

**GINO
BONANOTTE**
Financial Overview

AGENDA



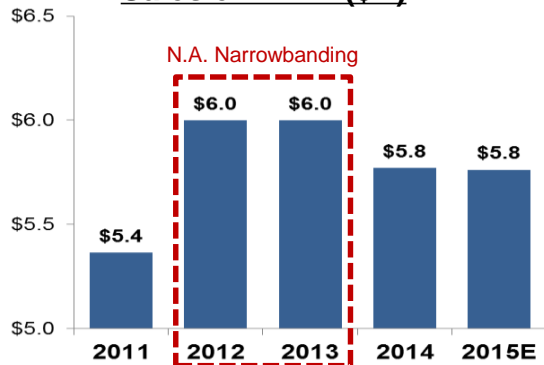
- FINANCIAL OVERVIEW
- GROWTH
- LEVERAGE & EARNINGS GROWTH
- CASH FLOW GENERATION
- CAPITAL ALLOCATION & RETURN
- SUMMARY



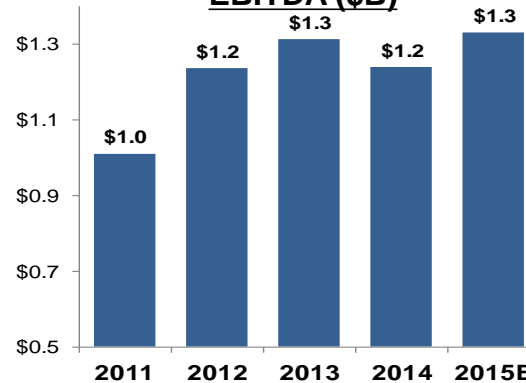
MSI FINANCIAL OVERVIEW



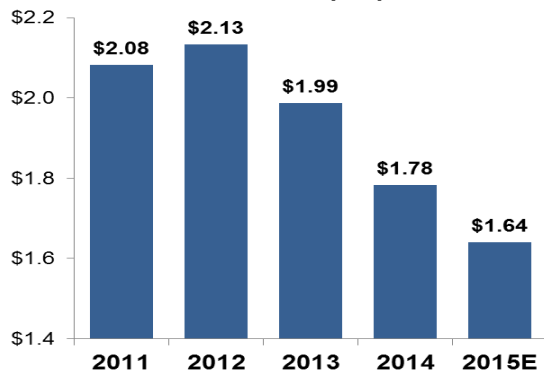
Sales ex-iDEN (\$B)^{1,2}



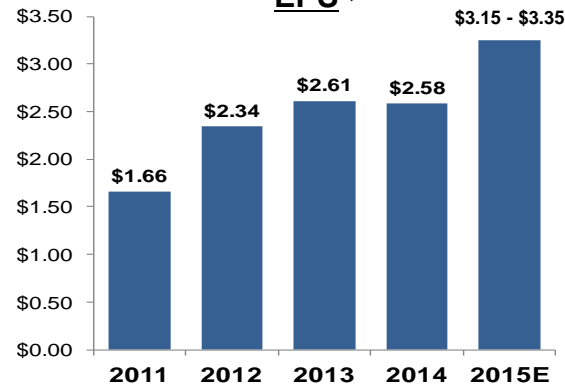
EBITDA (\$B)^{1,2}



OPEX (\$B)¹

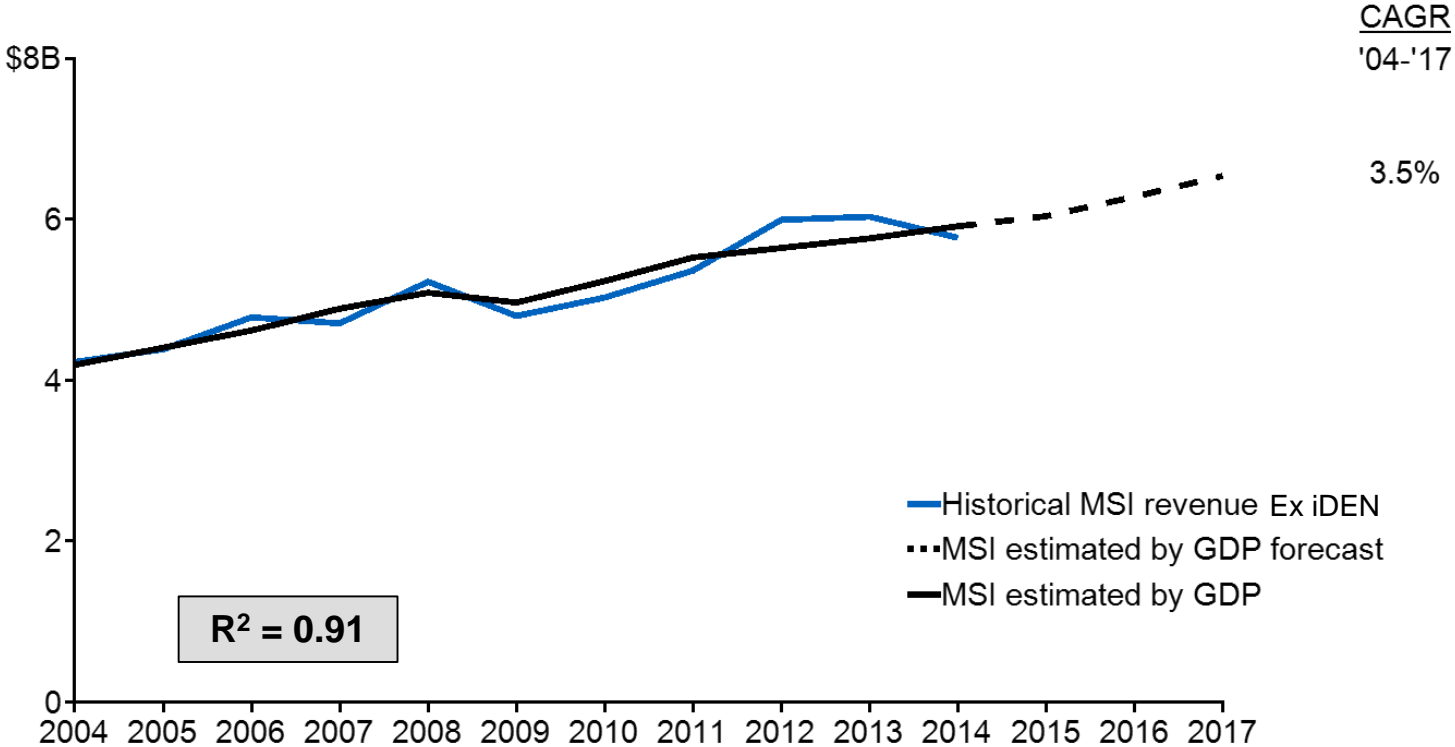


EPS^{2,3}



¹ Non-GAAP measure; ² Mid-point of company outlook on February 4, 2015; ³ Excludes one-time benefit of \$1.25 related to formation of international holding company in 2013

GROWTH CORRELATED WITH REGIONAL GDP

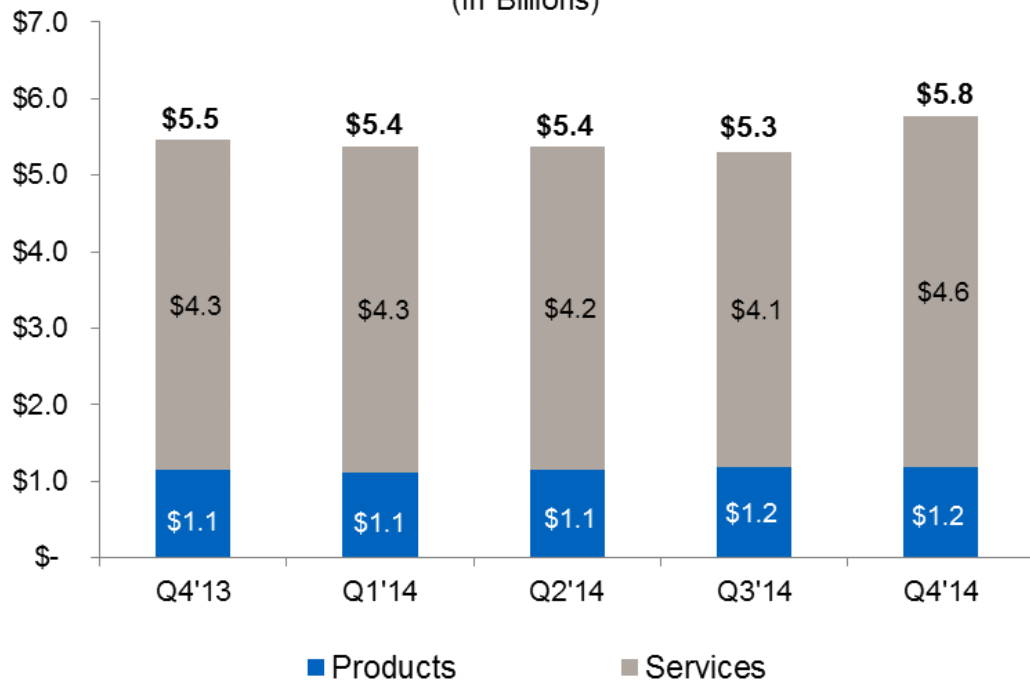


Source: IMF World Economic Outlook 2014. Growth based on regionally weighted GDP.

BACKLOG TREND



Backlog Trend
(In Billions)



- Highest backlog on record
- Growing base of recurring revenues
- Backlog providing ~1/3 of annual sales
- 3 consecutive quarters of Product backlog growth

SOURCES OF GROWTH



CORE PRODUCTS & SYSTEMS

Astro, Tetra, PCR

Analog to Digital Conversion, Software Upgrades

1-3% GROWTH

CORE & EXPANSION SERVICES

Systems Integration

Lifecycle Support, Managed Services

2-4% GROWTH

SMART PUBLIC SAFETY

*Products, Services & Apps for Next Gen 911,
Command & Control, Video & Data Analytics*

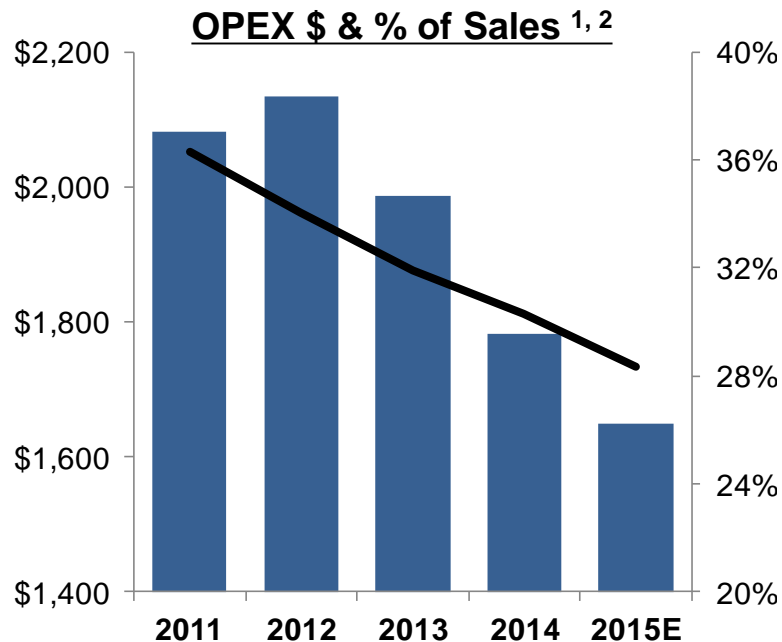
DOUBLE-DIGIT GROWTH

PUBLIC SAFETY-LTE

*Devices, Services, Apps, Infrastructure
Interoperability w/ LMR*

DOUBLE-DIGIT GROWTH

OPERATING LEVERAGE



- ~\$500M reduction '12-'15 E
- Reducing complexity in operations
- “Clean-sheet” approach to cost footprint
- Opportunity beyond 2015 targets

Significant EBITDA & EPS growth opportunity on incremental revenue growth

COST & PRODUCTIVITY INITIATIVES



R&D

- Reduce product complexity (# SKUs, lifecycle, level of customization)
- Increase common platforming
- Optimize R&D footprint

G&A

- Optimize functional services
- Rationalize real estate footprint
- Rationalize the application landscape
- Consolidate procurement & management of IT

Sales & Marketing

- Reduce non-quota carrying staff, while direct sales personnel increased
- Increase front-line productivity with streamlined processes & IT enablement
- Rebalanced coverage model with partners

2013 to 2015E Net Cost Savings¹

\$90M

\$175M

\$85M

¹ Non-GAAP numbers used for operating expense

OPERATIONAL EXCELLENCE



6.1
MILLION

REDUCTION
IN SQ. FT.

SINCE 2011

175
REDUCTION

IN P&Ls

FROM 178 TO 3

50%
INCREASE

OUTSOURCED
DISTRIBUTION

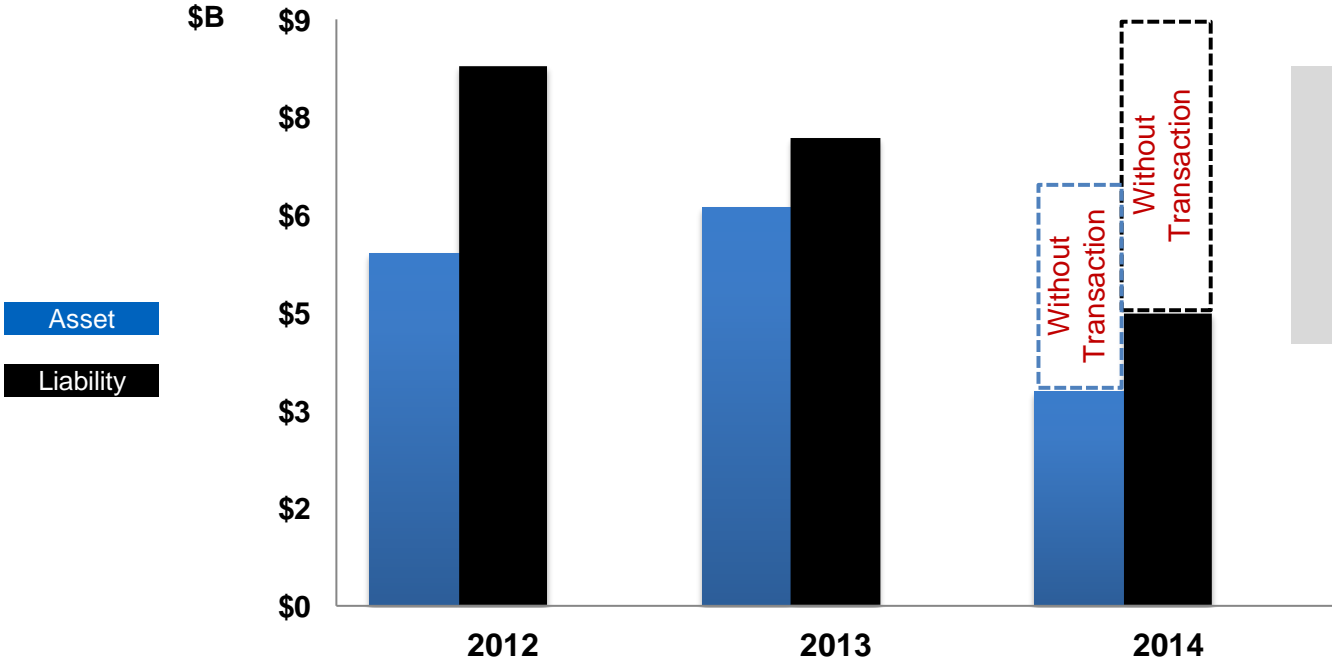
SINCE 2011

\$205
MILLION

IN FY'14 OPEX
REDUCTION

SINCE 2013

PENSION DE-RISKING IMPROVES CASH VISIBILITY



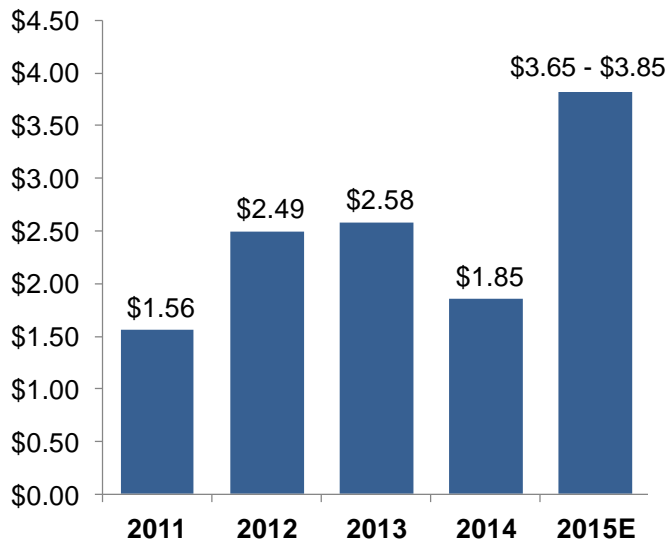
2014 funding deficit of \$1.2B would have been \$2.1B without transaction

No U.S. cash pension funding for next 5-6 years

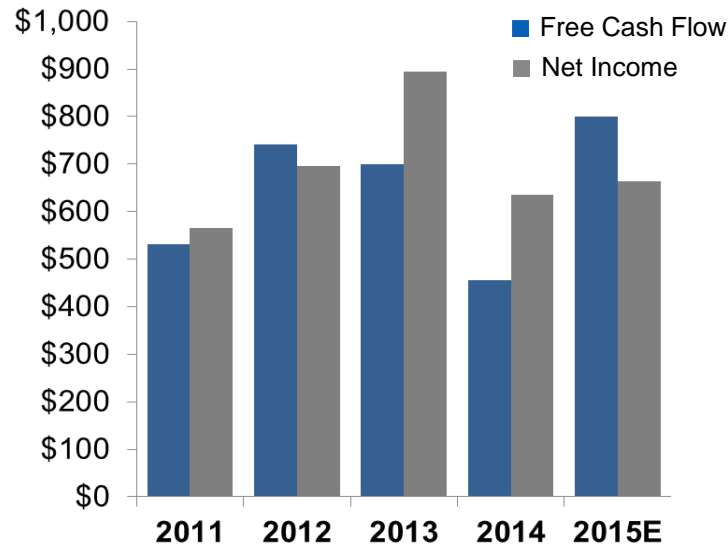
CASH FLOW GROWTH



Free Cash Flow Per Share^{1, 3, 4}



Free Cash Flow vs. Net Income^{2, 3, 4}



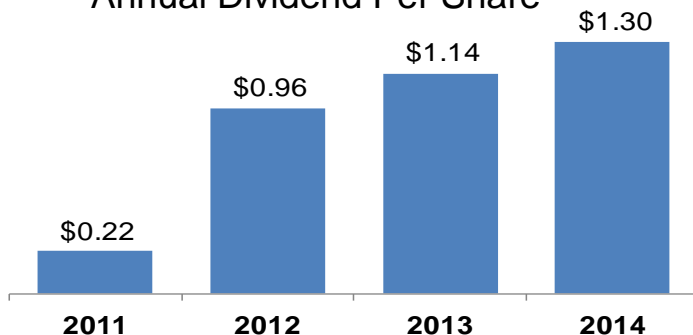
Operating leverage, working capital discipline & low capital intensity drive free cash flow

¹ Free Cash Flow excludes payments to fund US and UK pensions in 2014, Holdco tax benefits in 2013, and Network receivable collections in 2012; ² 2013 net income excludes one-time tax holding company benefit in 2013 ³ Net income numbers represent approximate midpoint of company outlook on February 4, 2015, free cash flow numbers represent company estimates; ⁴ Represents non-GAAP amounts

TRACK RECORD OF STRONG CAPITAL RETURN

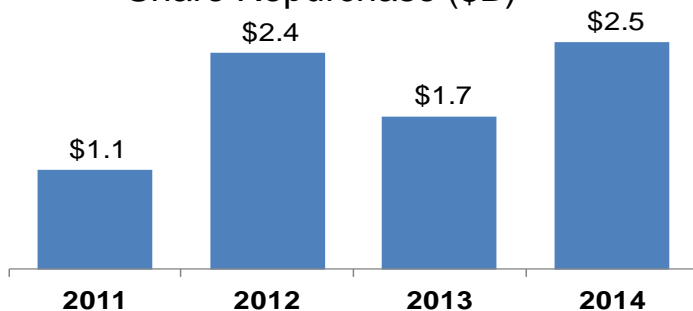


Annual Dividend Per Share¹



- 54% increase since 2011²
- 30% payout ratio of operating cash flow
- Expect growth with earnings & lower share count

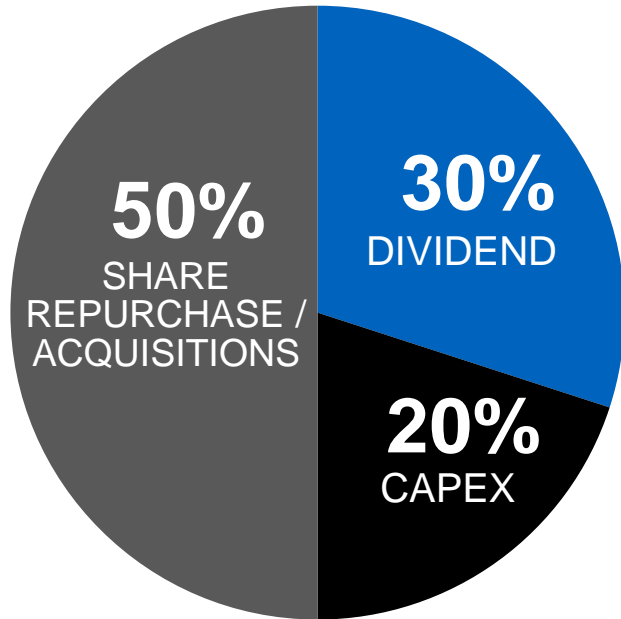
Share Repurchase (\$B)



- \$7.8 billion in share repurchase since 2011
- 36% reduction in share count

\$4.2 B remaining on the current authorization

CAPITAL DEPLOYMENT FRAMEWORK



- Focused on disciplined capital return while making necessary investments in business
- Expect significant share repurchase with excess cash position
- EBITDA growth provides greater flexibility

SUMMARY¹



STABLE GROWTH WITH UPSIDE

- Product & Services growth from existing base & spend
- Attractive Smart Public Safety & PS-LTE opportunities

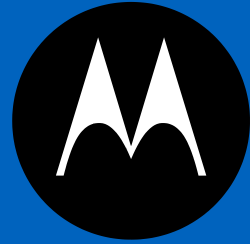
STRONG PROFITABILITY

- ~\$500M opex reduction from 2012-2015E
- 21% EBITDA margin in 2014... room to grow
- Significant operating leverage opportunity as growth returns

ROBUST CASH FLOW

- ~\$1B Operating and ~\$800M in Free Cash Flow in '15
- Effectively pre-funded U.S. pension plan for next 5-6 years
- Cash tax rate ~15% through 2019
- Flexibility for additional reinvestment and return

DRIVING TOTAL SHAREHOLDER RETURN



Q&A