

Motorola Solutions, Inc.  
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Citi Global Technology Conference  
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**PARTICIPANTS**

**Corporate Participants**

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**Greg Brown** – Chairman and Chief Executive Officer, Motorola Solutions, Inc.

**Other Participants**

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**Stan Kovler** – Analyst, Citigroup Global Markets

**Stan Kovler, Analyst, Citigroup Global Markets**

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So, welcome. This is once again day two of the 2015 Citi Global Tech Conference and I'm Stan Kovler, Communication and Hardware Small/Midcap Analyst here at Citi and I have the pleasure of hosting Greg Brown, the CEO of Motorola Solutions. As we all know, Motorola Solutions is one of the biggest providers of public safety equipment, land mobile radio and there's been a lot happening actually recently. So it'll be great to have Greg's take on some of the recent activities and investment by Silver Lake. And it seems like the company's been energized to do a lot of things, both on the capital allocation front and strategic planning for some growth. So maybe you can highlight some of the things there to kick us off.

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Sure. So we've been working very hard over the last several years to position more effectively Motorola Solutions. I think of, Stan, kind of three things: Capital deployment, operating leverage or cost structure, and growth. We've done a lot on capital deployment. We've purchased coming out of -- before the tender coming out of Q2 we purchased about \$8.7 billion of share repurchase, plus a healthy dividend and contracted the share base 40 percent in about four years since 2011. We've been I think good stewards of capital and committed to capital return to our investors.

On the cost structure, we've also worked very hard, both in monetizing non-strategic assets and positioning Motorola Solutions to be a pure play worldwide leader in mission-critical communications, most recently selling the enterprise business to Zebra in October of last year for just under \$3.5 billion. So on the cost structure side as we sell those other assets and reduce the cost overhead of the firm we are tracking to take out about \$175 million of opex this year, which will bring the total reduction for the expense reduction to approximately \$525 million over the last three years.

Now having said that, the third key leg of the stool is growth. We have grown Q1 and Q2 of this year in constant currency terms. North America has led that resurgence, growing nicely. Backlog has been built and the pipeline is pretty healthy.

So, the Silver Lake investment was the culmination of several months' worth of discussion and negotiation. I'm very excited by it and I think of Silver Lake as extending and accelerating the strategy of record by management. So I think they're provide particular insight around software and what we call smart public safety software as well as services. But I am optimistic and excited by the combination. We obviously didn't need to do that deal, nor did we need the capital. But we wanted to do the deal and I think that capital, the billion dollars of capital can be used for a combination of capital return as well as further investment, whether it be organic or inorganic. So exciting times.

**Stan Kovler, Analyst, Citigroup Global Markets**

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So I would imagine a lot of the potential discussions with them could be around, as you said, software that could come externally. With smart public safety what do you feel like you have as far as solutions in-house maybe in development and some of the types of solutions that you feel you might need to grab externally?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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I think of it this way, Stan. We're the best company in the world that does mission-critical communications and mission-critical communications is the push to talk encrypted secure voice around situational awareness. The Silver Lake partnership, in addition to what we're already doing, is about combining mission-critical intelligence with mission-critical communications whether that's social media aggregation, data analytics, 911 call management software.

We've done a couple of acquisitions already this year, small tuck-ins. I think that the partnership with Silver Lake and being the best technology private equity company in the country brings other opportunities that avail themselves around mission-critical intelligence and incident management that would combine and complement our leading position in situational awareness and mission-critical communications.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Now you talk about the smart public safety market as being a very large opportunity for you and where I think it converges with public safety LTE is also beyond data but also for video.

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Right.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Where do you see yourself as a player in video, both down from kind of the video capture on the body to maybe some management of city infrastructure? We're seeing a lot more cameras up in cities and being built up by folks like IBM and those types of partnerships. And then also to that end, maybe you weren't putting up the cameras specifically. Are there partnerships to be had with some of the folks that are doing that or is it actually market share where you plan to attack those types of opportunities?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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I think video, to your point, will become, has become much more significant to the provisioning and security and delivery of public safety from a number of different standpoints. So let's start with public safety LTE is having a wider broadband pipe for private networks to in this case in the United States we're working on the deployment of Los Angeles so that video streaming and high bandwidth video can be accommodated to the first responder along with mission-critical encrypted push to talk. So the public

safety LTE from a plumbing and infrastructure standpoint to accommodate video is an opportunity for us, by the way not just domestically but we're building out two other broadband networks in the Middle East.

In addition, there's a lot of discussion around the edge devices themselves, body cameras. We resell a body camera today and we see demand for that. Stay tuned for some further things that we'll look to do there on the edge device. But I can't say anything more about that at this point in time.

But the third area, Stan, around video is what do you do with it, the aggregation of it, the analytics of it. And that's partly the investments that we've made to date. So yes, we'd like to participate with the edge device. Yes, we'd like to have the infrastructure accommodated for private networks provisioning public safety LTE to be able to deliver that high speed video.

By the way, in a video surveillance only network we're also, as an example, managing the City of Chicago's video network and the cameras associated with that. We don't do that frequently. But that too is an opportunity that if it presents itself and we could use infrastructure and capability within the firm we'll evaluate those opportunities in kind. So it is a huge driving force in public safety and one that we as MSI can participate at a number of different junction points.

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**Stan Kovler, Analyst, Citigroup Global Markets**

Well, you've already done about \$100 million in smart public safety revenue that you talked about last quarter. But the opportunity is \$6 billion.

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**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

Right.

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**Stan Kovler, Analyst, Citigroup Global Markets**

That's what you've talked about.

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**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

It's a very nascent market. It's very fragmented, smart public safety. So I view that that will be an opportunity for us to continue some thoughtful tuck-in acquisitions of modest size around software that's different than the systems software we do organically. But as you said, it's a very small business, one we think can grow double digit for a continued period of time, but one that's a substantial opportunity from a mindshare and a capability standpoint that we expect it to provide more services in that area.

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**Stan Kovler, Analyst, Citigroup Global Markets**

When you sized up the total TAM, how much do you think video was a fraction of that amount and other opportunities?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Well, when we sized smart public safety to \$6 billion, we think about it as \$5 billion of software content, \$1 billion of public safety LTE. I think that \$1 billion excludes FirstNet and I believe it excludes China as well. And as I mentioned earlier video will cross both those TAMS of \$1 and \$5 billion handsomely.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Now, public safety LTE was also an extension of your voice capabilities but there were some discussions more recently about how that opportunity could be something that you capture over a longer period of time as a lot of things have to come together, both in terms of the revisions of LTE technology on some of the standards, things like that. Do you feel like we're closer to deployment of that? Can you demonstrate something like the LA-RICS to accelerate things like that? Or is it still something out there that you see further out, maybe kind of a five year trend imminent?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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I think public safety LTE is ready for primetime right now. I say that because we're double -- we're implementing LA-RICS, which is a contract that's been de-scoped and modified. It's probably about \$100 million, maybe a little bit less than \$100 million in total award value for the public safety LTE award but we're in the final throes of completing that implementation. We're also implementing actively the other two countries in the Middle East which are a few hundred million in total award value. So we're doing it now and it's ready.

We still believe that we will approximately double our public safety LTE revenues this year, fiscal '15, over last year. We haven't guided for that revenue yet in '16. We'll update that as we get into the beginning of next year.

Again, the other thing worth mentioning, Stan, is public safety LTE is additive. Very important, it's additive to LMR, to land mobile radio. In Los Angeles we're building right now a new land mobile radio ASTRO network, as well as a new public safety LTE network. In one of the other countries in the Middle East we're deploying and building out public safety LTE. I anticipate they will upgrade their LMR network. And in the third opportunity, also in the Middle East, we are building out a public safety LTE network and expect them to tender for a new TETRA LMR network, either by the end of this year or early next year. So it's very important to understand that these are separate technologies, separate systems. The LMR is mission-critical, always on, reliable, encrypted, secure, push to talk voice and that these public safety LTE networks are designed around the delivery of data and video. They're additive, not substitutional.

**Stan Kovler, Analyst, Citigroup Global Markets**

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And the transition from LMR voice to LTE voice for public safety, how much of an opportunity is something like that?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Well, I view them as distinctly different. I think that we will continue to build, upgrade, sell new and expand multi-year services contracts on LMR and we will build new public safety LTE networks for data and video. So I view them as separate.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Got it. When you think about that both in the US and outside the US, you have two deals in the Middle East for that, it sounds like once you kind of capture the few large cities in the US that from a dollar standpoint the opportunity seems bigger globally. Who are you going up against both here and outside the US? Is there a difference? Are there new competitors coming in because of this is more of a data play? Who are you seeing out there?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Well, I think that the growth in public safety LTE in near-term will be more outside the US. Inside the US we're focused on completing the Los Angeles network and then over time putting devices on the Los Angeles network. In the United States it will be governed by FirstNet. FirstNet's talked about an RFP coming out at the end of '15 or earlier '16 with rollout potentially starting end of '16 or early '17. So I think in the United States it'll be a bit more elongated.

We partnered with Ericsson so that we have the eNodeB base stations that are hardened by us and combined with our private systems. Who we may go against, I've seen that Nokia has a similar partnership with Harris and we'll see what others do. But we've been investing in public safety LTE for several years. I believe we have the broadest portfolio. I think we're best-positioned to win and lead. The three largest awards that have been extended to date globally, we've won all three. But I think it'll be slower in the US and more opportunity more near-term internationally in the next 12 to 18 months.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Good. And then when you think about your services business that was a little bit more tactical because it happened last quarter as well, the last couple of quarters, a lot of focus on lifecycle services and that area has grown. What are people doing with those existing networks? What's different and enables you to win some of those deals? Is it just something as simple as, well, the equipment's getting older and people need a way to manage it? Or is the complexity still increasing even though it's something that people have used for many years?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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I think the latter in particular as well as a little bit of the former. So these networks are getting more sophisticated. There's more IT content. They're IP-based. And as the complexity increases of these networks, customers are looking for us to do more in the management of them.

I also think that over time there'll be an opportunity for us to manage more of these networks on behalf of our customers. So we manage the network for the State of Illinois. We manage the network for the State

of South Carolina. We manage some of the data networks in Australia. I think the value proposition given our domain expertise and our incumbency -- and this is one of the areas that I'd like to partner and think more deeply about with Silver Lake. I think of - there's the services around installation and systems integration to get the system installed and then I really look at support services which is both lifecycle and managed. And support services, I think of hardware maintenance, software maintenance, multi-year maintenance agreements, as well as managed services, meaning managing the network for them. In some cases, they may want us to operate it. In other cases they may want us to build and own then operate it.

So I look at that support services continuum of about \$1.1 billion of revenue and the domain expertise that we have and the economies of scale that we have in public safety that we can provision and extend to customers being a pretty compelling value proposition for us to bend the revenue curve on overall support services. We will structure ourselves accordingly and look to maintain more of those networks over time.

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**Stan Kovler, Analyst, Citigroup Global Markets**

Is there any SaaS model, especially maybe in smaller cities or anything like that? Is that a large opportunity for you as well when you think about those areas?

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**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

I think it's potentially yes. We'll see how the market evolves. The nice thing is even if we move more toward a services mix, while the gross margin may be different, the operating margin profile is very comparable. So overall from a financial envelope standpoint we will obviously look to continue to sell product but we'll also look to sell more and more support services while maintaining and looking to grow free cash flow per share, looking to expand operating margin and looking to grow EBITDA margins.

Norway, by the way, is a very big -- one of the -- it's the biggest network I think we've ever put in. Its installation is being completed this year. So next year, we have an \$80 million revenue headwind that's incorporated into '16 given the size of the completion of the Norway network that falls off. Now, that's the bad news. The good news is that initial margin, due to its complexity, had very low gross margin to begin with. So while the \$80 million headwind is in 2016, its margin profile was pretty low to begin with. By the way, overall, just since we're talking about next year, iDEN also will fall off about \$40 million of revenue next year. I think when it's all said and done iDEN will come in closer to \$100 million for this year, fiscal 2015. But as anticipated, that network will decline as well to the tune of about \$40 million next year.

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**Stan Kovler, Analyst, Citigroup Global Markets**

Since we're talking about headwinds, what about the LA-RICS deal that was completed this year? Any continuation into next year? Or was that cutoff?

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**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

I think there'll be some revenue with LA-RICS in 2016 as well. But the rescoping and the implementation of it and the completion of it this year is incorporated into the guidance we gave for Q3 and Q4. I mean overall the only other thing we see from a regional perspective, we're seeing continued deterioration in

Latin America, primarily led by Brazil as the macroeconomic conditions worsen there. Although, Brazil is probably, I don't know, roughly 2 percent of our revenue so we will look to manage it accordingly.

**Stan Kovler, Analyst, Citigroup Global Markets**

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And then narrowbanding was something in '13-'14 that affected you as well, helped you probably this year. Is that done as the year-over-year comp going into next year or anything residual for 2016?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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No. I would look for narrowbanding to be largely complete by the end of this year, substantially behind us and I think that's reflected in the growth rates in North America.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Got it. On the recent call you mentioned that there were some large projects affecting services gross margin. Norway, it sounds like that was...

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Primarily Norway.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Okay.

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Yeah. We expect next year gross margins in the services business to return to more normalized rates. Norway was the one that was compressing it primarily for this year.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Got it. And then just transitioning back to where the operating model -- as you think about where you are and the opex controls that you've mentioned where you took out \$500 million plus of opex and you stated that you're kind of in the seventh/eighth inning of opex reductions, what's the impact next year as far as that goes? I mean how much is left from kind of a dollar standpoint?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Yeah. We will be on track to complete \$525 million as I mentioned of reductions since 2012. I think the heavy lifting on opex reductions is more in the rearview mirror. But, Stan, we will continue to tweak our

overall expenses, things around manufacturing, real estate footprint, shared services optimization, services deployment, IT G&A. There'll be some additional opportunity but nothing -- we did \$205 million last year, \$175 is the target for this year. I think there'll be some this year but modest. So that's what we're -- that's the way we're thinking about the model.

**Stan Kovler, Analyst, Citigroup Global Markets**

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I guess where I'm going with that is that if you acquire even some small tuck-in acquisitions or if you invest organically in growing some of these areas that we talked about at the beginning that there might be some reinvestment that could potentially offset and outgrow opex a little bit. Does that sound right or will you try to manage it to be flattish?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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We're going to try to manage it to be flattish or slightly down. So that's our current thinking.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Can you give us your thoughts on delevering? You're investment grade now. Beyond the point of where you are now with your repurchases that you've done quite a bit of, at what point is there going to be refocus on the dividend? Because if you take out this much of share count then going into next year dividend per share obviously goes up. And kind of where do you grow that from there and how do you think about as just a percentage of the billion dollars of operating cash flow that you generate, \$800 million of free cash flow, how do you think about allocating that between just share return, maybe more in the form of dividends than just repurchases you've done recently?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Yeah, a couple of things. From a steady state standpoint, if you think of the company at steady state, we think of 50/30/20, 50 percent of the operating cash flow to be used for share repurchase or M&A, 30 percent capex roughly, this is a rough framework, and 20 percent dividend. We have obviously taken on more debt. We just completed the tender, the \$2 billion tender. So, we are also committed to remaining and retaining investment grade. So we think of net debt to EBITDA from a leverage standpoint of maybe 2-2.5:1 and we also took steps last year to de-risk pension. So I think coming out of Q2 our underfunded pension liability is about \$1 billion. And I think that should take care of itself as interest rates return upward despite whatever speed they get deployed by the Fed. So I think our balance sheet is pretty healthy. And as you said, Stan, we have the ability to generate significant amounts of cash on the profile of this company that we'll look to deploy with maximum return.

**Stan Kovler, Analyst, Citigroup Global Markets**

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So still thinking about 50 percent on buybacks and only 20 percent on dividends...

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Buyback or M&A.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Buyback or M&A. As the share count gets smaller and smaller, what's kind of the threshold as far as dilution is concerned where do you need to get to like 100 million shares outstanding to start thinking more about the dividend? Like how do you think about that?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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No. Dividend remains very important. We know it's important to the investors. We've increased it pretty healthy since spin at double digit annual rates. And I think we'll continue to evaluate the dividend between now and the end of the year.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Understood. When you think about your public safety verticals, especially with Silver Lake now, is there going to be a move to focus more on more commercial areas where this type of technology can be deployed, security, surveillance, going into the industrial verticals where you've played before? How do you think about those opportunities?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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I don't see a change in our philosophy with the addition of Silver Lake. We focused on public safety and mission-critical communications there. To your point, we have a commercial markets group, particularly in North America, that focuses on critical infrastructure as well as verticals where this technology is important, whether it be mining, utility, oil, gas, transportation, logistics, hospitality, and gaming. So I don't see that focus changing at all with the addition of Silver Lake. I think it will just reaffirm the path we're on.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Do we have any questions? We have a mic going around hopefully. Just wait for the mic so we have the question on the webcast.

**Question from the Audience**

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Can you talk about the software strategy a little more in light of the partnership you guys announced? I guess if you've only given some color but is the plan -- is acquisitions part of the plan? Obviously you don't necessarily need the capital that you've raised near-term. But I guess the difficulty I'm having is given where our revenue multiple basis a lot of kind of targets out there in theory trade and for it to kind of move the needle, if part of the plan is to kind of infuse some growth in to the run rate of the business, then I guess I'm trying to understand is it more a string of pearls or larger things would be considered what's kind of the software strategy, organic versus inorganic going forward?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Yeah. I think what we do organically well at Motorola Solutions is the systems software and by that I mean the software development associated with the provisioning of the systems around ASTRO, P25, Tetra and PCR. This software is different and I think it will be more inorganic. I think it'll be small tuck-in acquisitions. And I think it will be things associated not with mission-critical communications of the delivery of the communications networks that we do but more around things in the command center. So I view them as additive and separate and I think about it more in terms of along the lines that we've been doing. I don't -- I'm not aware of a big significant acquisition that would avail itself on the app software side or ecosystem side today that we're evaluating or that we could entertain. But I think that with Silver Lake's technology expertise and software acumen the additional expertise and lens they bring to our evaluation in M&A candidates I think will be additive.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Let's just keep going here. So what I wanted to ask you again was more in terms of the backlog. I mean you've been growing the backlog mostly in services. In terms of the systems and that side of the business, there's also been a little bit of growth. Where do you see the opportunities going forward as LTE gets going? Do you see that -- should we expect backlog to grow more on the product side now that you've gone through and you have these opportunities internationally? Or services, because of the things we've talked about with just the existing systems? Is that the main engine for growth here?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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We've actually grown both. We've grown overall backlog but also product backlog and services backlog in the past few quarters. Overall from a dimensionalization standpoint, I would expect services backlog to grow more given the nature of these multi-year annuity contracts that from a total lifecycle award will have larger numbers embedded in the calculation of the backlog than just the product group. So obviously we like to see growth in both. But I think we'll likely see more backlog expansion in the services than product.

**Stan Kovler, Analyst, Citigroup Global Markets**

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And are you seeing this both on the Tetra international networks or, again, kind of back to the US as far as the next services opportunities?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Historically we've seen some growth in both domestic and international for product and services. Hard to predict the mix going forward. But I think backlog sits at \$5.9 or \$6 billion right in that zone coming out of Q2.

**Stan Kovler, Analyst, Citigroup Global Markets**

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And when you think about your emerging markets business overall, have you started to feel any impact from emerging markets on those types of run rates? I mean you mentioned Latin America, etcetera. And any exposure to other emerging markets that have fallen on some more challenging times?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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I think the two regions that have been most challenging are clearly Latin America led by Brazil's continued deterioration. Eastern Europe has been challenging, primarily in our case led by Russia. So Russia had a certain run rate of business, primarily around PCR. In the last few years that has fallen on hard times given the economic sanctions and the state of their economic where demand for PCR in our experience has been pretty significantly compressed. Those are the two regions that are more pronounced.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Anyone else? No. As far as your gross margin profile growth with software, are you thinking about from a financial model standpoint where you'd like that to go when you think about the contribution of mix of software, how we should think about that line?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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I generally think about gross margins staying comparable to the high 40s. We'll do some work. By the way we've done, as you mentioned, a lot of work on the expense side, primarily opex side. We'll start to do some additional work on the cost of goods above gross margin side. But I look at the work that we'll engage there, both around COGS, bills of materials and services efficiencies more around maintaining the gross margin profile being comparable to the high 40s. But again, as gross margins differ between product and services, we still believe we can expand operating margins and EBITDA margins going forward and the operating margin profile of both product and services is reasonably comparable. But we'll also continue to do some work on scrubbing to see if there's greater efficiencies around the gross margin.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Not to jump around but on -- back to the M&A front, just one thing that I wanted to ask you was M&A you mentioned was going to be a focus of free cash flow generation. Do you have any capability to do M&A from kind of either a capital raise or debt capacity if a large deal that may be attractive, some industry consolidation, comes along? How would you think about it?

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Yeah. Well, given our position in our core radio markets, I think it would be -- it could be challenging to roll up acquisitions in the core. But so therefore we think about M&A more around the tuck-in on software. There might also be some M&A that affords itself on the services side, specifically as I talked about going from hardware, software, maintenance down the spectrum of managing customer networks on behalf of

the customer. We could deploy success-based capital to certain networks that might be advantageous for us to take under our control and we would consider that. I think we still think about it staying investment grade within the leverage envelope that I talked about. The current thinking is not to go down a path of issuing equity to do acquisitions. We think we have the affordability of cash, both domestically where our cash is, and offshore to pursue the things that are in front of us for consideration.

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**Stan Kovler, Analyst, Citigroup Global Markets**

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And when you think about -- oh, there's one question from the audience.

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**Question from the Audience**

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...to grow your market share the past couple of years in P25. I think the competitive landscape has been favorable to you. EADS is divesting some of their assets. Airbus hasn't done a great job executing. Do you think there are more market share gains ahead of you? Or do you think the top line P25 will -- the top line growth from P25 will be through just market expansion?

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**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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We have gained market share in North America. I think Jack Malloy in particular, who's been running North America for more than a year and a half has done a great job with his team. By the way, last week we added Latin America to the responsibilities of Jack. So he will now say grace over the Americas in total and look at growing the revenue both direct and indirect for all of the Americas. I think also that structural realignment should give us some efficiencies on the cost side.

But we've taken market share from our primary competitor in North America. I know the opportunities we're working now in North America. I wouldn't want to predict market share but I'm aware of a couple of head-to-head instances that I like our chances on. Airbus, as you mentioned, has self-declared that they are looking to exit the PMR business. They have TETRAPOL assets which is a very old legacy proprietary protocol around countries like Spain and Mexico and France, as well as others. They have some TETRA assets as well and they have other assets outside of the radio business. I think that we are eager and have been eager to compete with them head-to-head and look at the disruption around the transition of that asset and the uncertainty around it as advantageous to us and the opportunity to win some business if not this year, then next year against Airbus. So perhaps some margin share gains as well as the overall expansion of the market itself.

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**Stan Kovler, Analyst, Citigroup Global Markets**

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I think do we have any closing statements or anything ...

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**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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I just think that I like the position of the company. We've worked very hard since spin to get this pure play Motorola Solutions Company as well-positioned as we possibly can. I go back to that kind of what I would call the golden triangle: Smart deployment of capital, appropriate cost structure lowering the fixed

breakeven as much as possible, and then have variable costs above it that would flex with volume to maximize operating leverage and margin and free cash flow per share expansion, and then top line growth. Hard to predict the top line growth. There's different macroeconomic winds blowing. But nonetheless I think the installed base, the backlog, the longevity of our systems, the uniqueness of the services we provide, the durability of earnings and cash lend itself well for us to navigate these waters going forward.

I'm very excited about the Silver Lake deal and it's a culmination of several months' worth of work and I'm very pleased to have both Egon Durban and Greg Mondre on the board. We've engaged with their teams over the last several weeks a number of times already around work streams primarily designed around metrics, knowing our customers more effectively and growing top line. So lots to do. There's always a lot of uncertainty in the market but between the profile, the assets, the balance sheet, the brand and the people and channels I think we're well-positioned and I appreciate you having me here today.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Thanks a lot.

**Greg Brown, Chairman & Chief Executive Officer, Motorola Solutions, Inc.**

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Thanks for listening.

**Stan Kovler, Analyst, Citigroup Global Markets**

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Thanks for coming, Greg. Thanks for joining us.