

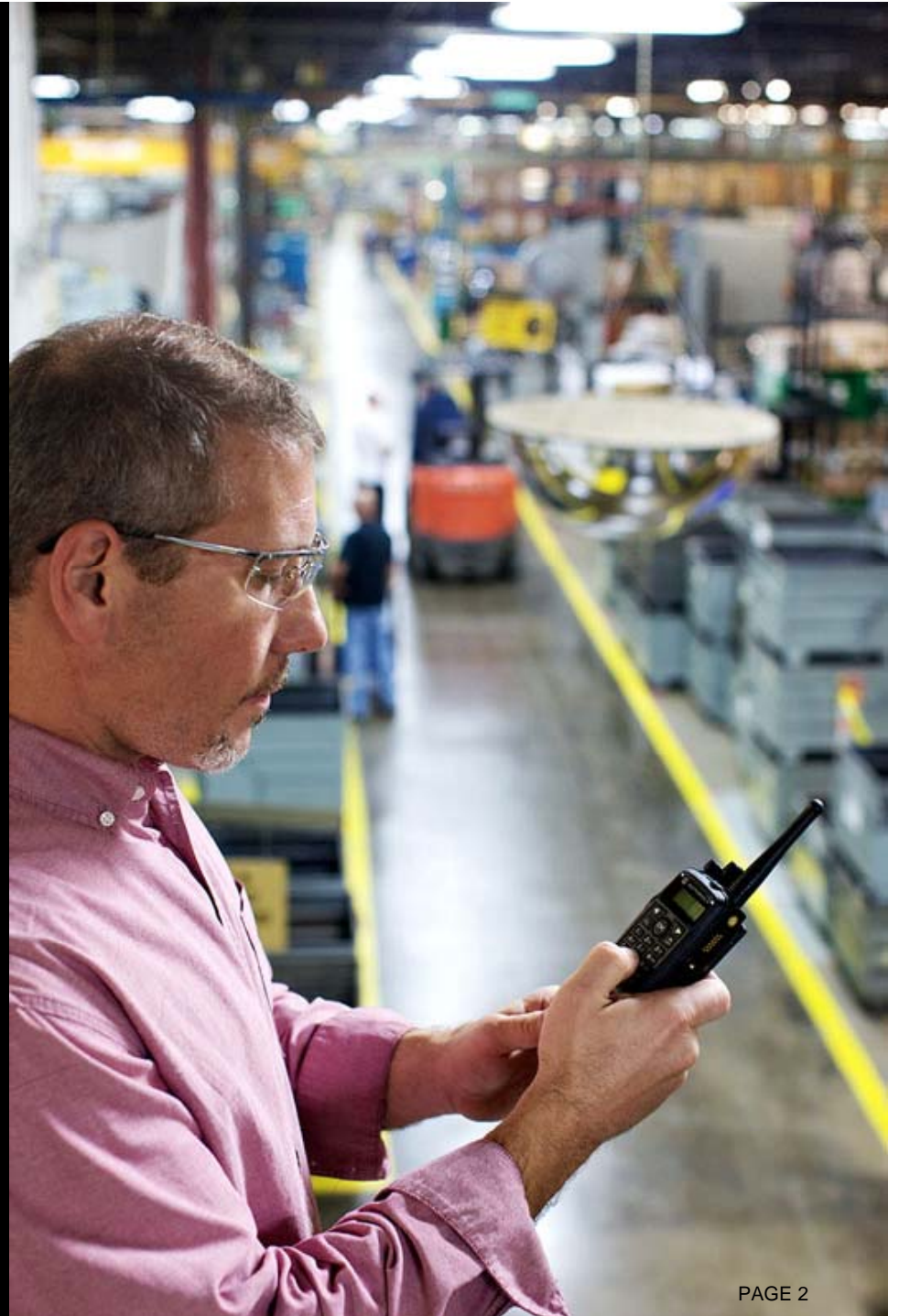
JULY 28, 2011

# MOTOROLA SOLUTIONS Q2 2011 EARNINGS CONFERENCE CALL



# SHEP DUNLAP

INVESTOR RELATIONS  
OFFICER



# SAFE HARBOR



A number of forward-looking statements will be made during this presentation. Forward-looking statements are any statements that are not historical facts. These forward-looking statements are based on the current expectations of Motorola Solutions, and we can give no assurance that any future results or events discussed in these statements will be achieved. Any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date. Forward-looking statements are subject to a variety of risks and uncertainties that could cause our actual results to differ materially from the statements contained in this presentation.

Information about factors that could cause, and in some cases have caused, such differences can be found in this morning's press release on pages 12 through 25 in item 1A of Motorola Solution's 2010 Annual Report on Form 10-K, in our other SEC filings available for free on the SEC's website at [www.sec.gov](http://www.sec.gov), and on Motorola Solutions' website at [www.motorolasolutions.com](http://www.motorolasolutions.com).

This presentation is being made on the 28th of July 2011. The content of this presentation contains time-sensitive information that is accurate only as of the time hereof. If any portion of this presentation is rebroadcast, retransmitted or redistributed at a later date, Motorola Solutions will not be reviewing or updating the material that is contained herein.

# GREG BROWN

CHAIRMAN AND CEO OF  
MOTOROLA SOLUTIONS, INC.



# ED FITZPATRICK

EVP AND CFO OF  
MOTOROLA SOLUTIONS, INC.



# Q2 2011 FINANCIAL RESULTS



(\$ in Millions)

GAAP	Second Quarter	
	2011	2010
Sales	\$2,055	\$1,936
Operating Earnings	170	161
Operating Margin	8.3%	8.3%
EPS from Continuing Operations*	\$0.17	\$0.01

Non-GAAP**	Second Quarter	
	2011	2010
Operating Earnings	315	267
Operating Margin	15.3%	13.8%
EPS from Continuing Operations*	\$0.57	\$0.37

\* Amounts attributable to Motorola Solutions Inc. common shareholders

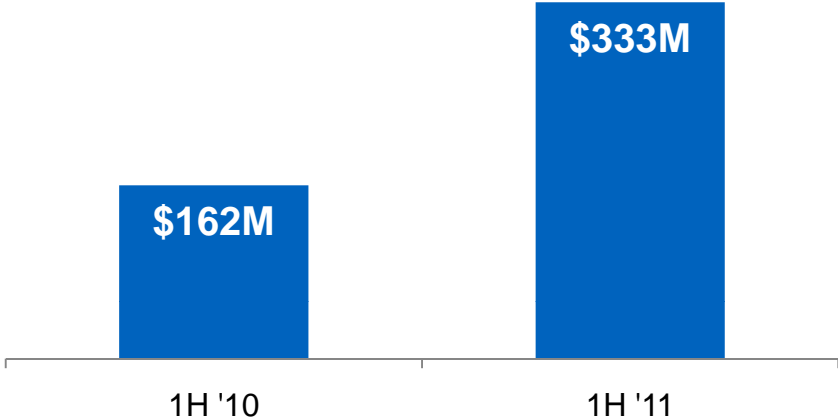
\*\* Excluding highlighted items, stock-based compensation, and intangible amortization



# CASH FLOW

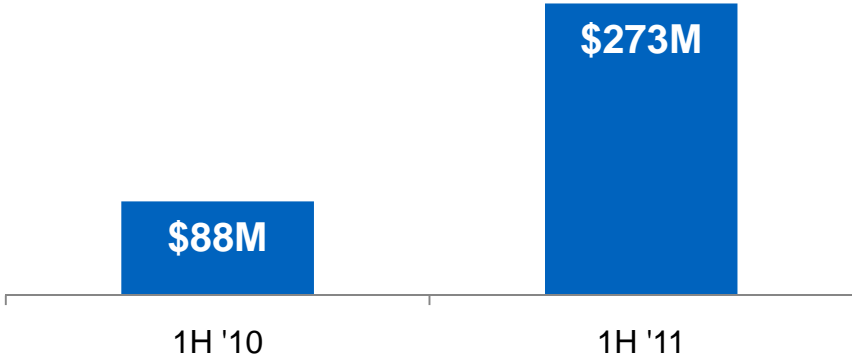
- Q2 '11 operating cash flow \$102M
- Operating cash flow up \$171M YTD

Operating Cash Flow



- Q2 '11 free cash flow \$69M
- Free cash flow up \$185M YTD

Free Cash Flow



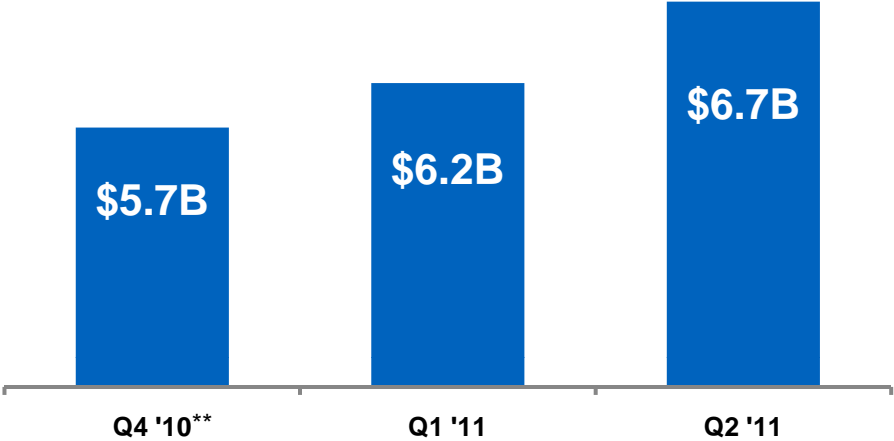
\* Free cash flow = Net cash provided by operating activities – Capital expenditures



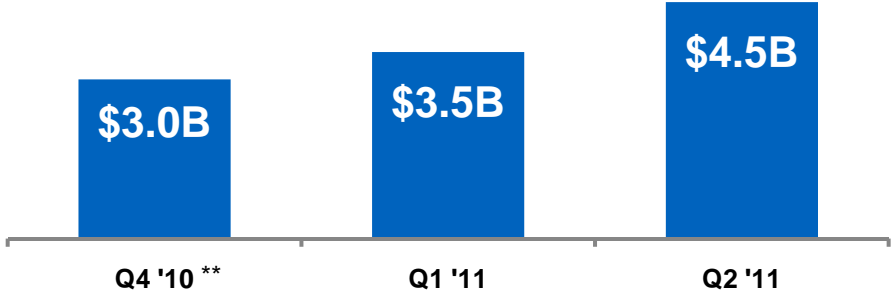
# BALANCE SHEET

- \$6.7B in total cash\*
- Completed the sale of Networks to NSN with net proceeds ~\$1B
- Retired \$540M in debt

**Total Cash\***



**Net Cash\*\*\***



\* Total Cash includes cash and cash equivalents, Sigma Fund (current and non-current) and short-term investments  
\*\*Q4 pro-forma balance following Motorola Solutions \$3.2 billion contribution of cash and cash equivalents to Motorola Mobility, as presented in the Form 8-K furnished with the SEC on 01/27/11  
\*\*\*Net Cash = Total cash – Notes Payable and current portion of long-term debt and Long term debt



# OUTLOOK



## Expected Third Quarter 2011

- Sales growth of 7% - 8%
- Non-GAAP EPS of \$0.56 - \$0.61 per share

## Expected Full Year 2011

- Sales growth 5.5% - 6.0%
- Full Year operating margin 16.5%
- Effective Tax Rate 34%-36%
- Cash Tax rate of ~15%-20%



# BALANCE SHEET TRANSFORMATION



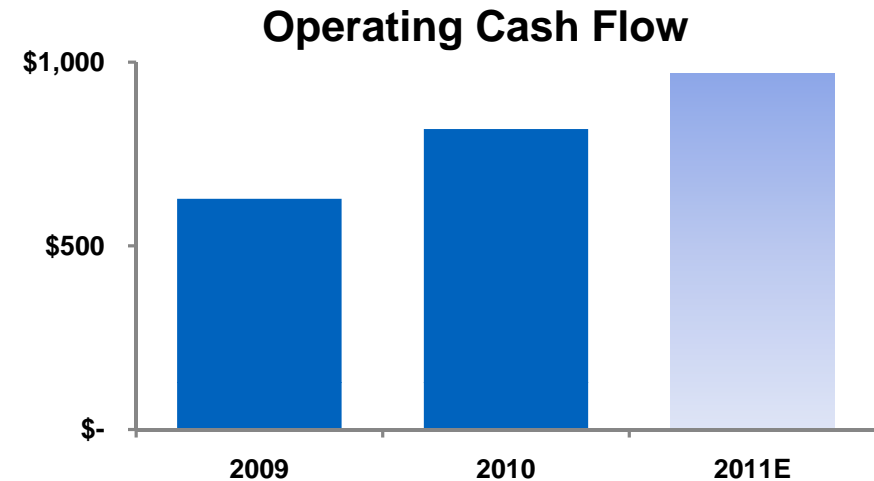
GOAL	RESULT/TARGET
Complete separation	✓ MSI listed on NYSE Jan 4 <sup>th</sup>
Close sale of Networks with NSN	✓ ~\$1B net cash proceeds received from sale April 29
Earn solid investment grade rating	✓ 3 <sup>rd</sup> and final upgrade received in May ✓ Repurchased \$540M of debt in June ✓ Plan to retire \$600M debt in Q4
Efficient use of deferred tax assets	✓ ~20% average cash tax rate expected for ~7 years
Continue to repatriate foreign cash	✓ YTD repatriated \$1B, 47% of cash in US
Announce a quarterly dividend	✓ Initial payout in Q4 of \$0.22 per share
Obtain share repurchase approval	✓ \$2.0B repurchase authorized by the Board through 2012

# CAPITAL GENERATION & USAGE

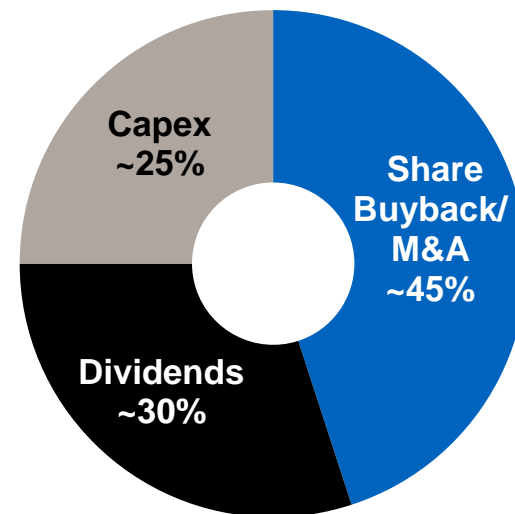


- Capital allocation that matches company growth and cash generation profile
- Ensure appropriate U.S. liquidity for working capital needs
- Maintain strategic flexibility while returning capital to shareholders through dividends and share repurchases

(\$ in Millions)

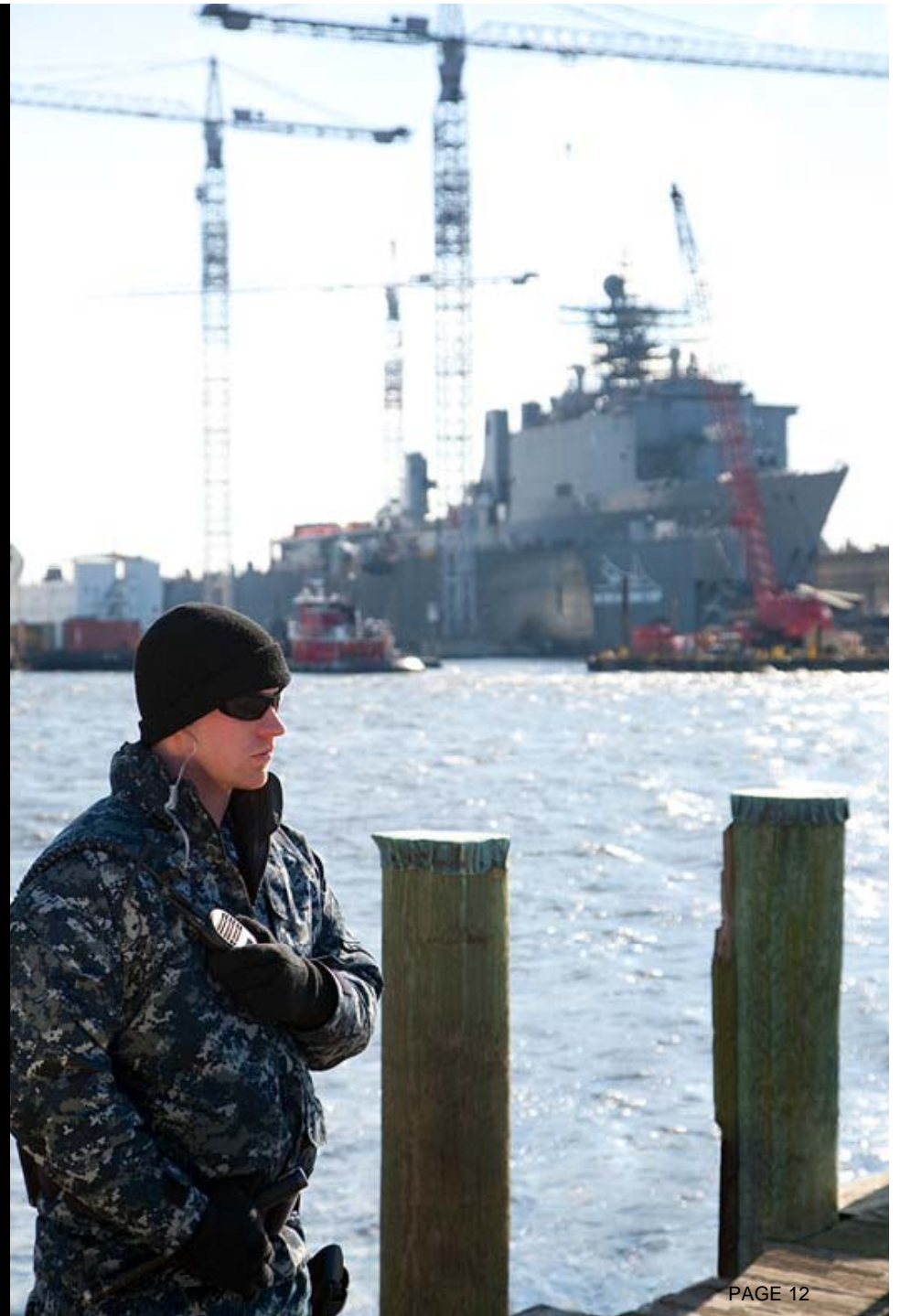


### Future Cash Usage Framework\*



\* Represents estimated uses of operating cash flow

# GOVERNMENT



# GOVERNMENT SEGMENT



(\$ in Millions)

GAAP	Second Quarter	
	2011	2010
Sales	\$1,308	\$1,262
Operating Earnings	111	117
Operating Margin	8.5%	9.3%

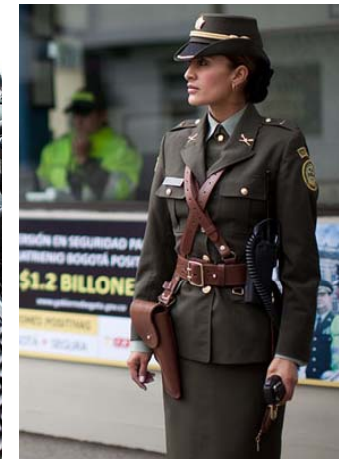
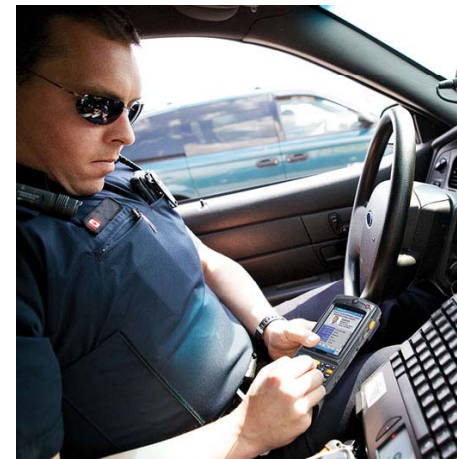
Non-GAAP*	Second Quarter	
	2011	2010
Operating Earnings	174	158
Operating Margin	13.3%	12.5%

\* Excluding highlighted items, stock-based compensation, and intangible amortization

# GOVERNMENT HIGHLIGHTS



- 4% sales growth over Q2 last year
- Operating margin\* of 13.3% compared to 12.5% last year
- Awarded large wins with Ft. Worth TX, Bucks County PA, Dept. of Justice, Lower Saxony Germany, and Shenzhen China Police
- Integrated Command & Control solutions extend beyond voice communications
- APX 7000XE P25 radio wins GOLD design award at 2011 IDEA awards



\* Excluding highlighted items, stock-based compensation, and intangible amortization

# ENTERPRISE



# ENTERPRISE SEGMENT



(\$ in Millions)

GAAP	Second Quarter	
	2011	2010
Sales	\$747	\$674
Operating Earnings	59	44
Operating Margin	7.9%	6.5%

Non-GAAP*	Second Quarter	
	2011	2010
Operating Earnings	141	109
Operating Margin	18.9%	16.2%

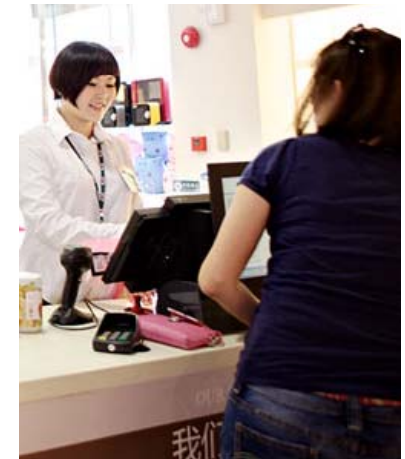
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# ENTERPRISE HIGHLIGHTS



- Sales grew 11% over Q2 last year
- Continued robust demand for solutions in EMEA and Asia
- 18.9% operating margin\* compared to 16.2% last year
- Retail and Transportation & Logistics verticals investing in technology
- Significant wins with UPS and Macy's



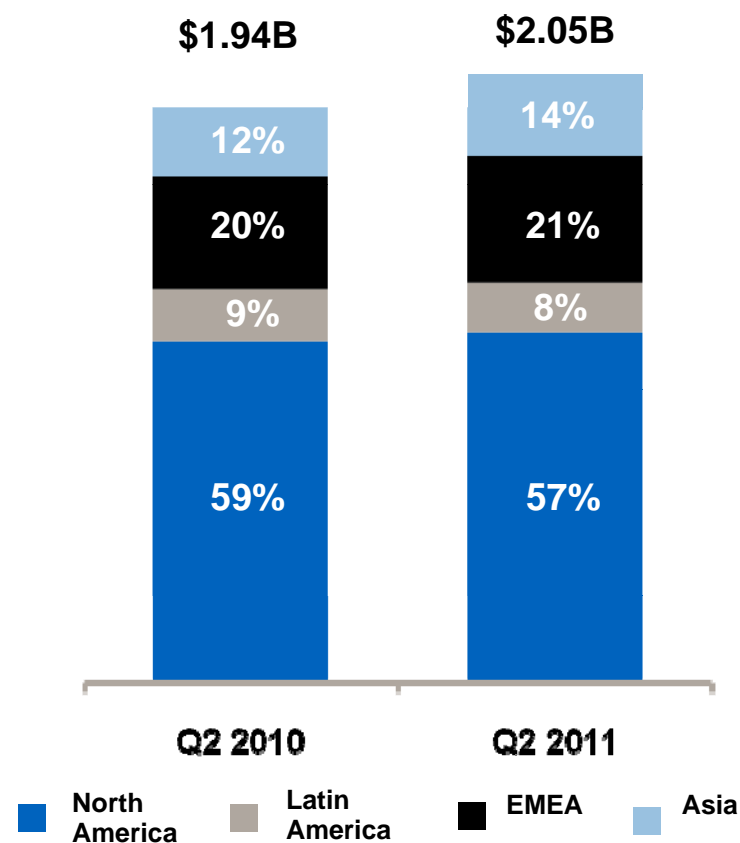
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# REGIONAL HIGHLIGHTS



- Single digit growth for North America
- EMEA double-digit growth driven by Enterprise
- Double-digit growth for Asia with strength in Government and Enterprise
- Single digit decline in Latin America driven by iDEN decline

## SALES BY REGION



# Q&A PARTICIPANTS



## **GREG BROWN**

Chairman and CEO

## **ED FITZPATRICK**

Executive Vice President  
and CFO

## **MARK MOON**

Executive Vice President,  
Sales and Field Operations

## **SHEP DUNLAP**

Investor Relations Officer

# USE OF NON-GAAP MEASURES



In addition to the GAAP results provided during this conference call, Motorola Solutions has presented certain non-GAAP measurements. Motorola Solutions has provided these non-GAAP measurements as a measure to help investors better understand its core operating performance, enhance comparisons of Motorola Solutions' core operating performance from period to period and to allow better comparisons of Motorola Solutions' operating performance to that of its competitors. Among other things, the Company's management uses these operating results, excluding the identified items, to evaluate the performance of its businesses and to evaluate results relative to incentive compensation targets. Management uses operating results excluding these items because they believe this measure enables them to make better period-to-period evaluations of the financial performance of its core business operations. There are inherent limitations in the use of operating results excluding these items because the company's GAAP results include the impact of these items. The non-GAAP measures are intended only as a supplement to the comparable GAAP measures and the company compensates for the limitations inherent in the use of non-GAAP measures by using GAAP measures in conjunction with the non-GAAP measures. As a result, investors should consider these non-GAAP measures in addition to, and not in substitution for, or as superior to, measures of financial performance prepared in accordance with GAAP.

Details of these items and reconciliations of the non-GAAP measurements provided during this call to GAAP measurements can be found at our website [www.motorolasolutions.com](http://www.motorolasolutions.com)

# SAFE HARBOR



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