

October 23, 2013

MOTOROLA SOLUTIONS Q3 2013 EARNINGS CONFERENCE CALL



SHEP DUNLAP

VICE PRESIDENT
INVESTOR RELATIONS



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 on pages 8 through 19 in Item 1A of Motorola Solutions' 2012 Annual Report on Form 10-K, and in our other SEC filings available for free on the SEC's website at www.sec.gov, and on Motorola Solutions' website at www.motorolasolutions.com/investor

This presentation is being made on the 23rd of October 2013. 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

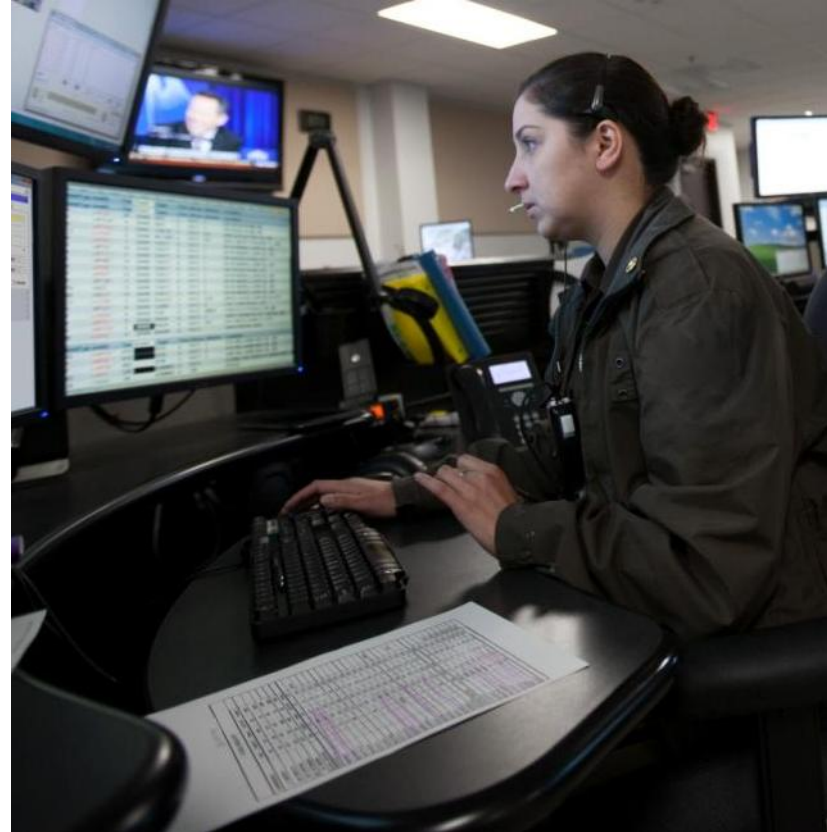
CHAIRMAN AND CEO





Q3 SUMMARY

- Sales of \$2.1B, down 2%
- Government sales of \$1.5B, down 4%
- Enterprise sales of \$647M, up 2%
- Strong operating margins and Opex management
- Continued capital return* to shareholders of \$494M



* Includes share repurchases and dividends paid

Gino Bonanotte

CORPORATE VICE PRESIDENT AND ACTING CFO



Q3 2013 FINANCIAL RESULTS



(\$ in Millions)

GAAP	THIRD QUARTER	
	2013	2012
Sales	\$2,112	\$2,153
Operating Earnings	\$320	\$324
Operating Margin	15.2%	15.0%
EPS from Continuing Operations*	\$1.16	\$0.72

Non-GAAP**	THIRD QUARTER	
	2013	2012
Operating Earnings	\$397	\$387
Operating Margin	18.8%	18.0%
EPS from Continuing Operations*	\$1.32	\$0.84

* Amounts attributable to Motorola Solutions Inc. common shareholders

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

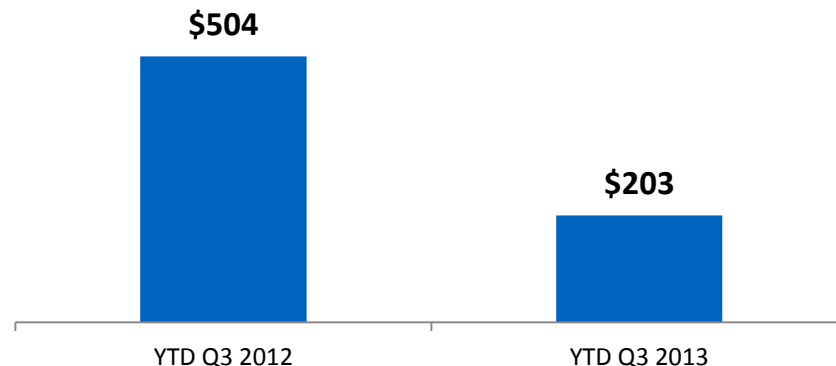
CASH FLOW



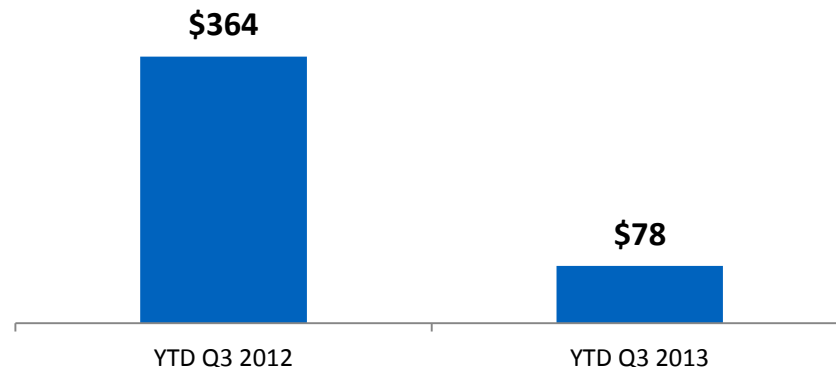
- Q3 Operating cash flow \$152M vs. \$182M Q3 last year
- YTD'13 operating cash flow \$203M vs. \$504M YTD'12
- Expect 2013 operating cash flow of approximately \$800M

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

Operating Cash Flow



Free Cash Flow*



WORKING CAPITAL



Changes from Q2 '13

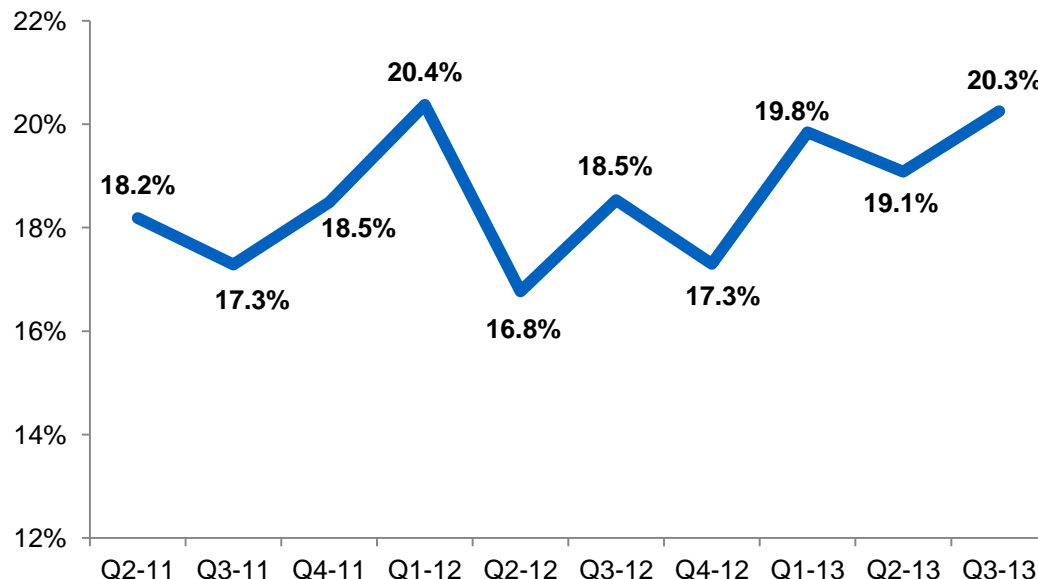
- A/R increased \$116M
- Inventory increased \$23M
- A/P increased by \$36M

Working capital historically

- Ranges ~17-20% of sales

Note: Working capital as % of revenue = working capital (AR+Inventory-AP)/quarterly revenue annualized

Working Capital Performance



BALANCE SHEET



\$2.9B in total cash*

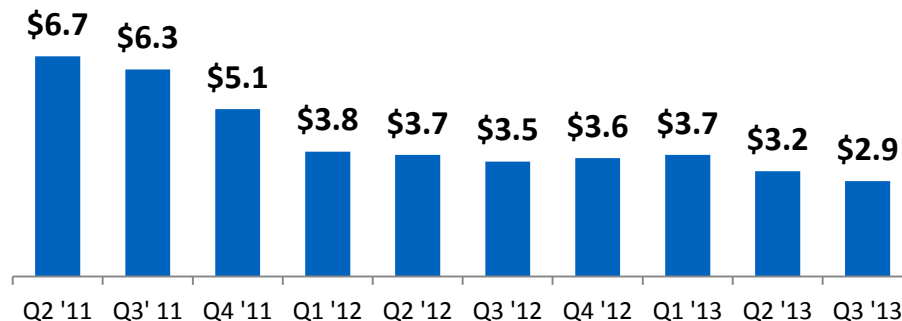
Share repurchase activity

- \$425M in Q3 (7.5M shares at \$56.60)
- \$4.9B total since July 2011 at \$49.22 average price
- Reduced net shares outstanding 25% since July 2011 buyback announcement

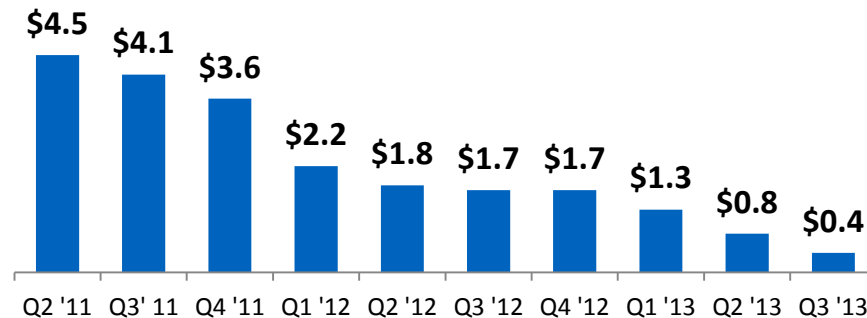
* Total Cash includes cash and cash equivalents, Sigma Fund and short-term investments

** Net Cash = Total cash – Notes Payable and current portion of long-term debt and Long term debt

Total Cash*



Net Cash**



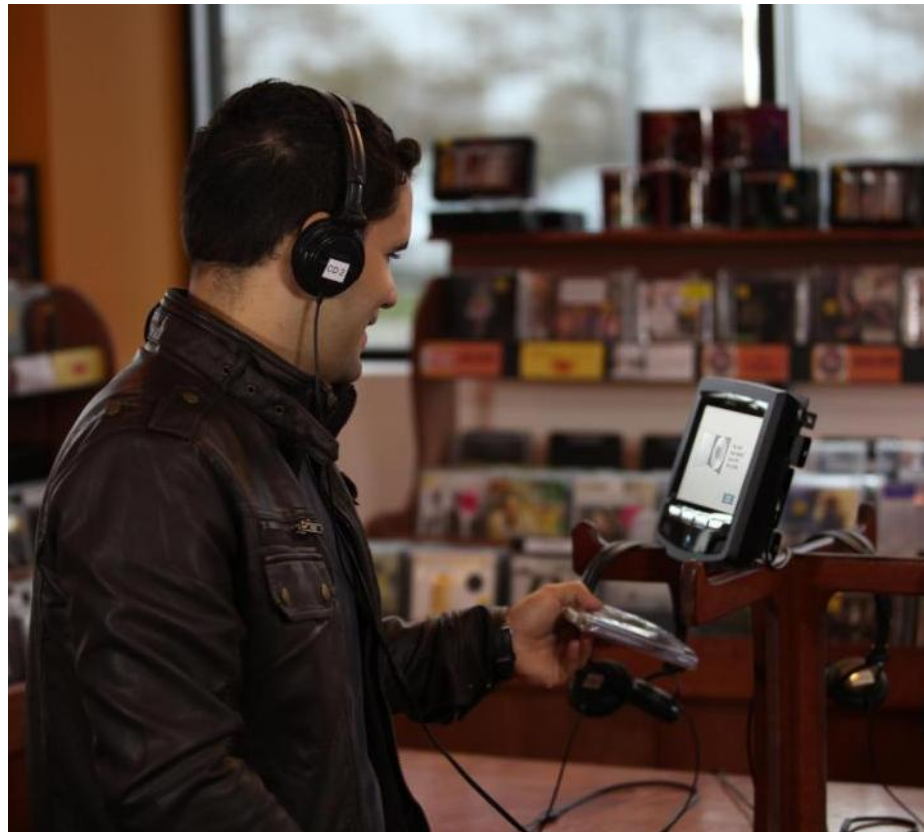
OUTLOOK



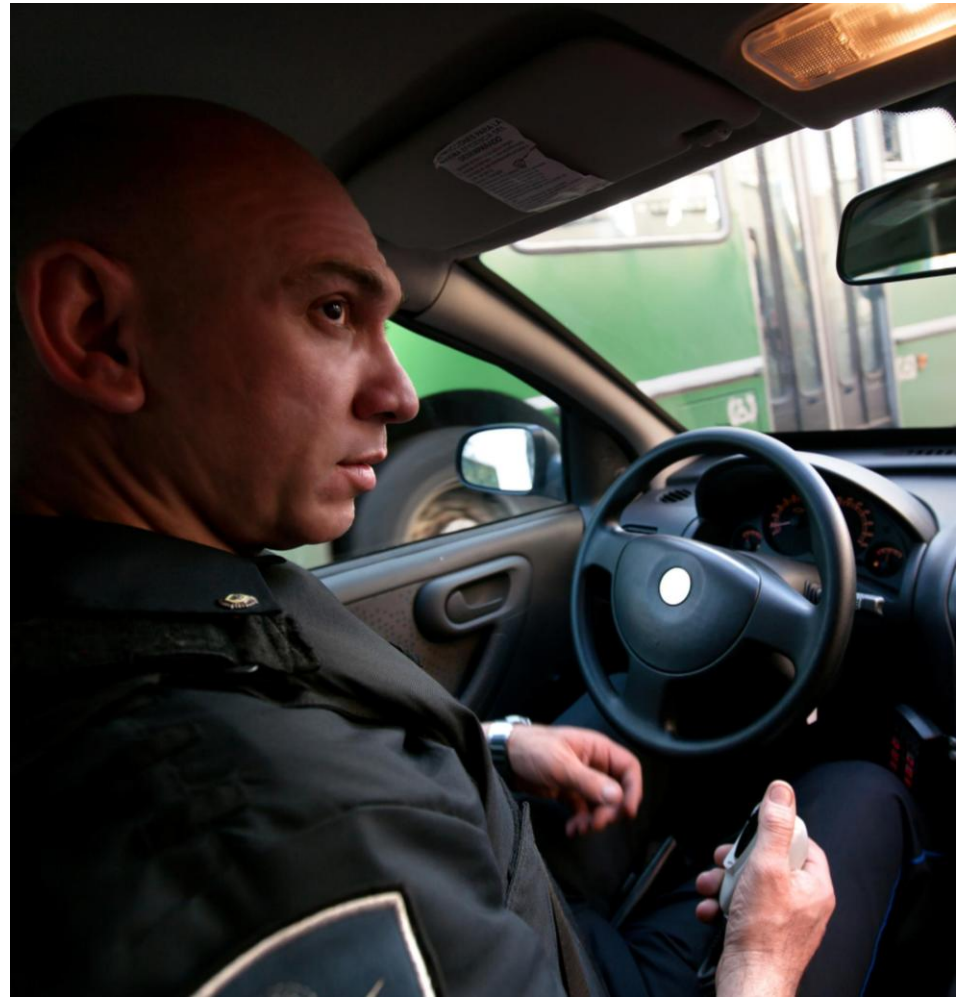
Expected Full Year 2013

- Sales growth approximately flat Y/Y
- Non-GAAP* EPS \$4.63 - \$4.70
- Operating earnings* ~ 18%

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



GOVERNMENT



GOVERNMENT



(\$ in Millions)

GAAP	THIRD QUARTER	
	2013	2012
Sales	\$1,465	\$1,521
Operating Earnings	\$252	\$273
Operating Margin	17.2%	17.9%

Non-GAAP*	THIRD QUARTER	
	2013	2012
Operating Earnings	\$299	\$310
Operating Margin	20.4%	20.4%

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

Q3 GOVERNMENT HIGHLIGHTS



- 4% sales decrease Y/Y with decline primarily driven by U.S. Federal
- Operating margin* of 20.4%, flat Y/Y
- Secured multi-million dollar contracts with LA-RICS, State of Maryland, and City of Indianapolis
- Secured multi-million dollar contracts with international customers such as Queensland in Australia, Brazilian Army; city of Montreal, Guangdong Province Police, Delhi Metro in India; and Seoul Metro in Korea



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

ENTERPRISE



ENTERPRISE



(\$ in Millions)

GAAP	THIRD QUARTER	
	2013	2012
Sales	\$647	\$632
Operating Earnings	\$68	\$51
Operating Margin	10.5%	8.1%

Non-GAAP*	THIRD QUARTER	
	2013	2012
Operating Earnings	\$98	\$77
Operating Margin	15.1%	12.2%

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

Q3 ENTERPRISE HIGHLIGHTS



- Sales increase of 2% Y/Y
- 15.1% operating margin* compared to 12.2% Q3 '12
- Secured contracts with key customers such as Jumbo Supermarkets in the Netherlands; TNT Global Express in Italy; TNT Express in France; Yodel parcel delivery in the UK; and Haier Group electronics in China
- Introduced LI2208 linear imager that captures virtually every 1D bar code, enabling workers to scan faster and farther to improve productivity and reduce customer wait times



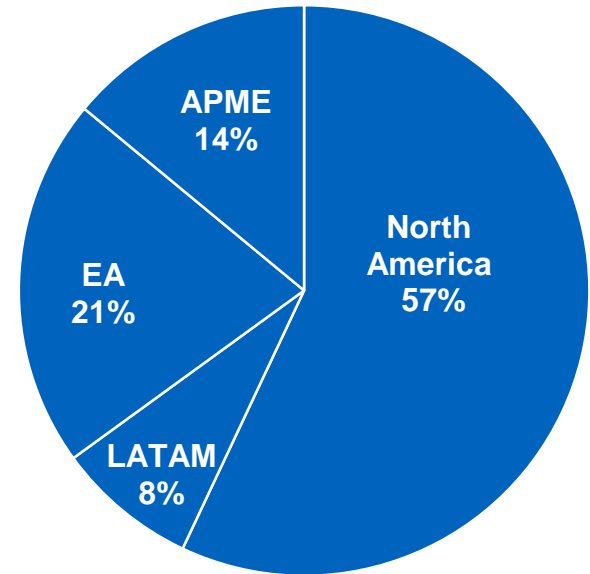
* Excluding highlighted items, stock-based compensation, and intangible amortization



Q3 REGIONAL HIGHLIGHTS

(Revenue \$ in millions)

	Q3 2013	Q3 2012	Change
N. America	\$1,212	\$1,287	(6%)
L. America	161	169	(5%)*
EA	444	394	13%
APME	295	303	(3%)
TOTAL MSI	\$2,112	\$2,153	(2%)



HIGHLIGHTS:

- Strength in EA for both Government and Enterprise
- N. America strength in state & local government
- Continued APME Enterprise growth

* Latin America excluding iDEN was flat year over year

Q&A PARTICIPANTS

GREG BROWN

Chairman and CEO

GINO BONANOTTE

Corporate Vice President and
Acting CFO

MARK MOON

Executive Vice President,
Sales and Field Operations

SHEP DUNLAP

Vice President, Investor Relations

USE OF NON-GAAP MEASURES



In addition to the GAAP results provided during this event, Motorola Solutions has provided 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 presentation to GAAP measurements can be found in the Appendix to this presentation and on Motorola Solutions' website at www.motorolasolutions.com/investor.

SUPPLEMENTAL NON-GAAP MEASURES



SUPPLEMENTAL NON-GAAP MEASURES



Motorola Solutions Non-GAAP Trend

	Q3'10	Q4'10	Q1 '11	Q2'11	Q3'11	Q4'11	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q1 '13	Q2 '13	Q3 '13
Net sales	1,890	2,185	1,834	1,984	2,085	2,300	1,956	2,148	2,153	2,441	1,973	2,107	2,112
GAAP gross margin	960	1,089	924	1,007	1,055	1,160	973	1,060	1,087	1,229	955	1,029	1,043
Non-GAAP gross margin adjustments:													
Stock-based compensation expense	6	4	3	5	6	6	6	7	6	6	6	5	5
Reorganization of business charges	5	7	3	-	-	3	-	3	3	2	-	9	8
Non-GAAP gross margin	971	1,100	930	1,012	1,061	1,169	979	1,070	1,096	1,237	961	1,043	1,056
GAAP Operating earnings ("OE")	214	272	169	159	254	276	232	278	324	423	216	266	320
Non-GAAP OE Adjustments:													
Stock-based compensation expense	33	32	36	34	39	39	37	45	38	39	39	29	32
Reorganization of business charges	22	19	5	17	10	20	9	11	10	12	11	19	24
Intangibles amortization expense	51	51	50	50	50	50	6	6	6	10	6	6	8
Other highlighted items	(39)	(39)	-	39	-	50	-	-	-	(16)	-	-	-
Non-GAAP OE	292	346	266	304	359	444	290	350	387	476	278	334	397

SUPPLEMENTAL NON-GAAP MEASURES



Motorola Solutions Non-GAAP Trend

	Q3'10	Q4'10	Q1 '11	Q2'11	Q3'11	Q4'11	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q1 '13	Q2 '13	Q3 '13
GAAP Other income/(expense)	(19)	(24)	3	(98)	(16)	(9)	12	(38)	-	(16)	(11)	(42)	5
Non-GAAP Below OE adjustments	-	-	-	81	-	-	(16)	-	(13)	-	-	-	(23)
Non-GAAP Other income/(expense)	(19)	(24)	3	(17)	(16)	(9)	(4)	(38)	(13)	(16)	(11)	(42)	(18)
GAAP Earnings (loss) from cont. operations	(12)	167	367	50	153	177	159	177	206	336	192	258	307
Non-GAAP OE adjustments	78	37	97	145	105	168	58	72	63	53	62	68	77
Non-GAAP below OE adjustments	-	-	-	81	-	-	(16)	-	(13)	-	-	-	(23)
Non-GAAP tax adjustments and effect	115	(23)	(277)	(84)	(35)	(59)	(12)	(41)	(15)	(76)	(67)	(18)	(10)
TOTAL Non-GAAP Earnings	181	181	187	192	223	286	189	208	241	313	187	308	351
GAAP Continuing operations earnings per share ("EPS")	\$ (0.04)	\$ 0.49	\$ 1.07	\$ 0.14	\$ 0.45	\$ 0.54	\$ 0.50	\$ 0.60	\$ 0.72	\$ 1.18	\$ 0.68	\$ 0.94	\$ 1.16
Non-GAAP Continuing operations EPS adjustments	\$ 0.58	\$ 0.15	\$ (0.53)	\$ 0.40	\$ 0.21	\$ 0.33	\$ 0.09	\$ 0.10	\$ 0.12	\$ (0.08)	\$ (0.02)	\$ 0.18	\$ 0.16
Non-GAAP Continuing operations EPS	\$ 0.54	\$ 0.64	\$ 0.54	\$ 0.54	\$ 0.66	\$ 0.87	\$ 0.59	\$ 0.70	\$ 0.84	\$ 1.10	\$ 0.66	\$ 1.12	\$ 1.32
Diluted, weighted average shares outstanding	334.1	341.3	344.2	348.5	339.5	328.4	317.7	296.1	287.4	284.4	280.7	274.7	265.3

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