which they are used. The Tyco Flow Control Business does not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities. For a description of the Tyco Flow Control Business lease obligations, see Note 11 (Commitments and Contingencies) to the Tyco Flow Control Business Audited Combined Financial Statements included elsewhere in this proxy statement/prospectus.

Valves & Controls has manufacturing facilities, warehouses, distribution centers, offices and other properties throughout North America, South America, Europe, the Middle East and the Asia-Pacific region. The segment occupies 192 locations (totaling 6.7 million square feet of space) in 34 countries.

Thermal Controls has manufacturing facilities, warehouses, distribution centers, offices and other properties in North America, Europe and the Asia-Pacific region. The segment occupies 46 locations (totaling 1.3 million square feet of space) in 21 countries.

Water & Environmental Systems has manufacturing facilities, warehouses, distribution centers, offices and other properties in Europe and the Asia-Pacific region. The segment occupies 69 locations (totaling 2.3 million square feet of space) in 9 countries.

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Of the locations described above, 45 are major manufacturing facilities, defined as manufacturing facilities of over 50,000 square feet. The Tyco Flow Control Business owns 29 of these major manufacturing facilities, which have approximately 5.0 million square feet of space. The following table shows the Tyco Flow Control Business' major manufacturing locations by segment and region:

	Valves & Controls		Thermal Controls		Water & Environmental Systems		Total	
	# of major manufacturing plants	Approx. SF	# of major manufacturing plants	Approx. SF	# of major manufacturing plants	Approx. SF	# of major manufacturing plants	Approx. SF
North and South America	7	829,634	4	387,921	0	0	11	1,217,555
Europe, Middle East & Africa	14	2,824,585	1	93,624	1	53,314	16	2,971,523
Asia Pacific	9	947,779	1	209,968	8	1,283,470	18	2,441,217
TOTAL	30	4,601,998	6	691,513	9	1,336,784	45	6,630,295

Corporate Headquarters

The Tyco Flow Control Business' corporate headquarters are currently located in Schaffhausen, Switzerland, in a facility shared with Tyco. The Tyco Flow Control Business intends to move its headquarters to Neuhausen, Switzerland prior to the Spin-off where it will share the same building as Tyco, but will occupy an independent space on separate floors. Tyco and the Tyco Flow Control Business will each have their own separate security and information systems. The Tyco Flow Control Business has agreed to lease this space directly from the third-party building owner at market rates for a 9-year period from the distribution date. The Tyco Flow Control Business' U.S. headquarters is currently located in Princeton, New Jersey, in a facility shared with Tyco. Following the Merger, the Tyco Flow Control Business intends to move its U.S. headquarters to Pentair's headquarters in Minneapolis, Minnesota.

Environmental Regulation

The Tyco Flow Control Business is subject to environmental laws and regulations in all jurisdictions in which it has operating facilities. These requirements primarily relate to waste generation and disposal, air emissions and wastewater discharges. The Tyco Flow Control Business periodically makes capital expenditures to enhance its compliance with environmental requirements, as well as to abate and control pollution. The Tyco Flow Control Business has incurred and continues to incur operating costs relating to ongoing environmental compliance matters. Based on existing and proposed environmental requirements and the Tyco Flow Control Business' anticipated production schedule, the Tyco Flow Control Business believes that future environmental compliance expenditures and operating costs will not have a material adverse effect on its financial condition, results of operations or cash flows.

The Tyco Flow Control Business is involved in environmental remediation and legal proceedings related to the Tyco Flow Control Business current business and, pursuant to certain indemnification obligations, related to a formerly owned business (Mueller Holdings Corp.). The Tyco Flow Control Business is responsible, or is alleged to be responsible, for ongoing environmental investigation and remediation of sites in several countries. These sites are in various stages of investigation and/or remediation; at some of them, the Tyco Flow Control Business' liability is considered de minimis. The Tyco Flow Control Business has received notification from the U.S. Environmental Protection Agency, and from similar state and non-U.S. environmental agencies, that several sites formerly or currently owned and/or operated by the Tyco Flow Control Business, and other sites that may be or may have been impacted by those operations, contain disposed or recycled materials or wastes and require environmental investigation and/or remediation. At some of these sites, the Tyco Flow Control Business has been identified as a potentially responsible party under federal, state and/or non-U.S. environmental laws and regulations.

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The Tyco Flow Control Business records accruals for environmental matters on a site-by-site basis when it is probable, based on current law and existing technologies, that a liability has been incurred and the amount of the liability can be reasonably estimated. It can be difficult to estimate reliably the final costs of investigation and remediation due to various factors. In the Tyco Flow Control Business' opinion, the total amount accrued is appropriate. The Tyco Flow Control Business concluded based on its experience, current information about known contingencies and applicable laws that it would probably incur remedial costs in the range of \$10 million to \$33 million as of March 30, 2012. The Tyco Flow Control Business also concluded that the best estimate within this range was \$14 million. In the Tyco Flow Control Business' Combined Balance Sheet, \$9 million of this sum was included in accrued and other current liabilities, and \$5 million was included in other liabilities. The Tyco Flow Control Business does not anticipate that these liabilities will have a material adverse effect on its combined financial position, results of operations or cash flows. The Tyco Flow Control Business cannot give assurance, however, that other sites (or new details about sites known to us) will not be identified in the future and give rise to environmental liabilities with material adverse effects on the Tyco Flow Control Business.

Legal Proceedings

In addition to environmental matters, from time to time the Tyco Flow Control Business is subject to disputes, administrative proceedings and other claims arising out of the normal conduct of its business. These matters generally relate to the use or installation of the Tyco Flow Control Business' products, product liability litigation, personal injury claims, commercial and contract disputes, and employment-related issues. Except with respect to the matters specifically identified below, and based on information currently available to the Tyco Flow Control Business, the Tyco Flow Control Business does not believe that existing proceedings and claims will have a material impact on its financial condition, results of operations or cash flow. However, litigation is unpredictable, and the Tyco Flow Control Business could incur judgments or enter into settlements for current or future claims that could adversely affect the Tyco Flow Control Business' financial condition, results of operations or cash flow.

Asbestos Liabilities

The Tyco Flow Control Business and numerous other companies are named as defendants in personal injury lawsuits based on alleged exposure to asbestos-containing materials. These cases typically involve product liability claims based primarily on allegations of manufacture, sale or distribution of industrial products that either contained asbestos or were attached to or used with asbestos-containing components manufactured by third parties. Each case typically names between dozens and hundreds of corporate defendants. Historically, the Tyco Flow Control Business and its subsidiaries have been identified as defendants in asbestos-related claims along with other Tyco subsidiaries. Over the past several years, the Tyco Flow Control Business has observed an increase in the number of asbestos-related lawsuits, including lawsuits by plaintiffs with mesothelioma-related claims. A large percentage of these suits have not presented viable legal claims and, as a result, have been dismissed or withdrawn. The Tyco Flow Control Business' strategy has been, and continues to be, to mount a vigorous defense aimed at having unsubstantiated suits dismissed; where appropriate, the Tyco Flow Control Business also tries to settle suits before trial.

As of March 30, 2012, there were approximately 1,700 lawsuits pending against entities for which the Tyco Flow Control Business will assume responsibility. Each lawsuit typically includes several claims, and the Tyco Flow Control Business has determined that there were approximately 2,300 claims outstanding as of March 30, 2012. This number does not include adjustments for claims that were not actively being prosecuted, identified incorrect defendants or duplicated other actions.

For a detailed discussion of asbestos-related matters, see Note 11 (Commitments and Contingencies), to the Tyco Flow Control Business Audited Combined Financial Statements included elsewhere in this proxy statement/prospectus.

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Compliance Matters

As disclosed in Tyco's periodic filings, it has received and responded to various allegations and other information that certain improper payments were made by Tyco's subsidiaries (including subsidiaries of the Tyco Flow Control Business) in recent years. Tyco has reported to the DOJ and the SEC the investigative steps and remedial measures that it has taken in response to these and other allegations. It also has reported on its internal investigations, including retaining outside counsel to perform a baseline review of Tyco's policies, controls and practices with respect to compliance with the Foreign Corrupt Practices Act. Tyco has continued to investigate and make periodic progress reports to these agencies regarding its compliance efforts and its follow-up investigations. Such reports have included, as appropriate, briefings concerning additional instances of potential improper conduct identified by Tyco in the course of its ongoing compliance activities. In February 2010, Tyco initiated discussions with the DOJ and SEC aimed at resolving these matters, including matters that pertain to subsidiaries of the Tyco Flow Control Business. These discussions remain ongoing. The Tyco Flow Control Business has recorded its best estimate of potential loss related to these matters. However, it is possible that this estimate may differ from the ultimate loss determined in connection with the resolution of this matter, and the Tyco Flow Control Business may be required to pay material fines, consent to injunctions on future conduct, consent to the imposition of a compliance monitor, or suffer other criminal or civil penalties or adverse impacts, including being subject to lawsuits brought by private litigants. Each of these developments may have a material adverse effect on the Tyco Flow Control Business' financial position, results of operations or cash flows.

Corporate Organization

New Pentair is a Swiss corporation limited by shares (*Aktiengesellschaft*), registered in the Commercial Register of the Canton of Schaffhausen, Switzerland on March 2, 2012 under register number CH-290.3.017.440-3-3. New Pentair will acquire the Tyco Flow Control Business pursuant to the reorganization transactions contemplated in connection with the Transactions described in The Transactions.

Legal Corporate Governance Framework

New Pentair is subject to the laws and regulations of Switzerland, including in particular Swiss company law, and to the securities laws of the United States and the rules of the NYSE as applicable to registrants of exchange-listed common equity securities.

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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE TYCO FLOW CONTROL BUSINESS

Introduction

The following information should be read in conjunction with the Selected Historical Combined Financial Information of the Tyco Flow Control Business and the Tyco Flow Control Business combined financial statements and related notes included elsewhere in this proxy statement/prospectus. The following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those under the headings Risk Factors and Cautionary Statement Concerning Forward-Looking Statements.

On September 19, 2011, Tyco announced plans for the complete legal and structural separation of the Tyco Flow Control Business from Tyco. On March 28, 2012, Tyco announced that it, New Pentair, Panthro Acquisition, a wholly-owned subsidiary of Tyco Flow Control, and Panthro Merger Sub, a wholly-owned subsidiary of Panthro Acquisition, had entered into the Merger Agreement with Pentair, providing that immediately following the Distribution and on the terms and subject to the other conditions of the Merger Agreement, Panthro Merger Sub will merge with and into Pentair, with Pentair surviving the Merger as a wholly owned indirect subsidiary of New Pentair.

The Spin-off will be completed through the pro rata distribution of New Pentair shares to Tyco shareholders as of the record date for the Distribution. After giving effect to the Transactions, Tyco shareholders as of the record date for the Distribution and their transferees will own approximately 52.5% of the common shares of New Pentair on a fully-diluted basis (excluding treasury shares). New Pentair will operate as an independent, publicly-traded company that combines the Tyco Flow Control Business and Pentair's business.

Prior to the Spin-off, Tyco will complete the internal transactions described in The Separation and Distribution Agreement and the Ancillary Agreements. Additionally, New Pentair and Tyco expect to enter into a series of agreements, including the Separation and Distribution Agreement, Transition Services Agreement, 2012 Tax Sharing Agreement and certain other commercial arrangements, which are also described in The Separation and Distribution Agreement and the Ancillary Agreements. Completion of the Transactions is subject to certain conditions, as described in The Merger Agreement Conditions to the Completion of the Merger and The Separation and Distribution Agreement and the Ancillary Agreements The Separation and Distribution Agreement Conditions and Termination.

The combined financial statements for the Tyco Flow Control Business reflect all of the assets, liabilities, revenue and expenses directly associated with Tyco's management and operation of the Tyco Flow Control Business. In addition, certain general corporate overhead, other expenses and debt and related interest expense have been allocated by Tyco to the Tyco Flow Control Business. Management believes such allocations are reasonable; however, they may not be indicative of the actual debt or expenses that the Tyco Flow Control Business would have incurred had it been operating as an independent, publicly-traded company for the periods presented, nor are they indicative of the costs that the Tyco Flow Control Business will incur in the future. As a result, the Tyco Flow Control Business' financial statements may not be indicative of the financial position, results of operations and cash flows that the Tyco Flow Control Business would have achieved had it operated as an independent entity for the periods presented. The Tyco Flow Control Business has a 52- or 53-week fiscal year that ends on the last Friday in September. Fiscal years 2010 and 2009 were all 52-week years, while fiscal year 2011 was a 53-week year.

Executive Overview

The Tyco Flow Control Business

The Tyco Flow Control Business is a global leader in the industrial flow control market. The Tyco Flow Control Business specializes in the design, manufacture and servicing of highly engineered valves, actuation &

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controls, electric heat management solutions and water transmission and distribution products. The Tyco Flow Control Business' broad portfolio of products and services serves flow control needs primarily across the general process, oil & gas, water, power generation and mining industries. The Tyco Flow Control Business' net revenue and operating income for fiscal year 2011 were \$3.6 billion and \$306 million, respectively.

The Tyco Flow Control Business conducts its business through three reportable segments:

The *Valves & Controls* segment is one of the world's largest manufacturers of valves, actuators and controls. The segment's leading products, services and solutions address many of the most challenging flow applications in the general process, oil & gas, power generation and mining industries. Net revenue for this segment in fiscal year 2011 was \$2.2 billion, or 61% of the Tyco Flow Control Business' total net revenue.

The *Thermal Controls* segment is a leading provider of complete electric heat management solutions, primarily for the oil & gas, general process and power generation industries. Net revenue for this segment in fiscal year 2011 was \$734 million, or 20% of the Tyco Flow Control Business' total net revenue.

The *Water & Environmental Systems* segment is a leading provider of large-scale water transmission and distribution products and water/wastewater systems in the Pacific and Southeast Asia regions. Net revenue for this segment in fiscal year 2011 was \$699 million, or 19% of the Tyco Flow Control Business' total revenue.

The Tyco Flow Control Business also provides general corporate services to its segments, the costs of which are reported as Corporate Expenses.

The Tyco Flow Control Business sells its products through multiple channels based on local market conditions and demand. The Tyco Flow Control Business serves its extensive global customer base through 45 major manufacturing locations and 93 after-market service centers around the world.

The Tyco Flow Control Business' Markets

The Tyco Flow Control Business defines its markets based on the industries in which the end users of the Tyco Flow Control Business' products operate. The Tyco Flow Control Business categorizes its primary end-markets as general process, oil & gas, water, power generation, mining and other. The Tyco Flow Control Business often sells its products to intermediaries (e.g., distributors and agents) or subcontract its services. In these instances, the Tyco Flow Control Business has less direct knowledge regarding the ultimate use of its products and services. As a result, the Tyco Flow Control Business' categorization of its revenue by industry may not precisely reflect the sources of the Tyco Flow Control Business' revenue. The following table sets forth the Tyco Flow Control Business' estimate of the percentage of revenue that it derived from the different end-markets the Tyco Flow Control Business serves across all of its businesses for the periods presented.

Industry*	Revenue	
	Fiscal Year 2011	Fiscal Year 2010
General Process	32%	30%
Oil & Gas	24%	24%
Water	16%	20%
Power Generation	14%	13%
Mining	7%	5%
Other	7%	8%

* The Tyco Flow Control Business defines (i) the general process industries to include, the chemical and petrochemical processing, food and beverage, marine, pulp and paper, building service, defense, water (with respect to Valves & Controls only) and other smaller industries, (ii) the oil & gas industry to include exploration and production, gathering, processing, transportation and storage and refining and

marketing.

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(iii) the water industries as primarily the water pipeline transmission and distribution sectors, (iv) the power generation industry as the coal, nuclear, natural gas and solar power generation sectors, (v) the mining industry as the extraction and processing of non-petroleum mineral resources, including coal, ferrous, non-ferrous, precious and specialty minerals and (vi) other industries as consisting primarily of products and services sold to residential and commercial buildings and environmental projects.

The Tyco Flow Control Business serves customers in almost 100 countries across both developed and emerging markets. The Tyco Flow Control Business revenue is geographically diversified: in fiscal year 2011, 31% was derived from customers in the Americas, 28% from EMEA, and 41% from the Asia-Pacific region. The Tyco Flow Control Business estimates that 24% of its fiscal year 2011 revenue was derived from customers in the emerging markets. The Tyco Flow Control Business customer base is also broadly diversified, with no single customer accounting for more than 5% of its revenue during fiscal year 2011. The Tyco Flow Control Business presents its geographic revenue in the footnotes based on the origin of the transaction as opposed to the location of the customer.

Demand for the Tyco Flow Control Business offerings is primarily driven by its end users plans for capital investment in new projects and their expenditures for continuing maintenance. Such spending is, in turn, influenced by several factors, including general and industry-specific economic conditions, credit availability, expectations as to future market behavior, volatility in commodity prices and (in the case of customers that are governments or that rely on public funding) political factors.

Capital projects consist of new construction, increases in capacity and expansion upgrades, which may include engineering, design or installation work. For many of the Tyco Flow Control Business customers, the decision to invest in a new capital project will be significantly influenced by demand expectations stemming from current and expected price levels for the products they process or the raw materials they use. Maintenance expenditures relate to the replacement or maintenance of products at existing sites; the repair, maintenance or testing of customer equipment; and orders for distributor stock. Compared with capital spending, maintenance expenditures tend to be more predictable in their level and timing and less dependent on macroeconomic factors, since maintenance requirements are primarily determined by planned schedules. However, unplanned events such as equipment failures, power outages and weather-related and other natural events can impact the level of maintenance spending as well. Planned maintenance expenditures are determined by the expected life span, utilization rate and reliability of equipment, while unplanned maintenance expenditures are event-driven.

The Tyco Flow Control Business large installed base of products, global reach, technical ability and overall reputation for quality have helped it build strong customer relationships that provide the Tyco Flow Control Business with a competitive advantage in winning new installation work and capturing significant after-market revenue.

The Tyco Flow Control Business Thermal Controls and Water & Environmental Systems segments are characterized by two types of business, differentiated based on the size and frequency of orders: a base business, which consists of a large number of small- and medium-sized orders (generally less than \$20 million) for products and services, and a major capital project business, which consists of a few large orders per year (generally more than \$20 million) generated from major capital projects undertaken by the Tyco Flow Control Business customers. Orders related to the base business typically convert to revenue within three months. Base business order activity is more consistent from period to period than is major capital project order activity, and is generally dependent on the overall level of economic activity in the end-markets the Tyco Flow Control Business serves.

In the Tyco Flow Control Business Thermal Controls segment, major capital project activity generally relates to the Tyco Flow Control Business turnkey electric heat management services, for which projects can span more than one year. In the Tyco Flow Control Business Water & Environmental Systems segment, major capital project activity typically relates to major infrastructure projects that can span several years. When a major capital project will start and when it will be completed are difficult to predict, and the number of major capital

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projects undertaken in any period depends on a variety of factors over which the Tyco Flow Control Business has no control. Due to the size of these major capital projects, and the fact that it may take years for the Tyco Flow Control Business to recognize revenue related to them, results in the Tyco Flow Control Business Thermal Controls and Water & Environmental Systems segments can be subject to significant fluctuation depending on their presence or absence and the timing of the project. In the Tyco Flow Control Business Thermal Controls segment, revenue derived from major capital project orders has accounted for an average of approximately 14% of segment revenue over the past three years. In the Tyco Flow Control Business Water & Environmental Systems segment, revenue derived from such orders has accounted for an average of approximately 15% of segment revenue over the past three years.

2012 Company Outlook

The Tyco Flow Control Business believes that its major end-markets have been and will continue to be attractive. Recently, they have demonstrated strong capital investment growth. For example, the Tyco Flow Control Business oil & gas and mining end-markets have experienced compound annual growth rates (CAGR) of 5 - 6% over the past five years. Capital investment in the oil & gas and mining markets has tended to be driven by demand expectations related to energy use and commodity prices, while capital investment in the rest of the Tyco Flow Control Business end-markets is more closely related to overall gross domestic product growth in the applicable region. The Tyco Flow Control Business expects much of the growth in its end-markets to continue to be driven by economic expansion in emerging markets, where infrastructure-related capital investment has grown at a more than 20% CAGR over the past five years. The Tyco Flow Control Business expects developed markets, on the other hand, to continue to be major sources of maintenance investment related to the large installed capital bases. Despite the overall strength of the Tyco Flow Control Business end-markets, some of them have exhibited differing levels of volatility and may continue to do so over the medium and longer term. While the Tyco Flow Control Business believes the general trends are robust, factors specific to each of the Tyco Flow Control Business major end-markets may affect the capital spending plans of the Tyco Flow Control Business customers.

The Tyco Flow Control Business Results of Operations

Throughout this discussion of the Tyco Flow Control Business results of operations, the Tyco Flow Control Business discusses the impact of fluctuations in non-U.S. currency exchange rates. The Tyco Flow Control Business has calculated currency effects by translating current period results based on average rates in effect over the applicable period. Currency effects on backlog are calculated using the change in period-end exchange rates. Organic revenue growth (decline) is a non-U.S. GAAP measure and excludes the impact of acquisitions, divestitures, changes in currency exchange and certain other items (such as the effect of the 53rd week of operations in fiscal year 2011). For important disclosures related to organic revenue, including a reconciliation to U.S. GAAP net revenue, see Non-U.S. GAAP Measures below.

Orders and Backlog

	For the Six Months Ended		Fiscal Year Ended		
	March 30, 2012	March 25, 2011	September 30, 2011	September 24, 2010	September 25, 2009
	(Amounts in millions)				
Orders	\$ 2,073	\$ 1,750	\$ 3,785	\$ 3,200	\$ 3,100
Backlog (at period end)	\$ 1,898	\$ 1,654	\$ 1,744	\$ 1,581	\$ 1,781

Orders and backlog are reported at the undiscounted value of the revenue the Tyco Flow Control Business expects to recognize when the related goods or services are delivered. The Tyco Flow Control Business records and reports an order upon receipt of a firm customer order that contractually covers the price, scope of products or services and delivery schedule that the Tyco Flow Control Business is obligated to provide and the payment terms under which the Tyco Flow Control Business customer is obligated to pay for such products or services.

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The amount of orders that the Tyco Flow Control Business reports in a given period reflects the amount of new orders received during the period and the value of any changes to existing orders received during the period. These changes may include the cancellation of orders, a change in scope of products or services to be provided or a change in price. Orders from acquired businesses are included directly in backlog during the period when the acquisition closes and are not reflected in orders.

The Tyco Flow Control Business defines backlog at any point in time as the amount of revenue it expects to generate from all open orders. Most of the Tyco Flow Control Business backlog typically converts to revenue in three to nine months, but a portion, particularly from orders for major capital projects, can take more than one year depending on the size and type of order. Orders can be cancelled, delayed or modified by the Tyco Flow Control Business customers and therefore the size of the Tyco Flow Control Business backlog is not necessarily a reliable predictor of future revenue.

Orders in the first six months of 2012 increased by \$323 million, or 18.5%, as compared with the prior year period. Currency impacts were negligible. The increase in orders was primarily attributable to orders strength in the oil & gas and general process end-markets in the Tyco Flow Control Business Valves & Controls segment and the booking of two mid-sized project orders in the Tyco Flow Control Business Water & Environmental Systems segment.

Orders in fiscal year 2011 increased by \$585 million, or 18.3%, as compared with fiscal year 2010. Excluding favorable currency effects of \$180 million, orders increased by 12.7%. The increase in orders was primarily attributable to strength in the Tyco Flow Control Business Valves & Controls segment driven by the strength of the general process and oil & gas end-markets. The increase was also attributable to the colder winter season in early fiscal year 2011, which resulted in an increase in Thermal Controls order activity in EMEA and North America. The remaining increase was due to Thermal Controls orders for a major capital project in North America. These increases were partially offset by the impact of a decline in orders in the Tyco Flow Control Business Water & Environmental Systems segment due to weather-related delays for several projects in Australia.

Orders in fiscal year 2010 increased by \$100 million, or 3.2%, as compared with fiscal year 2009. Excluding favorable currency effects of \$203 million, orders declined by 3.3%, driven by a decrease in orders in the Tyco Flow Control Business Valves & Controls segment attributable to lower capital spending due to adverse global economic conditions. The decreased orders in the Tyco Flow Control Business Valves & Controls segment were partially offset by higher volume of orders in the Tyco Flow Control Business Thermal Controls segment due to an increase in major capital project orders and by higher order levels in the Tyco Flow Control Business Water & Environmental Systems segment.

Backlog of \$1.9 billion at March 30, 2012 increased by \$244 million, or 14.8%, as compared with March 25, 2011. Excluding an unfavorable currency impact of \$35 million, backlog increased by 16.9% driven by the order strength in the Tyco Flow Control Business end-markets discussed above and backlog acquired from the KEF Holdings Ltd. (KEF) acquisition, which closed in the fourth quarter of the Tyco Flow Control Business 2011 fiscal year. Within the 12 months following March 30, 2012, the Tyco Flow Control Business expects to ship approximately 90% of its March 30, 2012 backlog.

Backlog of \$1.9 billion at March 30, 2012 increased by \$154 million, or 8.8%, from September 30, 2011. Excluding favorable currency effects of \$16 million, backlog increased 7.9% driven by increased order activity as discussed above.

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	For the Six Months Ended		September 30, 2011	Fiscal Year Ended	
	March 30, 2012	March 25, 2011		September 24, 2010	September 25, 2009
	(Amounts in millions)				
Net Revenue	\$ 1,924	\$ 1,634	\$ 3,648	\$ 3,381	\$ 3,492
Net Revenue Growth (Decline)	17.7%	N/A	7.9%	(3.2%)	N/A
Organic Revenue Growth (Decline)	15.5%	N/A	0.7%	(9.9%)	N/A

Net revenue in the first six months of 2012 increased by \$290 million, or 17.7%, as compared with the comparable prior year period. Organic revenue growth was 15.5% and was primarily driven by increased shipments to the oil & gas and general process end-markets in the Tyco Flow Control Business Valves & Controls segment and increased major capital project activity in the Tyco Flow Control Business Thermal Controls segment. Overall net revenue included unfavorable currency effects of \$4 million and a \$43 million increase due to the net impact of acquisitions and divestitures.

Net revenue in fiscal year 2011 increased by \$267 million, or 7.9%, as compared with fiscal year 2010. Organic revenue growth of 0.7% was primarily driven by an increase in sales in the Tyco Flow Control Business Valves & Controls segment due to strength across all of the Tyco Flow Control Business end-markets, increased product sales in North America and EMEA in the Tyco Flow Control Business Thermal Controls segment due to the colder winter season in early fiscal year 2011, and increased activity related to a major capital project in the Tyco Flow Control Business Thermal Controls segment that provides electric heat management services to a refinery in the United States. These increases were largely offset by a decrease in net revenue in the Tyco Flow Control Business Water & Environmental Systems segment due to the completion of a major capital project that provided desalination services in Australia, in the first quarter of fiscal year 2011, along with extreme weather conditions in Australia which adversely impacted sales in fiscal year 2011. The overall net revenue increase included favorable currency effects of \$183 million, \$17 million of revenue related to the net impact of acquisitions and divestitures and \$45 million of revenue due to the impact of an additional week of operations due to the timing of the Tyco Flow Control Business 2011 fiscal year end.

Net revenue in fiscal year 2010 decreased by \$111 million, or 3.2%, as compared with fiscal year 2009. Organic revenue declined 9.9%, primarily driven by a significant decrease in sales across the end-markets served by the Tyco Flow Control Business Valves & Controls segment due to adverse global economic conditions, partially offset by revenue from a major capital project in the Tyco Flow Control Business Water & Environmental Systems segment that provided desalination services in Australia. Currency effects favorably impacted revenue by \$216 million, while the Tyco Flow Control Business acquisitions in Brazil during fiscal year 2010 partially offset the organic revenue decline.

Gross Profit and Gross Profit Margin

	For the Six Months Ended		September 30, 2011	Fiscal Year Ended	
	March 30, 2012	March 25, 2011		September 24, 2010	September 25, 2009
	(Amounts in millions)				
Gross Profit	\$ 623	\$ 546	\$ 1,170	\$ 1,130	\$ 1,233
Gross Profit Margin	32.4%	33.4%	32.1%	33.4%	35.3%

Gross profit in the first six months of 2012 increased by \$77 million, or 14.1%, as compared with the same prior year period. The increase was primarily attributable to higher revenue in the Tyco Flow Control Business Valves & Controls and Thermal Controls segments. The gross profit margin declined driven by unfavorable mix impact in the Tyco Flow Control Business Valves & Controls and Thermal Controls segments as well as a loss provision related to a water project retained from a business previously divested.

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Gross profit in fiscal year 2011 increased by \$40 million, or 3.5%, as compared with fiscal year 2010. Excluding favorable currency effects of \$56 million, gross profit decreased by \$16 million, or 1.4%. These declines were driven by a decline in gross profit in the Tyco Flow Control Business Water & Environmental Systems segment due to severe weather-related project delays, which led to unfavorable fixed cost absorption in manufacturing plants, and the absence of a major capital project that was completed in the first quarter of fiscal year 2011 that provided desalination services in Australia. Increased investments in the Tyco Flow Control Business Valves & Controls segment also contributed to the gross profit decline. These two factors together accounted for 1.3% of the gross profit decline. These decreases were partially offset by strength in the Tyco Flow Control Business Thermal Controls segment due to the colder winter season in early fiscal year 2011 and the work on a major capital project in North America that provides electric heat management services to a refinery in the United States.

Gross profit in fiscal year 2010 decreased by \$103 million, or 8.4%, as compared with fiscal year 2009. Excluding the favorable currency effects of \$65 million, gross profit decreased by \$168 million, or 13.6%. The decrease was primarily attributable to the decrease in sales volume in the Tyco Flow Control Business Valves & Controls segment due to adverse global economic conditions. To a lesser extent, the decrease was due to an adverse mix of work on some major capital projects in the Tyco Flow Control Business Thermal Controls segment, which included lower margin labor construction work versus higher margin design and product delivery work, and the negative effects of a provision for an expected loss related to the completion a long term construction contract in the Tyco Flow Control Business Water & Environmental Systems segment, which together accounted for 1.9% of the gross profit decline.

Selling, General and Administrative Expense (SG&A)

	For the Six Months Ended		September 30, 2011	Fiscal Year Ended	
	March 30, 2012	March 25, 2011		September 24, 2010	September 25, 2009
SG&A	\$ 430	\$ 386	\$ 825	\$ 772	\$ 767
SG&A as a percentage of net revenue	22.3%	23.6%	22.6%	22.8%	22.0%

(Amounts in millions)

SG&A in the first six months of 2012 increased by \$44 million, or 11.4%, as compared with the comparable prior year period driven primarily by an increase in sales. SG&A as a percentage of revenue has declined reflecting the positive impact of volume leverage across the business.

SG&A in fiscal year 2011 increased by \$53 million, or 6.9%, as compared with fiscal year 2010. SG&A included an increase due to currency effects of \$30 million, or 3.9%. Excluding currency effects, SG&A increased \$23 million, or 3.0%. This increase was primarily attributable to increased volumes and investment in key markets.

SG&A in fiscal year 2010 increased by \$5 million, or 0.7%, as compared with fiscal year 2009. SG&A included an increase due to currency effects of \$33 million, or 4.3%. Excluding currency effects, SG&A decreased \$28 million, or 3.7%. The decrease was driven by cost containment actions.

Operating Income

	For the Six Months Ended		September 30, 2011	Fiscal Year Ended	
	March 30, 2012	March 25, 2011		September 24, 2010	September 25, 2009
Operating Income	\$ 192	\$ 119	\$ 306	\$ 331	\$ 451
Operating Margin	10.0%	7.3%	8.4%	9.8%	12.9%

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Operating income in the first six months of 2012 increased by \$73 million, or 61.3%, as compared with the same prior year period. The increase was attributable to increased volume in the Tyco Flow Control Business Valves & Controls and Thermal Controls segments discussed above and the absence of a \$35 million impairment of goodwill related to the Tyco Flow Control Business Water Systems reporting unit within the Tyco Flow Control Business Water & Environmental Systems segment recorded in the first six months of fiscal year 2011. Operating margin increased by 2.7 percentage points.

Operating income in fiscal year 2011 decreased by \$25 million, or 7.6%, as compared with fiscal year 2010. Excluding favorable currency effects of \$22 million, or 6.6%, the decrease was \$47 million, or 14.2%. That decrease was primarily attributable to a goodwill impairment of \$35 million related to the Tyco Flow Control Business Water Systems reporting unit, a reduction in volume and the impact of lower production in the Tyco Flow Control Business Water & Environmental Systems segment. This was partially offset by an increase in sales volume in the Tyco Flow Control Business Valves & Controls segment and in Thermal Controls in North America and EMEA related to the colder winter season in early fiscal year 2011 and lower restructuring expenses in the Tyco Flow Control Business Valves & Controls segment. Operating margin decreased by 1.4 percentage points.

Operating income in fiscal year 2010 decreased by \$120 million, or 26.6%, as compared with fiscal year 2009. Excluding favorable currency effects of \$31 million, or 6.9%, the decrease was \$151 million or 33.5%. That decrease was primarily attributable to the lower volumes in the Tyco Flow Control Business Valves & Controls segment due to the negative impact to the Tyco Flow Control Business end-markets from adverse global economic conditions, partially offset by a reduction in SG&A in the Tyco Flow Control Business Valves & Controls segment, increased volume in the Tyco Flow Control Business Thermal Controls and Water & Environmental Systems segments and restructuring and cost control actions taken in prior periods in the Tyco Flow Control Business Water & Environmental Systems segment. Operating margin decreased by 3.1 percentage points.

Interest Expense and Interest Income

	For the Six Months Ended		September 30, 2011	Fiscal Year Ended	
	March 30, 2012	March 25, 2011		September 24, 2010	September 25, 2009
	(Amounts in millions)				
Interest Expense	\$ (25)	\$ (24)	\$ (52)	\$ (55)	\$ (66)
Interest Income	\$ 6	\$ 6	\$ 11	\$ 5	\$ 7

Interest Expense

Interest expense was \$25 million in the first six months of 2012 as compared to \$24 million in the first six months of 2011. Interest expense for the first six months of both 2012 and 2011 was allocated expense related to Tyco external debt.

Interest expense was \$52 million in fiscal year 2011 as compared to \$55 million in fiscal year 2010. Included in fiscal year 2011 was \$50 million of allocated interest expense related to Tyco external debt compared to \$53 million in fiscal year 2010.

Interest expense was \$55 million in fiscal year 2010 as compared to \$66 million in fiscal year 2009. Included in fiscal year 2010 was \$53 million of allocated interest expense related to Tyco external debt compared to \$61 million in fiscal year 2009.

Tax Expense and Tax Rate

	For the Six Months Ended		September 30, 2011	Fiscal Year Ended	
	March 30, 2012	March 25, 2011		September 24, 2010	September 25, 2009
	(Amounts in millions)				
Income tax expense	\$ (59)	\$ (51)	\$ (112)	\$ (98)	\$ (159)
Effective tax rate	34.1%	50.5%	42.3%	34.8%	40.6%

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The Tyco Flow Control Business' effective income tax rate was 34.1% and 50.5% during the six months ended March 30, 2012 and March 25, 2011, respectively. The effective tax rate for the six months ended March 30, 2012 included the impact of a favorable audit resolution in a non-Swiss jurisdiction. The effective income tax rate for the six months ended March 25, 2011 included the impact of a loss driven by non-recurring goodwill impairment charges for which no tax benefit was available.

The Tyco Flow Control Business' effective income tax rate was 42.3% and 34.8% in the fiscal years 2011 and 2010, respectively. The increase in the Tyco Flow Control Business' effective income tax rate was primarily the result of a loss driven by non-recurring goodwill impairment charges for which no tax benefit was available in fiscal year 2011 and a tax benefit realized in fiscal year 2010 in conjunction with restructuring activities. The Tyco Flow Control Business' effective tax rate was 40.6% in fiscal year 2009. Taxes for fiscal year 2009 were increased by increased profitability in higher tax rate jurisdictions and tax expense recorded for anticipated nondeductible charges.

The Tyco Flow Control Business expects its effective tax rate going forward to be approximately 25%. The Tyco Flow Control Business' tax rate can vary from year to year due to discrete items such as the settlement of income tax audits and changes in tax laws, as well as recurring factors, such as the geographic mix of income before taxes.

Reportable Segments

The Tyco Flow Control Business conducts its operations through three reportable segments based on the type of product and service offered by the segment and how the Tyco Flow Control Business is managed. The key operating results for the Tyco Flow Control Business' three reportable segments, Valves & Controls, Thermal Controls and Water & Environmental Systems, are discussed below.

Valves & Controls

Valves & Controls is the Tyco Flow Control Business' largest business segment, constituting approximately 61% of its revenue for its 2011 fiscal year. It is a global business and one of the world's largest manufacturers of valves, actuators and controls. The majority of Valves & Controls products are longer-lead time, individually fabricated pieces of equipment that are custom-designed to serve a specific customer application. The time it takes for an order in the Tyco Flow Control Business' Valves & Controls segment to convert to revenue varies by product type and application but typically ranges between six and nine months with longer conversion times possible in the case of larger, more complex projects. The drivers of these conversion times usually include engineering design to meet customer specification, foundry supplier lead times for valve castings, custom machining for precise engineering specifications, final assembly, testing, customer inspection and transportation times. After-market service and MRO orders are generally shorter cycle and convert to revenue within 30 to 45 days.

	For the Six Months Ended		Valves & Controls		
	March 30, 2012	March 25, 2011	September 30, 2011	Fiscal Year Ended September 24, 2010	September 25, 2009
	(Amounts in millions)				
Orders	\$ 1,259	\$ 1,054	\$ 2,333	\$ 1,967	\$ 1,980
Net Revenue	\$ 1,166	\$ 975	\$ 2,215	\$ 1,990	\$ 2,279
Operating Income	\$ 139	\$ 106	\$ 277	\$ 248	\$ 372
Operating Margin	11.9%	10.9%	12.5%	12.5%	16.3%
Backlog (end of period)	\$ 1,386	\$ 1,182	\$ 1,302	\$ 1,062	\$ 1,101

Orders in the first six months of 2012 increased by \$205 million, or 19.4%, as compared with the comparable prior year period. Excluding unfavorable currency effects of \$10 million, orders increased by 20.4%. The increase in orders was primarily attributable to strength in the oil & gas and general process end-markets.

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Orders in fiscal year 2011 increased by \$366 million, or 18.6%, as compared with fiscal year 2010. Excluding favorable currency effects of \$87 million, orders increased 14.2%. The increase in orders was primarily attributable to higher demand for the Tyco Flow Control Business products in the general process, oil & gas and mining end-markets.

Orders in fiscal year 2010 decreased by \$13 million, or 0.7%, as compared with fiscal year 2009. Excluding favorable currency effects of \$75 million, orders decreased by 4.4% mainly driven by lower capital spending by the Tyco Flow Control Business customers across the end-markets it serves due to adverse global economic conditions, partially offset by an increase in orders of \$17 million due to acquisitions in Brazil.

Net revenue in the first six months of 2012 increased by \$191 million, or 19.6%, as compared with the comparable prior year period. Organic revenue grew 15.4%, primarily due to strength in the oil & gas and general process end-markets. The increase in net revenue included a favorable impact of \$53 million from the KEF acquisition and an unfavorable currency impact of \$12 million.

Net revenue in fiscal year 2011 increased by \$225 million, or 11.3%, as compared with fiscal year 2010. Organic revenue grew 4.7%, primarily attributable to strength across the general process, power generation and mining end-markets. The increase in net revenue included favorable currency effects of \$88 million, \$19 million of revenue related to acquisitions and \$25 million of revenue due to the impact of an additional week of operations due to the timing of the Tyco Flow Control Business 2011 fiscal year end.

Net revenue in fiscal year 2010 decreased by \$289 million, or 12.7%, as compared with fiscal year 2009. Organic revenue declined by 16.6% driven by lower order rates and lower beginning backlog across all markets due to adverse economic conditions that negatively impacted capital spending by the Tyco Flow Control Business customers. The increase in net revenue included favorable currency effects of \$70 million and revenue of \$20 million related to acquisitions.

Operating income in the first six months of 2012 increased by \$33 million, or 31.1%, as compared with the comparable prior year period. Operating income included negligible currency effects. The increase in operating income was primarily driven by higher net revenue as discussed above and was partially offset by the impact of amortization of intangible assets related to the KEF acquisition. Operating margins improved by 1.0 percentage points.

Operating income in fiscal year 2011 increased by \$29 million, or 11.7%, as compared with fiscal year 2010. The increase included a favorable currency effect of \$17 million, or 6.9%. The remaining increase was primarily due to increased sales volume and lower restructuring expenses, which were partially offset by an increase in SG&A expense to support future growth in the Tyco Flow Control Business key markets and acquisition related costs. Operating margins remained stable.

Operating income in fiscal year 2010 decreased by \$124 million, or 33.3%, as compared with fiscal year 2009. Operating income included a favorable currency effect of \$8 million, or 2.2%. The decrease was primarily attributable to the decrease in sales volume combined with an increase in restructuring expenses. Operating margins declined by 3.8 percentage points driven by the decline in sales volume.

Backlog of \$1.4 billion as of March 30, 2012 represented an increase of \$204 million, or 17.3%, as compared to March 25, 2011. Excluding an unfavorable currency effect of \$41 million, backlog increased 20.7%. The increase was driven by increased order activity as discussed above and also additional backlog of \$65 million from the Tyco Flow Control Business acquisition of KEF.

Backlog of \$1.4 billion as of March 30, 2012 represented an increase of \$84 million or 6.5% as compared to September 30, 2011. Excluding an unfavorable currency effect of \$6 million, backlog increased by 6.9%. The remaining increase was due to continued strength in the Tyco Flow Control Business general process and oil & gas end-markets.

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The Tyco Flow Control Business Thermal Controls segment is a leading provider of complete electric heat management solutions. It designs and manufactures heat tracing, floor and specialty heating, electronic controls, leak detection systems and fire and performance wiring products for industrial, commercial and residential use. As discussed under The Tyco Flow Control Business Markets, Thermal Controls revenue comes from both base business and from major capital projects. Orders for base business typically convert to revenue within three months and have accounted for an average of 85% of Thermal Controls revenue over the past three years. Depending on the size, complexity and customer schedule for a major capital project, the project can last anywhere from a few months to a few years, which can significantly impact orders and revenue recognition in any given quarter or fiscal year over its duration. As a result the changes in orders from period to period may not be meaningful and have not been presented. The backlog amount and the content of the backlog are meaningful and are discussed below.

	For the Six Months Ended		Thermal Controls		
	March		Fiscal Year Ended		
	March 30,	25,	September 30,	September 24,	September 25,
	2012	2011	2011	2010	2009
	(Amounts in millions)				
Net Revenue	\$ 436	\$ 339	\$ 734	\$ 603	\$ 576
Operating Income	\$ 81	\$ 63	\$ 107	\$ 74	\$ 79
Operating Margin	18.6%	18.6%	14.6%	12.3%	13.7%
Backlog (end of period)	\$ 146	\$ 170	\$ 170	\$ 205	\$ 268

Net revenue in the first six months of 2012 increased by \$97 million, or 28.6%, as compared with the comparable prior year period. Organic revenue grew 29.5%, primarily attributable to a major capital project near the Gulf of Mexico and higher base business in North America. The effect of currency impacts was negligible.

Net revenue in fiscal year 2011 increased by \$131 million, or 21.7%, as compared with fiscal year 2010. Organic revenue growth was 17.6%, primarily attributable to the colder winter season in fiscal year 2011, which resulted in stronger product sales in EMEA and North America, and the impact of major capital project activity in North America. The increase in net revenue included favorable currency effects of \$18 million and \$7 million of revenue due to the impact of an additional week of operations due to the timing of the Tyco Flow Control Business 2011 fiscal year end.

Net revenue in fiscal year 2010 increased by \$27 million, or 4.7%, as compared with fiscal year 2009. Organic revenue grew by 1.2% with net revenue in the Tyco Flow Control Business major capital projects and base business remaining relatively stable. The increase in net revenue included favorable currency effects of \$20 million.

Operating income in the first six months of 2012 increased by \$18 million, or 28.6%, as compared with the comparable prior year period. The increase was driven by the higher net revenue discussed above. Operating margins remained consistent. The effect of currency impacts was negligible.

Operating income in fiscal year 2011 increased by \$33 million, or 44.6%, as compared with fiscal year 2010. Excluding a favorable currency effect of \$3 million, or 4.1%, the increase was primarily attributable to the strong performance of the Tyco Flow Control Business products business in North America and EMEA and increased major capital project activity in North America. Operating margins improved by 2.3 percentage points driven by volume leverage and cost savings initiatives.

Operating income in fiscal year 2010 decreased by \$5 million, or 6.3%, as compared with fiscal year 2009. Excluding a favorable currency effect of \$4 million, or 5.1%, the decrease was primarily attributable to the timing and mix of work completed on some major capital projects, which included lower margin labor construction work versus higher margin design and product delivery. Operating margins declined 1.4 percentage points as explained above.

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Backlog of \$146 million at March 30, 2012 consisted of \$115 million of orders related to base business and \$31 million of orders related to major capital projects. Within the 12 months following March 30, 2012, the Tyco Flow Control Business expects to ship 100% of its March 30, 2012 backlog.

Backlog of \$170 million at September 30, 2011 consisted of \$120 million of orders related to base business and \$50 million of orders related to major capital projects. Within the 12 months following September 30, 2011, the Tyco Flow Control Business expects to ship approximately 100% of its September 30, 2011 backlog.

Water & Environmental Systems

Water & Environmental Systems is a leading provider of large-scale water transmission and distribution products and water/wastewater systems in the Pacific and Southeast Asia region. The segment serves mainly regional governmental water authorities, industrial clients and the agricultural water sector, primarily in that region. It also specializes in the design and manufacture of environmental systems for both water and air applications in niche markets worldwide. As discussed under "The Tyco Flow Control Business - Markets," Water & Environmental Systems revenue comes from both base business and from major capital projects. Orders for base business typically convert to revenue within three months and have accounted for an average of 85% of Water & Environmental Systems' revenue over the past three years. Depending on the size, complexity and customer schedule for a major capital project, the project can last anywhere from a few months to over a year, which can significantly impact orders and revenue recognition in any given quarter or fiscal year over its duration. As a result the changes in orders from period to period, may not be meaningful and have not been presented. The backlog amount and the content of the backlog are meaningful and are discussed below.

	Water & Environmental Systems				
	For the Six Months Ended		Fiscal Year Ended		
	March 30,	March	September 30,	September 24,	September 25,
	2012	25,	2011	2010	2009
	(Amounts in millions)				
Net Revenue	\$ 322	\$ 320	\$ 699	\$ 788	\$ 637
Operating Income	\$ 19	\$ (11)	\$ 16	\$ 100	\$ 87
Operating Margin	5.9%	(3.4)%	2.3%	12.7%	13.7%
Backlog (end of period)	\$ 366	\$ 302	\$ 272	\$ 314	\$ 412

Net revenue in the first six months of 2012 increased by \$2 million, or 0.6%, as compared with the prior year period. Organic revenue increased by 0.3% driven by lower revenue in the prior year period due to the impact of weather and flooding on customer sites and slow-down of project activity in the market during fiscal year 2011. The increase in net revenue included favorable currency effects of \$11 million.

Net revenue in fiscal year 2011 decreased by \$89 million, or 11.3%, as compared with fiscal year 2010. Organic revenue declined by 22.6% primarily attributable to a drop in revenue from the completion of the large desalinization project, the impact of weather and flooding on customer sites and the slow-down of project activity in the market. These impacts were partially offset by \$13 million in revenue due to an extra week of operations due to the timing of the Tyco Flow Control Business' 2011 fiscal year end. The decrease in net revenue was partially offset by favorable currency effects of \$77 million.

Net revenue in fiscal year 2010 increased by \$151 million, or 23.7%, as compared with fiscal year 2009. Organic revenue grew 3.9% primarily attributable to revenue associated with the large desalinization project. The growth in net revenue included favorable currency effects of \$126 million.

Operating income in the first six months of 2012 increased by \$30 million, or 272.7%, as compared to the operating loss in the same prior year period. Operating income in the first six months of fiscal year 2011 was significantly impacted by a goodwill impairment charge of \$35 million relating to the Tyco Flow Control Business' Water Systems reporting unit. Operating margin improved 9.3 percentage points due to the reasons discussed above. The effect of currency impacts was negligible.

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Operating income in fiscal year 2011 decreased by \$84 million, or 84.0%, as compared with fiscal year 2010. Operating income included favorable currency effects of \$2 million, or 2.0%. Operating income in 2011 was significantly impacted by a goodwill impairment charge of \$35 million relating to the Tyco Flow Control Business Water Systems reporting unit. The remaining decrease was primarily attributable to extreme weather conditions which resulted in delays in projects and deliveries and the benefit to fiscal year 2010 earnings of the large scale water desalinization project. The above factors resulted in an operating margin decline of 10.4 percentage points.

Operating income in fiscal year 2010 increased by \$13 million, or 14.9%, as compared with fiscal year 2009. Excluding favorable currency effects of approximately \$19 million, or 21.8%, the decline in operating income was primarily due to margin erosion and the effects of an \$18 million provision related to an expected loss related to completion of a long term construction project. The decline was partially offset by SG&A expense savings from restructuring and cost containment actions taken in prior periods. The above factors resulted in an operating margin decline of 1.0 percentage point.

Backlog of \$366 million at March 30, 2012 consisted of \$301 million of orders related to base business and \$65 million of orders related to major capital projects. Within the 12 months following March 30, 2012, the Tyco Flow Control Business expects to ship approximately 63% of its March 30, 2012 backlog.

Backlog of \$272 million at September 30, 2011 all of which related to base business. Within the 12 months following September 30, 2011, the Tyco Flow Control Business expects to ship approximately 52% of its September 30, 2011 backlog.

Corporate Expense

Corporate expense generally relates to the cost of the Tyco Flow Control Business corporate headquarter functions.

	For the Six Months Ended March		Fiscal Year Ended		
	March 30, 2012	25, 2011	September 30, 2011	September 24, 2010	September 25, 2009
	(Amounts in millions)				
Corporate Expense	\$ (47)	\$ (39)	\$ (94)	\$ (91)	\$ (87)

Corporate expense has remained stable over the periods presented and includes corporate overhead expenses that have been allocated to the Tyco Flow Control Business from Tyco.

Liquidity and Capital Resources**Cash Flow and Liquidity Analysis**

Significant factors driving the Tyco Flow Control Business liquidity position include cash flows generated from operating activities, capital expenditures and divestiture of non-strategic businesses as well as investments in strategic businesses and technologies. The Tyco Flow Control Business has historically generated and the Tyco Flow Control Business expects to continue to generate positive cash flow from operations. As part of Tyco, the Tyco Flow Control Business cash has been swept into shared corporate pools regularly by Tyco at its discretion. Tyco has also funded the Tyco Flow Control Business operating and investing activities as needed. Transfers of cash both to and from Tyco's cash management system are reflected as a component of parent company investment within parent company equity in the Combined Balance Sheets.

Table of Contents*Cash flow from operating activities*

	For the			Fiscal Year Ended	
	Six Months Ended	March 25,	September 30,	September 24,	September 25,
	March 30,	2011	2011	2010	2009
	2012				
	(Amounts in millions)				
Cash Flows From Operating Activities:					
Operating income	\$ 192	\$ 119	\$ 306	\$ 331	\$ 451
Goodwill impairment		35	35		
Depreciation and amortization	42	32	72	67	63
Deferred income taxes	59	51	21	(37)	27
Provision for losses on accounts receivable and inventory	9	3	3	17	26
Other, net	6	6	4	12	15
Interest income	6	6	11	5	7
Interest expense	(25)	(24)	(52)	(55)	(66)
Income tax expense	(59)	(51)	(112)	(98)	(159)
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:					
Accounts receivable	11	6	(91)	52	(30)
Inventories	(111)	(77)	(94)	25	92
Prepaid expenses and other current assets	(7)	(15)	(21)	23	29
Accounts payable	38	13	28	16	(107)
Accrued and other liabilities	(48)	(47)	(12)	10	10
Income taxes payable	(15)	(33)	32	41	35
Deferred revenue	(6)	9	10	(2)	39
Other	4	14	21	(19)	(56)
Net Cash Provided by Operating Activities:	\$ 96	\$ 47	\$ 161	\$ 388	\$ 376

The net change in assets and liabilities during the six months of 2012 and fiscal year 2011 reduced operating cash flow by \$134 million and \$127 million, respectively. During this time, backlog increased \$317 million. As the backlog represents anticipated shipments, and the Tyco Flow Control Business lead times can be six to nine months, it is necessary for the Tyco Flow Control Business to procure additional inventory to manufacture the products in support of future sales. Conversely, in fiscal year 2010 the Tyco Flow Control Business experienced reduced volume and backlog due to adverse economic conditions. During this time, backlog declined \$200 million and net revenue declined \$111 million, thus the Tyco Flow Control Business did not replenish inventory as quickly and it collected receivables but did not fully replace them with new billings. This resulted in \$146 million in cash generation from working capital. The Tyco Flow Control Business believes this is a typical pattern for a long-lead time, manufacturing business. Inventory as a percentage of backlog has remained stable at 39% to 44% over the last several years.

Cash from operating activities was \$96 million for the six months ended March 30, 2012, driven by operating income of \$192 million and adjustments for non-cash items of \$116 million, partially offset by income tax expense of \$59 million, an increase in assets and liabilities of \$134 million and net interest expense of \$19 million. The net change in assets and liabilities included a \$111 million increase in inventories and a \$48 million decrease in accrued and other liabilities, partially offset by a \$38 million increase in accounts payable. Inventory increased primarily in Valves & Controls driven by procurement of additional materials to service the increased backlog as previously discussed.

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Cash from operating activities was \$47 million during the six months ended March 25, 2011, driven by operating income of \$119 million and adjustments for non-cash items of \$127 million, partially offset by income tax expense of \$51 million, an increase in assets and liabilities of \$130 million, and net interest expense of \$18 million. The net change in assets and liabilities included a \$77 million increase in inventories, a \$47 million decrease in accrued and other liabilities and a \$33 million decrease in income taxes payable. The increase in inventory of \$77 million was primarily due to Valves & Controls backlog growth.

Cash from operating activities was \$161 million in fiscal year 2011, with operating income of \$306 million and adjustments for non-cash items of \$135 million, partially offset by income tax expense of \$112 million, an increase in assets and liabilities of \$127 million and net interest expense of \$41 million. The net change in assets and liabilities was driven by a \$91 million increase in accounts receivable and a \$94 million increase in inventories. The \$91 million increase in accounts receivable was attributable to the \$267 million revenue increase year over year. Inventory grew by \$94 million driven by procurement of additional materials to service the growing backlog, especially in Valves & Controls.

Cash from operating activities was \$388 million in fiscal year 2010, driven by operating income of \$331 million, adjustments for non-cash items of \$59 million and a decrease in assets and liabilities of \$146 million partially offset by income tax expense of \$98 million and net interest expense of \$50 million. The net change in assets and liabilities was driven by a \$52 million decrease in accounts receivable, a \$41 million increase in income taxes payable, and a \$25 million decrease in inventories. The \$52 million decrease in accounts receivable was attributable to lower revenue in fiscal year 2010 due to the effects of the adverse global economic conditions.

Cash from operating activities was \$376 million in fiscal year 2009, driven by operating income of \$451 million, adjustments for non-cash items of \$131 million and a decrease in assets and liabilities of \$12 million, partially offset by income tax expense of \$159 million and net interest expense of \$59 million. The net change in assets and liabilities was driven by a \$92 million decrease in inventories and a related \$107 million decrease in accounts payable as inventory was not replenished during a period of lower volume due to adverse global economic conditions.

During the six months ended March 30, 2012 and March 25, 2011, the Tyco Flow Control Business paid \$3 million and \$7 million, respectively, in cash related to restructuring activities. See Note 3 (Restructuring and Asset Impairment Charges, Net) to the Tyco Flow Control Business Unaudited Combined Financial Statements for further information regarding the Tyco Flow Control Business restructuring activities.

During the fiscal years ended 2011, 2010 and 2009, the Tyco Flow Control Business paid \$15 million, \$25 million and \$11 million, respectively, in cash related to restructuring activities. See Note 3 (Restructuring and Asset Impairment Charges, Net) to the Tyco Flow Control Business Audited Combined Financial Statements for further information regarding the Tyco Flow Control Business restructuring activities.

During the six months ended March 30, 2012 and March 25, 2011, the Tyco Flow Control Business made required contributions of \$9 million and \$5 million, respectively, to its non-U.S. pension plans.

During the fiscal years ended 2011, 2010 and 2009, the Tyco Flow Control Business made required contributions of \$15 million each year to its non-U.S. pension plans. The Tyco Flow Control Business anticipates contributing at least the minimum required to its non-U.S. pension plans in fiscal year 2012, of \$15 million.

Income taxes paid, net of refunds, related to continuing operations were \$58 million, \$93 million and \$98 million in 2011, 2010 and 2009, respectively.

Interest paid, related to continuing operations was \$48 million, \$50 million and \$62 million in 2011, 2010 and 2009, respectively.

Table of Contents**Cash flow from investing activities**

	For the Six Months Ended		Fiscal Year Ended		
	March 30, 2012	March 25, 2011	September 30, 2011	September 24, 2010	September 25, 2009

(Amounts in millions)

Cash Flows (Used in) Provided by Investing

Activities:	\$ (48)	\$ (31)	\$ (341)	\$ (192)	\$ (98)
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The Tyco Flow Control Business made capital expenditures of \$51 million and \$30 million during the first six months of 2012 and 2011, respectively.

The Tyco Flow Control Business made capital expenditures of \$82 million, \$98 million and \$100 million during fiscal years 2011, 2010 and 2009, respectively. Capital expenditures are generally for maintenance of the Tyco Flow Control Business global manufacturing operation, investment in additional capacity and improvement in the Tyco Flow Control Business management information systems.

During the first six months of 2012, the Tyco Flow Control Business made no acquisitions. During the first six months of 2011, the Tyco Flow Control Business paid cash for acquisitions included in continuing operations of \$7 million.

During fiscal year 2011, the Tyco Flow Control Business paid cash for acquisitions included in continuing operations of \$303 million, net of cash acquired of \$1 million. This related primarily to the acquisition of a 75% interest in privately-held KEF for \$295 million, net of cash acquired of \$1 million.

During fiscal year 2010, cash paid for acquisitions included in continuing operations totaled \$104 million, net of cash acquired of \$1 million. This related primarily to the acquisition of two Brazilian valve companies, including Hiter Industria e Comercio de Controle Termo Hidraulico Ltda (Hiter) and Valvulas Crosby Industria e Comercio Ltda.

During fiscal year 2011, the Tyco Flow Control Business received cash proceeds, net of cash divested of \$293 million for divestitures. The cash proceeds primarily related to \$264 million for the sale of the Tyco Flow Control Business European water business, which is presented in discontinued operations, and \$35 million for the sale of the Tyco Flow Control Business Israeli water business, which is presented in continuing operations. See Note 2 (Divestitures) to the Tyco Flow Control Business Audited Combined Financial Statements for further information.

Cash flow from financing activities

	For the Six Months Ended		Fiscal Year Ended		
	March 30, 2012	March 25, 2011	September 30, 2011	September 24, 2010	September 25, 2009

(Amounts in millions)

Cash Flows Provided by (Used in) Financing

Activities:	\$ 24	\$ (43)	\$ 157	\$ (284)	\$ (352)
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The net cash used in or provided by financing activities for all periods were primarily the result of changes in parent company investments and transfers to discontinued operations.

Additionally, in connection with the acquisition of KEF during fiscal year 2011, the Tyco Flow Control Business acquired \$64 million of debt which was paid off as of September 30, 2011.

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Future Liquidity Analysis

Following the Spin-off and the Merger, the Tyco Flow Control Business' capital structure and sources of liquidity will change significantly from the Tyco Flow Control Business' historical capital structure. The Tyco Flow Control Business will no longer participate in cash management and funding arrangements with Tyco. Instead, the Tyco Flow Control Business' ability to fund its capital needs will depend on the Tyco Flow Control Business' ongoing ability to generate cash from operations, and to access banks' borrowing facilities and capital markets. The Tyco Flow Control Business believes that its future cash from operations, together with the Tyco Flow Control Business' access to funds on hand and capital markets, will provide adequate resources to fund the Tyco Flow Control Business' operating and financing needs.

The Tyco Flow Control Business' primary future cash needs will be centered on operating activities, working capital, capital expenditures and strategic investments. The Tyco Flow Control Business' ability to fund these needs will depend, in part, on its ability to generate or raise cash in the future, which is subject to general economic, financial, competitive, regulatory and other factors that are beyond the Tyco Flow Control Business' control.

Prior to the Distribution, a subsidiary of New Pentair will issue an intercompany note to a subsidiary of Tyco in an amount not to exceed \$500 million. Concurrently with the closing of the Merger, New Pentair will repay the intercompany note.

Prior to the consummation of the Transactions, a subsidiary of New Pentair plans to issue senior notes in an amount up to \$900 million that will be guaranteed by New Pentair. The net proceeds from the issuance of the senior notes will be held in escrow until the completion of the Merger. New Pentair plans to use the net proceeds from the issuance of the unsecured senior notes to repay \$500 million of Pentair private placement notes and the intercompany note. However, the issuance of the senior notes is not a condition to the Merger and New Pentair cannot provide any assurance that it will complete the issuance of the senior notes. See "The Merger Agreement - Financing."

Prior to the consummation of the Transactions, Pentair plans to execute a credit agreement with a syndicate of banks providing for an unsecured, committed senior credit facility of up to \$1.2 billion that will become effective upon completion of the Merger. Upon completion of the Merger, New Pentair will become a guarantor of, and a subsidiary of New Pentair will become a borrower under, the senior credit facility. New Pentair plans to use availability under the senior credit facility to repay borrowings outstanding under Pentair's existing credit facility as of the completion of the Merger and, if the unsecured senior notes are not issued, to repay the intercompany note.

In the event that New Pentair is unable to enter into the senior credit facility or issue the senior notes on acceptable terms, instead of a subsidiary of New Pentair issuing to a subsidiary of Tyco the intercompany note that would be repaid at the closing of the Merger, a subsidiary of New Pentair will issue a one year unsecured "bridge" note for up to \$500 million to a subsidiary of Tyco that will bear interest at a rate of 14.0% and be prepayable at any time.

After accounting for the issuance of either the intercompany note or the bridge note, the payment of transaction expenses and transfer of any excess cash to Tyco, but not taking into account any third party financing, New Pentair will have a net indebtedness immediately prior to the Distribution of \$275 million.

New Pentair expects to have pro forma aggregate long-term debt of approximately \$1.7 billion at the closing of the Merger.

Following the Spin-off and the Merger, the Tyco Flow Control Business expects to manage its worldwide cash requirements considering available funds among the many subsidiaries through which the Tyco Flow

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Control Business will be conducting business and the cost effectiveness with which those funds can be accessed. The Tyco Flow Control Business plans to look for opportunities to access cash balances in excess of local operating requirements to meet global liquidity needs in a cost-efficient manner. Generally the Tyco Flow Control Business is able to move excess cash through dividend payments or loans in a tax efficient manner as a result of the Tyco Flow Control Business incorporation in Switzerland and the tax policies in the countries in which the Tyco Flow Control Business operates. If funds are needed for the Tyco Flow Control Business operations in the U.S., the Tyco Flow Control Business generally has the ability to fund its U.S. operations without incremental tax costs as most of the Tyco Flow Control Business cash resides in jurisdictions from which the Tyco Flow Control Business can move cash to the U.S. without significant incremental tax expense.

Dividends

It is expected that New Pentair will initially pay a quarterly cash dividend of \$0.22 per share. The Merger Agreement provides that Tyco, as the sole shareholder of New Pentair, will authorize the quarterly cash dividends to be paid prior to the 2013 New Pentair annual general meeting. Any dividend after that time that may be proposed by the New Pentair board of directors will be subject to approval by the New Pentair shareholders at the New Pentair annual general meeting if and as proposed by the New Pentair board of directors. Under Swiss law, the New Pentair board of directors may propose to shareholders that a dividend be paid but cannot itself authorize the dividend. However, whether the New Pentair board of directors exercises its discretion to propose any dividends to holders of New Pentair common shares in the future will depend on many factors, including New Pentair's financial condition, earnings, capital requirements of New Pentair's business, covenants associated with debt obligations, legal requirements, regulatory constraints, industry practice and other factors that the New Pentair board of directors deems relevant. There can be no assurance that New Pentair will continue a dividend in the future. See Description of New Pentair Capital Stock Dividends.

Contractual Obligations and Commercial Commitments

The following table provides a summary of the Tyco Flow Control Business contractual obligations and commitments for minimum lease payments obligations under non-cancelable leases, and other obligations at 2011 fiscal year end.

	Payments due by fiscal year					There after	Total
	2012	2013	2014	2015 (\$ in millions)	2016		
Operating leases	\$ 27	\$ 23	\$ 17	\$ 11	\$ 8	\$ 21	\$ 107
Capital leases	2	2	2	3	4	5	18
Redeemable noncontrolling interest ⁽¹⁾				100			100
Purchase obligations ⁽²⁾	248	3	1				252
Total contractual cash obligations⁽³⁾	\$ 277	\$ 28	\$ 20	\$ 114	\$ 12	\$ 26	\$ 477

(1) On June 29, 2011, the Tyco Flow Control Business acquired a 75% ownership interest in KEF within the Tyco Flow Control Business Valves & Controls segment. The remaining 25% interest is held by a noncontrolling interest stakeholder. In connection with the acquisition of KEF, the Tyco Flow Control Business and the noncontrolling interest stakeholder have a call and put arrangement, respectively, for the Tyco Flow Control Business to acquire and the noncontrolling interest stakeholder to sell the remaining 25% ownership interest at a price equal to the greater of \$100 million or a multiple of KEF's average EBITDA for the prior twelve consecutive fiscal quarters. The arrangement becomes exercisable beginning the first full fiscal quarter following the third anniversary of the KEF closing date of June 29, 2011. See Note 15 (Redeemable Noncontrolling Interest) to the Tyco Flow Control Business Audited Combined Financial Statements.

(2) Purchase obligations consist of commitments for purchases of goods and services.

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- (3) The Tyco Flow Control Business has net unfunded pension and postretirement benefit obligations of \$72 million and \$16 million, respectively, to certain employees and former employees as of the year ended September 30, 2011. The Tyco Flow Control Business is obligated to make contributions to its pension plans and postretirement benefit plans; however, the Tyco Flow Control Business is unable to determine the amount of plan contributions due to the inherent uncertainties of obligations of this type, including timing, interest rate charges, investment performance, and amounts of benefit payments. The minimum required contributions to the Tyco Flow Control Business non-U.S. pension plans are expected to be approximately \$15 million in fiscal year 2012. These plans and the Tyco Flow Control Business estimates of future contributions and benefit payments are more fully described in Note 12 (Retirement Plans) to the Audited Combined Financial Statements. Additionally, the Tyco Flow Control Business has an additional \$20 million of deferred compensation under employee contractual arrangements as of the fiscal year ended September 30, 2011. The Tyco Flow Control Business is unable to determine when these amounts will be paid due to the inherent uncertainties of obligations of this type.

Debt allocated to the Tyco Flow Control Business by Tyco was \$861 million and \$859 million as of March 30, 2012 and September 30, 2011, respectively. The Tyco Flow Control Business expects to incur debt from third parties at or prior to the spin-off based on the Tyco Flow Control Business anticipated post-spin-off capital requirements. The amount of debt which the Tyco Flow Control Business could incur may materially differ from the amounts allocated to the Tyco Flow Control Business from Tyco.

As of September 30, 2011, the Tyco Flow Control Business has outstanding letters of credit and bank guarantees in the amount of approximately \$285 million.

Off-Balance Sheet Arrangements

In disposing of assets or businesses, the Tyco Flow Control Business often provides representations, warranties and indemnities to cover various risks, including unknown damage to the assets, environmental risks involved in the sale of real estate, liability to investigate and remediate environmental contamination at waste disposal sites and manufacturing facilities and unidentified tax liabilities and legal fees related to periods prior to disposition. The Tyco Flow Control Business does not have the ability to estimate the potential liability from such indemnities because they relate to unknown conditions. However the Tyco Flow Control Business has no reason to believe that these uncertainties would have a material adverse effect on its financial position, results of operations or cash flows.

The Tyco Flow Control Business has recorded liabilities for known indemnifications included as part of environmental liabilities. See Note 11 (Commitments and Contingencies) to the Tyco Flow Control Business Audited Combined Financial Statements and Note 10 (Commitments and Contingencies) to the Tyco Flow Control Business Unaudited Combined Financial Statements for further information with respect to these liabilities.

In the normal course of business, the Tyco Flow Control Business is liable for product performance. The Tyco Flow Control Business believes that such obligations will not significantly affect the Tyco Flow Control Business financial position, results of operations or cash flows.

The Tyco Flow Control Business records estimated product warranty at the time of sale. For further information on estimated product warranty, see Notes 1 (Basis of Presentation and Summary of Significant Accounting Policies) and 9 (Guarantees) to the Tyco Flow Control Business Audited Combined Financial Statements and Note 18 (Guarantees) to the Tyco Flow Control Business Unaudited Combined Financial Statements included elsewhere in this proxy statement/prospectus.

Table of Contents**Critical Accounting Policies**

The preparation of the Combined Financial Statements in conformity with U.S. GAAP requires management to use judgment in making estimates and assumptions to determine reported amounts of certain assets, liabilities, revenue and expenses and the disclosure of related contingent assets and liabilities. These estimates and assumptions are based upon information available at the time of the estimates or assumptions, including the Tyco Flow Control Business' historical experience, where relevant. Because of the uncertainty of factors surrounding the estimates, assumptions and judgments used in the preparation of the Tyco Flow Control Business' financial statements, actual results may differ from the estimates, and the difference may be material.

The Tyco Flow Control Business' critical accounting policies are those policies that are both most important to its financial condition and results of operations and require the most difficult, subjective or complex judgments on the part of management in their application, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Tyco Flow Control Business believes that the following represent the Tyco Flow Control Business' critical accounting policies. For a summary of all of the Tyco Flow Control Business' significant accounting policies, see Note 1 (*Basis of Presentation and Summary of Significant Accounting Policies*) to the Tyco Flow Control Business Audited Combined Financial Statements included elsewhere in this proxy statement/prospectus.

Revenue Recognition

The Tyco Flow Control Business recognizes revenue principally from the sale of products and the provision of services and only when a firm sales agreement is in place, with a fixed and determinable price and collection is reasonably assured. The Tyco Flow Control Business recognizes revenue from the sales of products at the time title and risks and rewards of ownership pass, which generally occurs when the products reach the free-on-board shipping point. For contracts containing multiple elements, each having a determinable fair value, the Tyco Flow Control Business recognizes revenue in an amount equal to the element's pro rata share of the contract's fair value in accordance with the contractual delivery terms for each element. The Tyco Flow Control Business defers the recognition of revenue when advance payments are received from customers before performance obligations have been completed or services have been performed. The Tyco Flow Control Business includes freight charges billed to customers in sales and the related shipping costs in cost of revenue in the Tyco Flow Control Business' combined statements of operations.

The Tyco Flow Control Business records contract sales for construction-related projects primarily under the percentage-of-completion method. The Tyco Flow Control Business bases the profits it recognizes on contracts in process upon estimated contract revenue and related total cost of the project at completion. The Tyco Flow Control Business generally uses the ratio of actual cost incurred to total estimated cost at completion to measure the extent of progress toward completion. Revisions to cost estimates as contracts progress have the effect of increasing or decreasing profits each period. The use of the percentage-of-completion method requires the Tyco Flow Control Business to make judgments to estimate total contract revenues and costs. Contract costs are based on various assumptions that utilize the professional knowledge and experience of the Tyco Flow Control Business' operations teams, as well as finance personnel to estimate the ultimate cost to complete the contract. Adjustments in estimated contract revenues or estimated costs are recognized in the current period for the inception-to-date effect of the changes. Historically the Tyco Flow Control Business has not had a material adjustment to a change in estimated revenues or costs. The Tyco Flow Control Business makes provisions for anticipated losses in the period in which they become determinable. Percentage of completion revenue represented 16% of the Tyco Flow Control Business' combined net revenue in fiscal year 2011. The risk of this methodology is its dependence upon estimates of costs at completion, which are subject to the uncertainties inherent in long-term contracts.

In certain instances, the Tyco Flow Control Business provides guaranteed completion dates under the terms of its contracts. Failure to meet contractual delivery dates can result in late delivery penalties or non-recoverable costs. In instances where the payment of such costs are deemed to be probable, the Tyco Flow Control Business

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performs a project profitability analysis accounting for such costs as a reduction of realizable revenue, which could potentially cause estimated total project costs to exceed projected total revenue realized from the project. In such instances, the Tyco Flow Control Business would record reserves to cover such excesses in the period they are determined, which would adversely affect the Tyco Flow Control Business' results of operations and financial position. In circumstances where the total projected reduced revenue still exceed total projected costs, the incurrence of unrealized incentive fees or non-recoverable costs generally reduces profitability of the project at the time of subsequent revenue recognition. The Tyco Flow Control Business' reported results are impacted by judgment and estimates used for contract costs and contractual contingencies.

Revenue on service and repair contracts is recognized after services have been agreed to by the customer and rendered.

Income Taxes

For purposes of the Tyco Flow Control Business' combined financial statements, income tax expense and deferred tax balances have been recorded as if the Tyco Flow Control Business filed tax returns on a stand-alone basis separate from Tyco (Separate Return Method). The Separate Return Method applies the accounting guidance for income taxes to the stand-alone financial statements as if the Tyco Flow Control Business was a separate taxpayer and a stand-alone enterprise for the periods presented. The calculation of the Tyco Flow Control Business income taxes on a separate return basis requires a considerable amount of judgment and use of both estimates and allocations. Historically, the Tyco Flow Control Business has largely operated within Tyco's group of legal entities; including several U.S. consolidated tax groups, various non-U.S. tax groups and stand alone non-U.S. subsidiaries. In certain instances, tax losses and credits utilized by the Tyco Flow Control Business within the Tyco group of entities may not be available to the Tyco Flow Control Business going forward. In other instances, tax losses or credits generated by Tyco's other businesses will be available to the Tyco Flow Control Business going forward after the Distribution.

In determining taxable income for the Tyco Flow Control Business' combined financial statements, the Tyco Flow Control Business must make certain estimates and judgments. These estimates and judgments affect the calculation of certain tax liabilities and the determination of the recoverability of certain of the deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenue and expense.

In evaluating the Tyco Flow Control Business' ability to recover its deferred tax assets the Tyco Flow Control Business considers all available evidence, positive and negative, including its past operating results, the existence of cumulative losses in the most recent years and the Tyco Flow Control Business' forecast of future taxable income. In estimating future taxable income, the Tyco Flow Control Business develops assumptions including the amount of future pre-tax income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates the Tyco Flow Control Business is using to manage the underlying businesses.

The Tyco Flow Control Business currently has recorded valuation allowances that the Tyco Flow Control Business will maintain until it is more-likely-than-not the deferred tax assets will be realized. The Tyco Flow Control Business' income tax expense recorded in the future may be reduced to the extent of decreases in the Tyco Flow Control Business' valuation allowances. The realization of the Tyco Flow Control Business' remaining deferred tax assets is primarily dependent on future taxable income in the appropriate jurisdiction. Any reduction in future taxable income, including but not limited to any future restructuring activities, may require that the Tyco Flow Control Business records an additional valuation allowance against its deferred tax assets. An increase in the valuation allowance could result in additional income tax expense in such period and could have a significant impact on the Tyco Flow Control Business' future earnings.

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The tax carryforwards reflected in the Tyco Flow Control Business combined financial statements are calculated on a hypothetical stand-alone income tax return basis. The tax carryforwards include net operating losses and tax credits. The tax carryforwards are not representative of the tax carryforwards the Tyco Flow Control Business will have available for use after being spun-off from Tyco. The Tyco Flow Control Business anticipates that as a result of the Spin-off, its post Spin-off tax carryforwards will be significantly higher than those reflected in the combined financial statements.

Changes in tax laws and rates could also affect recorded deferred tax assets and liabilities in the future. Management records the effect of a tax rate or law change on the Tyco Flow Control Business deferred tax assets and liabilities in the period of enactment. Future tax rate or law changes could have a material effect on the Tyco Flow Control Business financial condition, results of operations or cash flows.

In addition, the calculation of the Tyco Flow Control Business tax liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions across the Tyco Flow Control Business global operations. The Tyco Flow Control Business recognizes potential liabilities and records tax liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on the Tyco Flow Control Business estimate of whether, and the extent to which, additional taxes will be due. These tax liabilities are reflected net of related tax loss carryforwards. The Tyco Flow Control Business adjusts these reserves in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Tyco Flow Control Business current estimate of the tax liabilities. If the Tyco Flow Control Business estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities would result in tax benefits being recognized in the period when the Tyco Flow Control Business determines the liabilities are no longer necessary. For purposes of the Tyco Flow Control Business combined financial statements, these estimated tax liabilities have been computed on a separate return basis.

Reserves for Contingent Loss

Accruals are recorded for various contingencies including legal proceedings, self-insurance and other claims that arise in the normal course of business. The accruals are based on judgment, the probability of losses and, where applicable, the consideration of opinions of internal and/or external legal counsel and actuarially determined estimates. Additionally, the Tyco Flow Control Business records receivables from third-party insurers when recovery has been determined to be probable.

Asbestos Related Contingencies and Insurance Receivables

The Tyco Flow Control Business estimates the liability and corresponding insurance recovery for pending and future claims and defense costs predominantly based on claim experience over the past five years, and a projection which covers claims expected to be filed, including related defense costs, over the next seven years on an undiscounted basis. Due to the high degree of uncertainty regarding the pattern and length of time over which claims will be made and then settled or litigated, the Tyco Flow Control Business uses multiple estimation methodologies based on varying scenarios of potential outcomes to estimate the range of loss. The Tyco Flow Control Business has concluded that estimating the liability beyond the seven year period will not provide a reasonable estimate, as these uncertainties increase significantly as the projection period lengthens. However it is possible the Tyco Flow Control Business will incur costs for asbestos claims beyond the seven year period.

In connection with the recognition of liabilities for asbestos related matters, the Tyco Flow Control Business records asbestos related insurance recoveries that are probable. The estimate of asbestos related insurance recoveries represents estimated amounts due to the Tyco Flow Control Business for previously paid and settled claims and the probable reimbursements relating to estimated liability for pending and future claims. In determining the amount of insurance recoverable, the Tyco Flow Control Business considers available insurance, allocation methodologies, solvency and creditworthiness of the insurers.

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Annually, the Tyco Flow Control Business performs a detailed analysis with the assistance of outside legal counsel and other experts to review and update as appropriate the underlying assumptions used in the estimated asbestos related assets and liabilities. On a quarterly basis, the Tyco Flow Control Business re-evaluates the assumptions used to perform the annual analysis and record an expense as necessary to reflect changes in the estimated liability and related insurance asset. See Note 11 (Commitments and Contingencies) to the Tyco Flow Control Business Audited Combined Financial Statements for a discussion of management s judgments applied in the recognition and measurement of asbestos related assets and liabilities.

Pension and Postretirement Benefits

The Tyco Flow Control Business pension expense and obligations are developed from actuarial valuations. Two critical assumptions in determining pension expense and obligations are the discount rate and expected long-term return on plan assets. The Tyco Flow Control Business evaluates these assumptions at least annually. Other assumptions reflect demographic factors such as retirement, mortality and turnover and are evaluated periodically and updated to reflect the Tyco Flow Control Business actual experience. Actual results may differ from actuarial assumptions resulting in actuarial gains and losses. Such actuarial gains and losses will be amortized over the average expected service period of the participants for active plans and over the average remaining life expectancy of participants for inactive plans. The discount rate represents the market rate for high-quality fixed income investments and is used to calculate the present value of the expected future cash flows for benefit obligations under the Tyco Flow Control Business pension plans. A decrease in the discount rate increases the present value of pension benefit obligations. A 25 basis point decrease in the discount rate would increase the present value of pension obligations by approximately \$9 million and increase the Tyco Flow Control Business annual pension expense by approximately \$0.2 million. The Tyco Flow Control Business considers the relative weighting of plan assets by class, historical performance of asset classes over long-term periods, asset class performance expectations as well as current and future economic conditions in determining the expected long-term return on plan assets. A 25 basis point decrease in the expected long-term return on plan assets would increase the Tyco Flow Control Business annual pension expense by approximately \$1 million.

Goodwill and Indefinite Lived Intangible Asset Valuation and Impairments

The Tyco Flow Control Business assesses goodwill and indefinite lived intangible assets for impairment annually and more frequently if triggering events occur. In performing these assessments, management relies on various factors, including operating results, business plans, economic projections including expectations and assumptions regarding the timing and degree of any economic recovery, anticipated future cash flows, comparable market transactions (to the extent available) and other market data.

The Tyco Flow Control Business elected to make the first day of the fourth quarter the annual impairment assessment date for all goodwill and indefinite lived intangible assets. In the first step of the goodwill impairment test, the Tyco Flow Control Business compares the fair value of a reporting unit with its carrying amount. The Tyco Flow Control Business determines fair value for the goodwill impairment test utilizing a discounted cash flow analysis based on forecast cash flows (including estimated underlying revenue and operating income growth rates) discounted using an estimated weighted average cost of capital for market participants. The Tyco Flow Control Business uses a market approach, utilizing observable market data such as comparable companies in similar lines of business that are publicly-traded or which are part of a public or private transaction (to the extent available), to corroborate the discounted cash flow analysis performed at each reporting unit. If the carrying amount of a reporting unit exceeds its fair value, the Tyco Flow Control Business considers goodwill potentially impaired and performs further tests to measure the amount of impairment loss. In the second step of the goodwill impairment test, the Tyco Flow Control Business compares the implied fair value of a reporting unit s goodwill with the carrying amount of the reporting unit s goodwill. If the carrying amount of a reporting unit s goodwill exceeds the implied fair value of that goodwill, the Tyco Flow Control Business recognizes an impairment loss in an amount equal to the excess of the carrying amount of goodwill over its implied fair value. The Tyco Flow Control Business determines the implied fair value of goodwill in the same manner that it determines the amount of goodwill recognized in a business combination. The Tyco Flow Control Business allocates the fair value of a

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reporting unit to all of the assets and liabilities of that unit, including intangible assets, as if the reporting unit had been acquired in a business combination. Any excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities represents the implied fair value of goodwill. In the first quarter of fiscal year 2011, as a result of a triggering event, the Tyco Flow Control Business recorded a goodwill impairment charge of \$35 million within its Water Systems reporting unit within the Tyco Flow Control Business Water & Environmental Systems segment.

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the annual goodwill impairment test will prove to be accurate predictions of the future. Examples of events or circumstances that could reasonably be expected to negatively affect the underlying key assumptions and ultimately impact the estimated fair value of the aforementioned reporting units may include such items as follows:

a prolonged downturn in the business environment in which the reporting units operate (i.e. sales volumes and prices) especially in the commercial construction and retailer end-markets;

an economic recovery that significantly differs from the Tyco Flow Control Business assumptions in timing or degree;

volatility in equity and debt markets resulting in higher discount rates; and

unexpected regulatory changes.

While historical performance and current expectations have resulted in fair values of goodwill in excess of carrying values, if the Tyco Flow Control Business assumptions are not realized, it is possible that in the future an impairment charge may need to be recorded. However, it is not possible at this time to determine if an impairment charge would result or if such a charge would be material.

Inventories

The Tyco Flow Control Business records its aggregate inventories at the lower of cost (primarily first-in, first-out) or market value. The Tyco Flow Control Business provides a reserve for estimated inventory obsolescence or unmarketable inventory equal to the difference between the cost of inventory and estimated fair value based on assumptions of future demand and market conditions. The Tyco Flow Control Business ages its inventory with no recent demand and applies various valuation factors based on the length of time since the last demand from customers for such material. Significant judgments and estimates must be made and used in connection with establishing allowances. If future conditions cause a reduction in the Tyco Flow Control Business current estimate of market value, due to a decrease in customer demand, a drop in commodity prices or other market-related factors that could influence demand for particular products, additional provisions may be needed.

Accounting Developments

The Tyco Flow Control Business has presented the information about accounting pronouncements not yet implemented in Note 1 (Basis of Presentation and Summary of Significant Accounting Policies) to the Tyco Flow Control Business Audited and Unaudited Combined Financial Statements included in this proxy statement/prospectus.

Non-U.S. GAAP Measures

In an effort to provide investors with additional information regarding the Tyco Flow Control Business results as determined by generally accepted accounting principles (U.S. GAAP), the Tyco Flow Control Business also discloses non U.S. GAAP measures consisting of (i) revenue excluding the impact of changes in foreign currency exchange rates and (ii) organic revenue growth (decline). The Tyco Flow Control Business believes that these measures are useful for investors in evaluating the Tyco Flow Control Business operating performance for

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the periods presented. When read in conjunction with the Tyco Flow Control Business U.S. GAAP revenue, they enable investors to better evaluate the Tyco Flow Control Business operations without giving effect to fluctuations in foreign exchange rates, which may be significant from period to period. In addition, revenue excluding the impact of changes in foreign currency exchange rates and organic revenue growth (decline) are factors the Tyco Flow Control Business uses in internal evaluations of the overall performance of the Tyco Flow Control Business. These measures are not financial measures under U.S. GAAP and should not be considered as a substitute for revenue as determined in accordance with U.S. GAAP, and they may not be comparable to similarly titled measures reported by other companies. Organic revenue growth (decline) presented herein is defined as revenue growth (decline) excluding the effects of foreign currency fluctuations, acquisitions and divestitures and other changes that may not reflect underlying results and trends (for example, the 53rd week of operations in fiscal year 2011). The Tyco Flow Control Business organic growth (decline) calculations incorporate an estimate of prior year reported net revenue associated with acquired entities that have been fully integrated within the first year, and exclude prior year net revenue associated with entities that do not meet the criteria for discontinued operations which have been divested within the past year. The Tyco Flow Control Business calculates the rate of organic growth (decline) based on the adjusted number to better reflect the rate of growth (decline) of the combined business, in the case of acquisitions, or the remaining business, in the case of dispositions. The Tyco Flow Control Business bases the rate of organic growth (decline) for acquired businesses that are not fully integrated within the first year upon unadjusted historical revenue. The Tyco Flow Control Business may use organic revenue growth (decline) and revenue growth (decline) excluding the impact of foreign currency exchange rates as components of the Tyco Flow Control Business compensation programs.

The table below details the components of organic revenue growth (decline) and reconciles the non-U.S. GAAP measures to U.S. GAAP net revenue growth (decline).

First Six Months of Fiscal 2012

	Net Revenue for the First Six Months of Fiscal 2011	Base Quarter Adjustments (Divestitures)	Adjusted First Six Months of Fiscal 2012 Base Revenue	Foreign Currency (Amounts in millions)	Acquisitions	Organic Revenue	Organic Growth Percentage	Net Revenue for the First Six Months of Fiscal 2012
Valves & Controls	\$ 975	\$	\$ 975	\$ (12)	\$ 53	\$ 150	15.4%	\$ 1,166
Thermal Controls	339		339	(3)		100	29.5%	436
Water & Environmental Systems	320	(10)	310	11		1	0.3%	322
Total Net revenue	\$ 1,634	\$ (10)	\$ 1,624	\$ (4)	\$ 53	\$ 251	15.5%	\$ 1,924

Fiscal Year 2011

	Net Revenue for Fiscal Year 2010	Base Year Adjustments (Divestitures)	Adjusted Fiscal Year 2010 Base Revenue	Foreign Currency (Amounts in millions)	Acquisitions/ Other ⁽¹⁾	Organic Revenue	Organic Growth Percentage	Net Revenue for Fiscal Year 2011
Valves & Controls	\$ 1,990	\$	\$ 1,990	\$ 88	\$ 44	\$ 93	4.7%	\$ 2,215
Thermal Controls	603		603	18	7	106	17.6%	734
Water & Environmental Systems	788	(4)	784	77	15	(177)	(22.6%)	699
Total Net revenue	\$ 3,381	\$ (4)	\$ 3,377	\$ 183	\$ 66	\$ 22	0.7%	\$ 3,648

(1) Includes \$25 million, \$7 million and \$13 million due to the impact of the 53rd week of revenue during fiscal year 2011 for Valves & Controls, Thermal Controls and Water & Environmental Systems, respectively.

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	Net Revenue for Fiscal Year 2009	Base Year Adjustments (Divestitures)	Adjusted Fiscal Year 2009 Base Revenue	Foreign Currency (Amounts in millions)	Acquisitions	Organic Revenue	Organic Growth Percentage	Net Revenue for Fiscal Year 2010
Valves & Controls	\$ 2,279		\$ 2,279	\$ 70	\$ 20	\$ (379)	(16.6%)	\$ 1,990
Thermal Controls	576		576	20		7	1.2%	603
Water & Environmental Systems	637		637	126		25	3.9%	788
Total Net revenue	\$ 3,492		\$ 3,492	\$ 216	\$ 20	\$ (347)	(9.9%)	\$ 3,381

Quantitative and Qualitative Disclosure about Market Risk

The Tyco Flow Control Business operations include activities in almost 100 countries across both developed and emerging markets. These operations expose the Tyco Flow Control Business to a variety of market risks, including the effects of changes in interest rates and foreign currency exchange rates. The Tyco Flow Control Business monitors and manage these financial exposures as an integral part of its overall risk management program.

Interest Rate Risk

The Tyco Flow Control Business expects to enter into a new revolving credit facility that will bear interest at a floating rate. As a result, the Tyco Flow Control Business will be exposed to fluctuations in interest rates to the extent of the Tyco Flow Control Business borrowings under the revolving credit facility. The Tyco Flow Control Business also expects to incur long-term debt at fixed rates. To help manage borrowing costs, the Tyco Flow Control Business may from time to time enter into interest rate swap transactions with financial institutions acting as principal counterparties.

Foreign Currency Risk

The Tyco Flow Control Business has exposure to the effects of foreign currency exchange rate fluctuations on the results of the Tyco Flow Control Business non U.S. operations. The Tyco Flow Control Business is exposed periodically to the foreign currency rate fluctuations that affect transactions not denominated in the functional currency of the Tyco Flow Control Business domestic and foreign operations. The Tyco Flow Control Business may from time to time use financial derivatives, which may include forward foreign currency exchange contract and foreign currency options to hedge this risk. The Tyco Flow Control Business does not use derivative financial instruments to hedge investments in foreign subsidiaries since such investments are long-term in nature.

The Tyco Flow Control Business had \$1.2 billion of intercompany loans designated as permanent in nature as of September 30, 2011 and September 24, 2010, respectively. For the years ended September 30, 2011, September 24, 2010 and September 25, 2009 the Tyco Flow Control Business recorded \$18 million and \$3 million of cumulative translation gain, and \$5 million of cumulative translation loss, respectively, through accumulated other comprehensive income related to these loans.

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The following table sets forth selected historical consolidated financial information of Pentair. The consolidated statement of income data for the six months ended June 30, 2012 and July 2, 2011 and the consolidated balance sheet data as of June 30, 2012 and July 2, 2011 have been derived from Pentair's unaudited consolidated financial statements which are incorporated by reference in this proxy statement/prospectus. The consolidated statement of income data for the years ended December 31, 2011, December 31, 2010, December 31, 2009 and balance sheet data as of December 31, 2011 and December 31, 2010 are derived from Pentair's audited consolidated financial statements, which are incorporated by reference into this proxy statement/prospectus. The consolidated statement of income data for the years ended December 31, 2008 and December 31, 2007 and the consolidated balance sheet data as of December 31, 2009, December 31, 2008 and December 31, 2007 are derived from Pentair's audited consolidated financial statements that are not included or incorporated by reference in this proxy statement/prospectus. The unaudited consolidated financial statements have been prepared on the same basis as the audited combined financial statements and, in the opinion of Pentair's management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth herein.

The selected historical consolidated financial and other operating data presented below should be read in conjunction with Pentair's consolidated financial statements and accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations of Pentair incorporated by reference into this proxy statement/prospectus. The Pentair consolidated financial data may not be indicative of future performance.

	Six Months Ended		December 31, 2011 ⁽¹⁾⁽²⁾	Fiscal Year Ended		December 31, 2008 ⁽³⁾	December 31, 2007 ⁽⁴⁾
	June 30, 2012 ⁽¹⁾	July 2, 2011 ⁽¹⁾		December 31, 2010	December 31, 2009		
(\$ in millions, except per share data)							
Statement of Income Data:							
Net sales	\$ 1,800	\$ 1,700	\$ 3,457	\$ 3,031	\$ 2,692	\$ 3,352	\$ 3,281
Operating income	203	196	169	334	220	325	379
Net Income from continuing operations attributable to Pentair, Inc.	133	117	34	198	116	256	212
Per Share Data:							
Basic:							
Earnings per share from continuing operations attributable to Pentair, Inc.	\$ 1.34	\$ 1.19	\$ 0.35	\$ 2.02	\$ 1.19	\$ 2.62	\$ 2.15
Weighted average shares	99	98	98	98	97	98	99
Diluted:							
Earnings per share from continuing operations attributable to Pentair, Inc.	\$ 1.32	\$ 1.17	\$ 0.34	\$ 2.00	\$ 1.17	\$ 2.59	\$ 2.12
Weighted average shares	101	100	100	99	99	99	100
Cash dividends declared per common share	\$ 0.44	\$ 0.40	\$ 0.80	\$ 0.76	\$ 0.72	\$ 0.68	\$ 0.60
Balance Sheet Data:							
Total assets	\$ 4,586	\$ 5,052	\$ 4,586	\$ 3,974	\$ 3,911	\$ 4,053	\$ 4,001
Total debt	1,235	1,407	1,309	707	806	954	1,061
Total shareholders' equity	2,118	2,367	2,047	2,205	2,126	2,020	1,911

(1) In May 2011, Pentair acquired as part of Water & Fluid Solutions, the Clean Process Technologies division of privately held Norit Holding B.V.

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- (2) In the fourth quarter of 2011, Pentair recorded a pre-tax non-cash goodwill impairment charge of \$200.5 million.
- (3) In June 2008, Pentair entered into a transaction with GE that was accounted for as an acquisition of an 80.1 percent ownership interest in GE's global water softener and residential water filtration business in exchange for a 19.9 percent interest in Pentair's global water softener and residential water filtration business. This transaction resulted in a pre-tax non-cash gain of \$109.6 million.
- (4) In February and April 2007, Pentair acquired the outstanding shares of capital stock of Jung Pump and all of the capital interests of Porous Media, respectively, as part of Water & Fluid Solutions. In May 2007, Pentair acquired as part of Technical Products, the assets of Calmark.

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**SELECTED HISTORICAL COMBINED FINANCIAL DATA OF
THE TYCO FLOW CONTROL BUSINESS**

The following table sets forth selected historical combined financial and other operating data of the Tyco Flow Control Business. The historical selected combined financial and other operating data presented below have been prepared to include all of the Tyco Flow Control Business, and are a combination of the assets and liabilities that have been used in managing and operating the Tyco Flow Control Business. The combined statement of operations data for the six months ended March 30, 2012 and March 25, 2011 and the combined balance sheet data as of March 30, 2012 have been derived from the Tyco Flow Control Business unaudited combined financial statements included elsewhere in this proxy statement/prospectus. The combined statement of operations data for the fiscal years ended September 30, 2011, September 24, 2010 and September 25, 2009 and the combined balance sheet data as of September 30, 2011 and September 24, 2010 are derived from the Tyco Flow Control Business audited combined financial statements included elsewhere in this proxy statement/prospectus. The combined statement of operations data for the fiscal years ended September 26, 2008 and September 28, 2007 and the combined balance sheet data as of March 25, 2011, September 25, 2009, September 26, 2008 and September 28, 2007 are derived from the Tyco Flow Control Business unaudited combined financial statements that are not included in this proxy statement/prospectus. The unaudited combined financial statements have been prepared on the same basis as the audited combined financial statements and, in the opinion of the Tyco Flow Control Business management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth herein. The Tyco Flow Control Business has a 52- or 53-week fiscal year that ends on the last Friday in September. Fiscal years 2010, 2009, 2008 and 2007 were all 52-week years, while fiscal year 2011 was a 53-week year.

The selected historical combined financial and other operating data presented below should be read in conjunction with the Tyco Flow Control Business combined financial statements and accompanying notes and Management Discussion and Analysis of Financial Condition and Results of Operations of the Tyco Flow Control Business. The Tyco Flow Control Business combined financial data may not be indicative of future performance and does not necessarily reflect what financial condition and results of operations would have been had the Tyco Flow Control Business operated as an independent, publicly-traded company during the periods presented, including changes that will occur in the Tyco Flow Control Business operations and capitalization as a result of the Spin-off.

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	For the Six Months Ended			Fiscal Year Ended			
	March 30, 2012 ⁽¹⁾	March 25, 2011 ⁽¹⁾⁽²⁾	September 30, 2011 ⁽¹⁾⁽²⁾	September 24, 2010 ⁽¹⁾	September 25, 2009 ⁽¹⁾	September 26, 2008 ⁽¹⁾	September 28, 2007 ⁽¹⁾
(\$ in millions)							
Combined Statement of Operations Data:							
Net revenue	\$ 1,924	\$ 1,634	\$ 3,648	\$ 3,381	\$ 3,492	\$ 3,936	\$ 3,316
Gross profit	623	546	1,170	1,130	1,233	1,321	1,087
Operating income	192	119	306	331	451	512	298
Income from continuing operations	114	50	153	184	233	310	163
Income from discontinued operations, net of income taxes		168	172	17	29	341	38
Net income attributable to parent company equity	113	218	324	201	262	649	201
Combined Balance Sheet Data:							
Total assets	\$ 5,322	\$ 4,609	\$ 5,144	\$ 4,682	\$ 4,846	\$ 5,157	\$ 5,844
Long-term debt ⁽³⁾⁽⁴⁾	893	795	876	689	856	693	768
Total liabilities ⁽³⁾	2,142	1,953	2,132	2,045	2,126	2,277	2,746
Total parent company equity	3,086	2,656	2,919	2,637	2,719	2,879	3,067
Combined Other Operating Data:							
Orders	\$ 2,073	\$ 1,750	\$ 3,785	\$ 3,200	\$ 3,100	\$ 4,354	\$ 3,689
Backlog	\$ 1,898	\$ 1,654	\$ 1,744	\$ 1,581	\$ 1,781	\$ 1,994	\$ 1,503

- (1) Income from continuing operations and net income attributable to parent company equity include \$24 million and \$27 million of corporate expense allocated from Tyco for the six months ended March 30, 2012 and March 25, 2011, respectively. Income from continuing operations and net income attributable to parent company equity include \$52 million, \$54 million, \$55 million, \$63 million and \$59 million of corporate expense allocated from Tyco for the years ended September 30, 2011, September 24, 2010, September 25, 2009, September 26, 2008 and September 28, 2007, respectively.
- (2) Income from continuing operations and net income attributable to parent company equity include a goodwill impairment charge of \$35 million in the Water & Environmental Systems segment of the Tyco Flow Control Business related to its Water Systems reporting unit.
- (3) Long-term debt and total liabilities include \$877 million and \$776 million of allocated debt for the six months ended March 30, 2012 and March 25, 2011, respectively. Long-term debt and total liabilities include \$859 million, \$671 million, \$836 million, \$674 million and \$763 million of allocated debt for the years ended September 30, 2011, September 24, 2010, September 25, 2009, September 26, 2008 and September 28, 2007, respectively.
- (4) Amounts have been allocated from Tyco and are not indicative of debt that will be incurred in the future as an independent, publicly-traded company.

Table of Contents**SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The Unaudited Pro Forma Condensed Combined Statements of Income for the six months ended June 30, 2012 for Pentair and the six months ended March 30, 2012 for the Tyco Flow Control Business, and the fiscal year ended December 31, 2011 for Pentair and September 30, 2011 for the Tyco Flow Control Business combine the historical Consolidated Statements of Income of Pentair and the historical Combined Statements of Operations for the Tyco Flow Control Business, giving effect to the Transactions as if they had been consummated on January 1, 2011, the beginning of the earliest period presented. The Unaudited Pro Forma Condensed Combined Balance Sheet combines the historical Consolidated Balance Sheets of Pentair as of June 30, 2012 and the historical Combined Balance Sheets of the Tyco Flow Control Business as of March 30, 2012, giving effect to the Transactions as if they had been consummated on June 30, 2012. The historical combined financial statements of the Tyco Flow Control Business have been adjusted to reflect certain reclassifications in order to conform with Pentair's financial statement presentation.

The Unaudited Pro Forma Condensed Combined Financial Statements were prepared using the acquisition method of accounting with Pentair considered the acquirer of the Tyco Flow Control Business. Accordingly, consideration given by Pentair to complete the Merger with the Tyco Flow Control Business will be allocated to assets and liabilities of the Tyco Flow Control Business based upon their estimated fair values as of the date of completion of the Transactions. As of the date of this proxy statement/prospectus, Pentair has not completed the detailed valuation studies necessary to arrive at the required estimates of the fair value of the Tyco Flow Control Business' assets to be acquired and the liabilities to be assumed and the related allocations of purchase price, nor has it identified all adjustments necessary to conform the Tyco Flow Control Business' accounting policies to Pentair's accounting policies. A final determination of the fair value of the Tyco Flow Control Business' assets and liabilities will be based on the actual net tangible and intangible assets and liabilities of the Tyco Flow Control Business that exist as of the date of completion of the Merger and, therefore, cannot be made prior to the completion of the Transactions. In addition, the value of the consideration to be given by Pentair to complete the Merger will be determined based on the trading price of Pentair's common shares at the time of the completion of the Merger. Accordingly, the pro forma purchase price adjustments are preliminary and are subject to further adjustments as additional information becomes available and as additional analyses are performed. The preliminary pro forma purchase price adjustments have been made solely for the purpose of providing the Unaudited Pro Forma Condensed Combined Financial Statements presented below. Pentair estimated the fair value of the Tyco Flow Control Business' assets and liabilities based on discussions with the Tyco Flow Control Business management, preliminary valuation studies, due diligence and information presented in public filings. Until the Merger is completed, both companies are limited in their ability to share information. Upon completion of the Merger, final valuations will be performed. Increases or decreases in the fair value of relevant balance sheet amounts will result in adjustments to the balance sheet and/or statement of income. There can be no assurance that such finalization will not result in material changes.

These Unaudited Pro Forma Condensed Combined Financial Statements have been developed from and should be read in conjunction with the respective audited and unaudited consolidated financial statements of Pentair and the historical combined financial statements of the Tyco Flow Control Business for the fiscal year ended December 31, 2011 and September 30, 2011, respectively, and for the six months ended June 30, 2012 and six months ended March 30, 2012, respectively, which are included in or incorporated by reference into this proxy statement/prospectus. The Unaudited Pro Forma Condensed Combined Financial Statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of New Pentair would have been had the Transactions occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position.

New Pentair expects to incur significant costs associated with integrating the operations of Pentair and the Tyco Flow Control business. The Unaudited Pro Forma Condensed Combined Financial Statements do not reflect the costs of any integration activities or benefits that may result from realization of future cost savings from operating efficiencies or revenue synergies expected to result from the Merger.

Table of Contents**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**

<i>In millions</i>	Historical As of Tyco Flow		Pro Forma Adjustments	Pro Forma Condensed Combined
	Pentair June 30, 2012	Control Business March 30, 2012		
Assets				
Current assets				
Cash and cash equivalents	\$ 61	\$ 197	\$ (72) a	\$ 125
			(61) a	
Accounts and notes receivable, net	572	705	2 b	1,279
Inventories	460	873	101 c	1,434
Deferred tax assets	59	79		138
Prepaid expenses and other current assets	124	187		311
Total current assets	1,276	2,041	(30)	3,287
Property, plant and equipment, net	381	626	125 d	1,132
Other assets				
Goodwill	2,255	2,139	(2,139) e	4,336
			2,081 e	
Intangibles, net	571	121	(121) f	1,956
			1,385 f	
Other	103	395	6 g	504
Total other assets	2,929	2,655	1,212	6,796
Total assets	\$ 4,586	\$ 5,322	\$ 1,307	\$ 11,215
Liabilities and Shareholders Equity and Parent Company Investment				
Current liabilities				
Current maturities of long-term debt	\$ 1	\$	\$	\$ 1
Accounts payable	288	369		657
Accrued and other current liabilities	373	490	(49) h	814
Total current liabilities	662	859	(49)	1,472
Other liabilities				
Long-term debt	1,234	893	(443) i	1,684
Other non-current liabilities	572	390	511 j	1,473
Total liabilities	2,468	2,142	19	4,629
Redeemable noncontrolling interest		94		94
Shareholders equity and parent company investment	2,118	3,086	(3,086) k	6,492
			4,461 k	
			(87) k	
Total liabilities and shareholders equity and parent company investment	\$ 4,586	\$ 5,322	\$ 1,307	\$ 11,215

The accompanying notes are an integral part of the Unaudited Pro Forma

Table of Contents**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**

	Historical For the Six Months Ended		Pro		Pro Forma Condensed Combined
	Pentair June 30, 2012	Tyco Flow Control Business March 30, 2012	Forma Adjustments		
<i>In millions, except per-share data</i>					
Net sales	\$ 1,800	\$ 1,924	\$		\$ 3,724
Cost of goods sold	1,207	1,301	(10)	1	2,533
			5	1	
			30	1	
Gross profit	593	623	(25)		1,191
Selling, general and administrative	348	431	12	m	791
Research and development	42		10	1	52
Operating income	203	192	(47)		348
Other (income) expense:					
Equity (income) losses of unconsolidated subsidiaries	(2)				(2)
Net interest expense	31	19	(26)	n	27
			3	n	
Income before income taxes and noncontrolling interest	174	173	(24)		323
Provision for income taxes	38	59	(8)	o	89
Net income before noncontrolling interest	136	114	(16)		234
Noncontrolling interest	3	1			4
Net income attributable to shareholders	\$ 133	\$ 113	\$ (16)		\$ 230
Earnings per common share attributable to shareholders					
Basic	\$ 1.34				\$ 1.09
Diluted	\$ 1.32				\$ 1.08
Weighted average common shares outstanding					
Basic	99		112	p	211
Diluted	101		112	p	213

The accompanying notes are an integral part of the Unaudited Pro Forma

Condensed Combined Financial Statements.

Table of Contents**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**

	Historical For the Fiscal Year Ended		Pro Forma Adjustments		Pro Forma Condensed Combined
	Pentair December 31, 2011	Tyco Flow Control Business September 30, 2011			
<i>In millions, except per-share data</i>					
Net sales	\$ 3,457	\$ 3,648			\$ 7,105
Cost of goods sold	2,383	2,478	\$ (18)	1	4,914
			11	1	
			60	1	
Gross profit	1,074	1,170	(53)		2,191
Selling, general and administrative	626	829	81	m	1,536
Research and development	78		18	l	96
Goodwill impairment	201	35			236
Operating income	169	306	(152)		323
Other (income) expense					
Equity (income) losses of unconsolidated subsidiaries	(2)				(2)
Net interest expense	60	41	(51)	n	56
			6	n	
Income from continuing operations before income taxes and noncontrolling interest	111	265	(107)		269
Provision for income taxes	73	112	(37)	o	148
Income from continuing operations	38	153	(70)		121
Noncontrolling interest	4	1			5
Net income from continuing operations attributable to shareholders	\$ 34	\$ 152	\$ (70)		\$ 116
Earnings from continuing operations per common share attributable to shareholders					
Basic	\$ 0.35				\$ 0.55
Diluted	\$ 0.34				\$ 0.55
Weighted average common shares outstanding					
Basic	98		112	p	210
Diluted	100		112	p	212

The accompanying notes are an integral part of the Unaudited Pro Forma

Condensed Combined Financial Statements.

Table of Contents**Note 1. Basis of Presentation**

On March 27, 2012, Tyco, New Pentair, Panthro Acquisition, Panthro Merger Sub and Pentair entered into the Merger Agreement under which New Pentair will combine with Pentair in a tax-free, all-stock merger. Prior to the closing of the Merger, Tyco will cause specified assets and liabilities used in the Tyco Flow Control Business to be conveyed to New Pentair. After such conveyance, Tyco will spin off New Pentair to Tyco shareholders by distributing all of the outstanding New Pentair common shares to Tyco shareholders. Immediately after the Spin-off, Panthro Merger Sub, will merge with and into Pentair, with Pentair surviving the Merger as a wholly owned, indirect subsidiary of New Pentair. As a result of the Merger, Pentair shareholders will receive New Pentair common shares. In connection with the Merger, it is currently expected, based on the exchange ratio formula set forth in the Merger Agreement and the number of outstanding Pentair common shares as of June 30, 2012, that Pentair shareholders will receive approximately 99,205,000 New Pentair common shares as a result of the transactions or one New Pentair common share for every one Pentair common share owned on the date of the Merger. However, no fractional shares of New Pentair common shares will be issued in the Merger. At the close of the Merger, Pentair shareholders will own approximately 47.5% of the New Pentair common shares and Tyco shareholders will own approximately 52.5% of the New Pentair common shares on a fully diluted basis. It is anticipated that New Pentair common shares will be traded on the New York Stock Exchange under the ticker symbol PNR.

The accompanying Unaudited Pro Forma Condensed Combined Financial Statements present the pro forma consolidated financial position and results of operations of the combined company based upon the historical financial statements of Pentair and the Tyco Flow Control Business, after giving effect to the Transactions and adjustments described in these notes, and are intended to reflect the impact of the Transactions on New Pentair's consolidated financial statements. The accompanying Unaudited Pro Forma Condensed Combined Financial Statements are presented for illustrative purposes only and do not reflect the costs of any integration activities or benefits that may result from realization of future costs savings due to operating efficiencies or revenue synergies expect to result from the Transactions. In addition, throughout the periods covered by the Unaudited Pro Forma Condensed Combined Financial Statements, the operations of Tyco Flow Control Business were conducted and accounted for as part of Tyco. These financial statements have been derived from Tyco historical accounting records and reflect significant allocations of direct costs and expenses. All of the allocation and estimates in these financial statements are based on assumptions that management of the Tyco Flow Control Business believes are reasonable. The financial statements do not necessarily represent the financial position of the Tyco Flow Control Business had it been operated as a separate independent entity.

The Unaudited Pro Forma Condensed Combined Statements of Income for the six months ended June 30, 2012 combine the Tyco Flow Control Business' unaudited historical Combined Statement of Income for the six months ended March 30, 2012 with Pentair's unaudited historical Consolidated Statement of Income for the six months ended June 30, 2012, to reflect the Transactions as if they had occurred as of January 1, 2011. The Unaudited Pro Forma Condensed Combined Statements of Income for the fiscal year ended December 31, 2011 combine the Tyco Flow Control Business' unaudited historical Combined Statement of Operations for the fiscal year ended September 30, 2011 with Pentair's audited historical Consolidated Statement of Income for the fiscal year ended December 31, 2011, to reflect the Transactions as if they had occurred as of January 1, 2011. The Unaudited Pro Forma Condensed Combined Balance Sheet combines the Tyco Flow Control Business' unaudited historical Combined Balance Sheet as of March 30, 2012 with Pentair's unaudited historical Consolidated Balance Sheet as of June 30, 2012 to reflect the Transactions as if they had occurred as of June 30, 2012.

The Unaudited Pro Forma Condensed Combined Financial Statements were prepared using the acquisition method of accounting with Pentair considered the accounting acquiror of the Tyco Flow Control Business. Accordingly, consideration given by Pentair to complete the Transactions will be allocated to assets and liabilities of the Tyco Flow Control Business based upon their estimated fair values as of the date of completion of the Transactions. As of the date of this proxy statement/prospectus, Pentair has not completed the detailed valuation studies necessary to arrive at the required estimates of fair value of the Tyco Flow Control Business.

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assets to be acquired and the liabilities to be assumed and the related allocations of purchase price, nor has it identified all adjustments necessary to conform the Tyco Flow Control Business accounting policies to Pentair's accounting policies. A final determination of the fair value of the Tyco Flow Control Business assets and liabilities will be based on the actual net tangible and intangible assets and liabilities of the Tyco Flow Control Business that exist as of the date of completion of the Merger and, therefore, cannot be made prior to the completion of the Transactions. In addition, the value of the consideration to be given by Pentair to complete the Transactions will be determined based on the trading price of Pentair's common shares at the time of the completion of the Merger. Accordingly, the pro forma purchase price adjustments are preliminary and are subject to further adjustments as additional information becomes available and as additional analyses are performed. The preliminary pro forma purchase price adjustments have been made solely for the purpose of providing the Unaudited Pro Forma Condensed Combined Financial Statements presented above. Pentair estimated the fair value of the Tyco Flow Control Business assets and liabilities based on discussions with the Tyco Flow Control Business management, preliminary valuation studies, due diligence and information presented in public filings. Until the Transactions are completed, both companies are limited in their ability to share information. Upon completion of the Transactions, final valuations will be performed. Increases or decreases in the fair value of relevant balance sheet amounts will result in adjustments to the combined balance sheet and/or statement of income. There can be no assurance that such finalization will not result in material changes.

The Unaudited Pro Forma Condensed Combined Balance Sheet has been adjusted to reflect the allocation of the preliminary estimated purchase price to identifiable net assets acquired with the excess recorded as goodwill. The purchase price allocation in these Unaudited Pro Forma Condensed Combined Financial Statements is based upon a purchase price of approximately \$4.5 billion. This amount was derived in accordance with the Merger Agreement, as described further below in note 2(k), based on the outstanding Pentair common shares and common stock equivalents and the closing price of Pentair common shares on July 20, 2012. The actual number of New Pentair common shares issued in the Transactions will be based upon the actual number of Pentair common shares outstanding when the Transactions close, and the valuation of those shares will be based on the trading price of Pentair common shares when the Transactions close. For each \$1 change in the price of Pentair common shares, the estimated purchase price will increase or decrease by approximately \$112 million, which would result in an increase or decrease to goodwill.

The preliminary estimated purchase price is allocated as follows:

<i>(in millions)</i>	
Cash	\$ 125
Accounts receivable	707
Inventories	974
Other current assets	266
Property, plant and equipment	751
Identifiable intangible assets	1,385
Other non-current assets	393
Goodwill	2,081
Current liabilities	(810)
Long-term debt	(416)
Other liabilities and deferred income taxes, including current	(995)
Total preliminary estimated purchase price	\$ 4,461

Table of Contents**Note 2. Pro Forma Adjustments**

The Unaudited Pro Forma Condensed Combined Balance Sheet reflects the following adjustments:

(a) Cash and Cash equivalents. Cash and cash equivalents have been adjusted for the following:

A \$46.0 million increase for the settlement of net receivables due from Tyco and its affiliates.

A \$400.0 million increase from the proceeds raised from the debt issuance described in (i) below and assumed repayment of the long-term portion of debt of \$518.0 million to result in New Pentair assumed net debt of \$275.0 million (assumed debt of \$400.0 million less assumed cash of \$125.0 million) in accordance with the Merger Agreement and the Separation and Distribution Agreement.

A summary of these adjustments is as follows:

(in millions)

Settlement of accounts and notes receivable due from Tyco and affiliates	\$ 2.0
Settlement of long-term receivables due from Tyco and affiliates	141.0
Settlement of accrued and other current liabilities due to Tyco and affiliates	(49.0)
Settlement other non-current liabilities due to Tyco and affiliates	(48.0)
Proceeds raised from assumed new debt	400.0
Repayment of long-term portion of debt	(518.0)
Total	\$ (72.0)

A \$34 million increase in Pentair's revolving credit facility for fees related to refinancing its existing revolving credit facility, issuance of \$900.0 million in senior notes and a prepayment premium on private placement notes being refinanced.

An \$11.0 million net decrease for the payment of fees associated with Pentair refinancing its existing revolving credit facility and issuance of \$900.0 million in senior notes.

Payment of the remaining transaction costs and prepayment premium described in (k) below.

A summary of these adjustments is as follows:

(in millions)

Advance from revolving credit facility	34.0
Fees refinancing of existing revolving credit facility and issuance of senior notes	(11.0)
Remaining transaction cost described in (k) below	(40.0)
Prepayment premium described in (k) below	(44.0)
Total	\$ (61.0)

(b) Accounts and Notes Receivable, net. Accounts and notes receivable, net have been adjusted as follows:

A \$2.0 million decrease for settlement of Tyco Flow Control Business receivables due from Tyco and its affiliates.

A \$4.0 million increase relating to an income tax sharing receivable, as defined by the 2012 Tax Sharing Agreement that the Tyco Flow Control Business will enter into with Tyco. The amount is derived from tax liabilities that the Tyco Flow Control Business expects to pay but are indemnified by Tyco in accordance with the 2012 Tax Sharing Agreement. The actual amounts that the Tyco Flow Control Business may be entitled to receive under this agreement could vary depending upon the outcome of the unresolved tax matters, which may not be resolved for several years.

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A summary of the adjustments is as follows:

in millions

Settlement of receivables due from Tyco and its affiliates	\$ (2.0)
Receivable related to the 2012 Tax Sharing Agreement	4.0
Total	\$ 2.0

(c) ***Inventories***. A \$101.0 million increase in finished goods inventory to reflect the estimated fair value of the Tyco Flow Control Business inventories.

(d) ***Property, Plant and Equipment***. A \$125.0 million increase in property, plant and equipment (\$105.0 million in plant and equipment and \$20.0 million in property) to reflect the estimated fair value of the Tyco Flow Control Business property, plant and equipment. Plant and equipment are expected to be depreciated over a weighted average life of approximately 10 years.

For each \$10.0 million adjustment to property, plant and equipment, assuming a weighted average useful life of 10 years, depreciation expense would increase or decrease by \$1.0 million and \$0.5 million for the year ended December 31, 2011 and the six months ended June 30, 2012, respectively.

(e) ***Goodwill***. Represents the elimination of \$2.1 billion of existing goodwill of the Tyco Flow Control Business and the assignment of \$2.1 billion of goodwill attributable to the Merger.

(f) ***Intangible Assets***. Represents the elimination of \$121.0 million of existing intangible assets of the Tyco Flow Control Business and the recording of \$1.4 billion identifiable intangibles assets attributable to the Merger.

The estimated intangible assets attributable to the Merger are comprised of the following:

<i>(in millions)</i>	Amount	Annual Amortization Expense	Quarterly Amortization Expense	Estimated Weighted Average Life
Indefinite lived intangible asset	\$ 390.0	\$	\$	N/A
Definite lived intangible asset	875.0	87.5	21.9	10
Customer backlog	120.0			