



**Why Motorola?
Why now?
What's next?**

Good questions...the same ones I asked before becoming Motorola's new Chairman and CEO.

My answers:

Motorola is a great global brand with even *greater* potential.

It's the original high-tech startup, with over 75 years of world-changing innovation, a rich portfolio of patents, an amazing team of technologists and a passionate commitment to R&D. **It's a company built by engineers, visionaries and those who are both. No company is more strongly positioned to make new technologies converge to create compelling new possibilities**

**for the home,
the automobile,
mission-critical mobile,
the enterprise, and
the cell phone.**

the device formerly known as

Our belief: Intelligent products can unleash personal potential. Make the world smarter. Simpler. Easier to navigate. More productive. More fun.
Our challenge: Convert our strengths into growth and a high level of financial return to our stockholders. *In our world of Intelligence Everywhere™*...

I see opportunity everywhere.

Opportunity: Connect, Lead, Grow

We keep the word flowing to the right folks in the right places.

Motorola is a global leader in wireless, automotive and broadband communications.

Intelligence Everywhere™ really means opportunity *everywhere*.

But where is everywhere?

As consumer choice gets broader, as devices get smarter,
as the world and everything in it get more connected,

Motorola is everywhere:

automotive electronics and telematics systems

commercial and industrial communications

embedded computer systems

embedded microprocessors

government and public safety communications

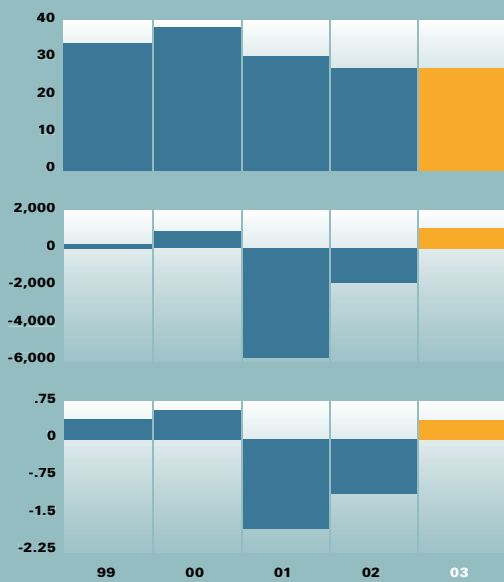
personal communications

portable energy products

wireless telecom networks

wireless and wired broadband networks

This is how we performed everywhere... I invite you to take a look at the *new* Motorola and its opportunities everywhere.



Net Sales
(dollars in billions)

Operating Earnings (Loss)
(dollars in millions)

Diluted Earnings (Loss) Per Share
(in dollars)

Financial Highlights

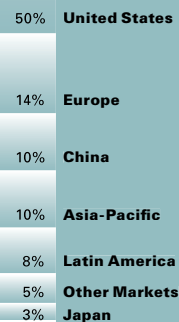
Years ended December 31,
Dollars in millions, except per share amounts and as noted

	2003	2002
Net sales	\$27,058	\$27,279
Operating earnings (loss)	1,084	(1,813)
% to sales	4.0%	(6.6)%
Earnings (loss) before income taxes	1,293	(3,446)
% to sales	4.8%	(12.6)%
Net earnings (loss)	893	(2,485)
% to sales	3.3%	(9.1)%
Diluted earnings (loss)		
per common share	0.38	(1.09)
Research and development expenditures	3,771	3,716
Capital expenditures	655	607
Year-end employment (in thousands)	88	97

2003 Net Sales by Business Segment
(before intercompany eliminations)



2003 Market Sales by Region



Opportunity: Third Generation Wireless Services (3G)

Sales for 3G handsets are expected to grow rapidly in 2004 – with current estimates of more than 15M 3G handsets being sold to consumers in 2004.

source: Motorola Business Intelligence

Where is everywhere?

Everywhere is wherever you are.

It's in your life.

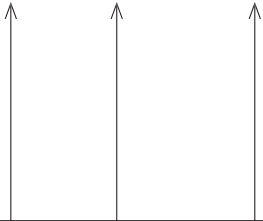
It's in your hand.

It's in your pocket.

It's in your fun.

It's in your games.

It's what you *hear*, what you *see* and what you *share*...



Personal Mobile Broadband is the *next* big thing in wireless communications.

We are making Third Generation (3G) wireless services a reality with Hutchison 3G UK Limited.



With the new **Motorola A920** color screen handset consumers can:

- ➔ **Make real time video calls via a digital, built-in video camera**
- ➔ **View music videos, movie trailers, sports or news clips**
- ➔ **Find the nearest café, restaurant, shops or cinema, thanks to A-GPS capability**
- ➔ **Listen to music using the integrated MP3 player**
- ➔ **Make or receive calls at the same time as accessing content and downloading video or audio**
- ➔ **Use the phone internationally**



Opportunity: Push-To-Talk over Cellular

51% of mobile handset users worldwide who do not already have Push-To-Talk say they *want it!*

source: Motorola Business Intelligence

The world would *not* be wireless without **portable energy**...Motorola Energy Systems is *one of the world's largest independent suppliers* of battery packs for portable devices.

Push 2 Talk

Push 2 Music

Push 2 Pictures

Push 2 Data *Not 2 far in the future.*

We are bringing **our Push-To-Talk leadership** to Cellular for **CDMA** and **GSM** networks.

what telecom operators need in their networks + **the features consumers want** in their handsets



Motorola V400p
Push-To-Talk over Cellular with style and flair!
Retail availability is expected in June 2004



↓
need style **want flair**



Opportunity: Mobile

66% of mobile handset users say they want an integrated digital camera with their next purchase.

source: Motorola Consumer Insights and Intelligence



New! **Motorola HS810** hands-free wireless **Bluetooth*** headset

*Bluetooth...cutting-edge wireless protocol for connecting mobile devices.

Originally triplets, **our family's expanded** to quads, the Motorola V300, V400, V500 and V600.....
and...more siblings are on the way!

Each is built on Motorola's i.250 chipset. Now, this is manufacturing efficiency deluxe!

This common hardware and software platform includes:

large color display

Bluetooth® technology capabilities

flash memory

VGA camera

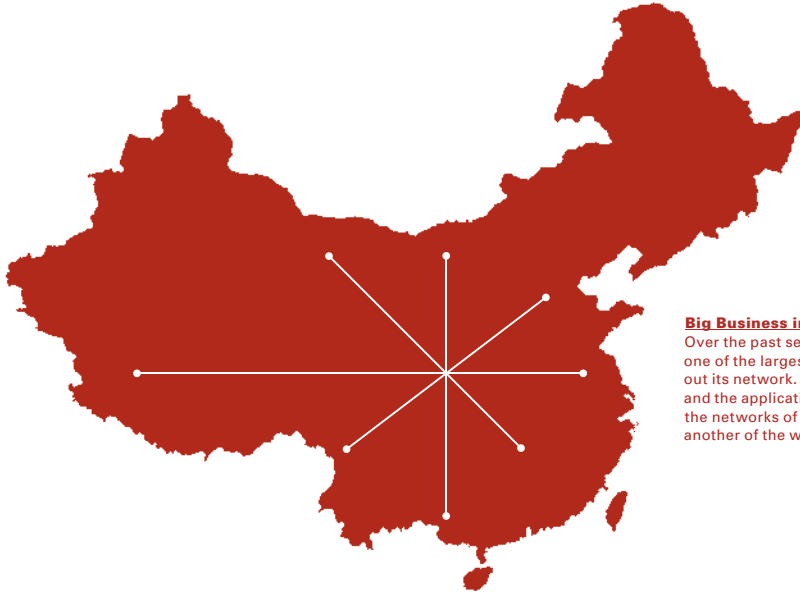
intuitive user interface



Opportunity: Networking

Motorola sells equipment to 13 of the top 18 telecom network operators worldwide.

source: EMC Database March 2003

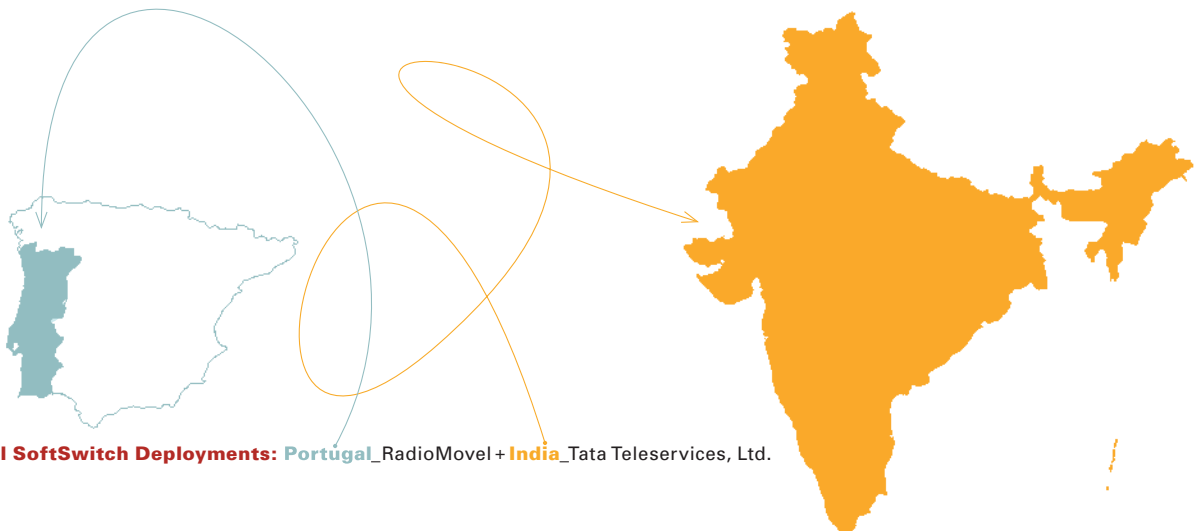


Big Business in China!

Over the past several years, **China Mobile Communication Corporation (CMCC)**, one of the largest mobile operators in the world, has consistently chosen Motorola to build out its network. The latest contract deployment will prepare CMCC for the evolution to 3G and the applications it can deliver to its customers. Motorola is also expanding and upgrading the networks of **China United Telecommunications Corporation (China Unicom)**, another of the world's largest mobile operators.

The Motorola SoftSwitch represents a new paradigm in switching technology.

Benefits to network operators include reduced operating costs, easy upgradability and migration capability to technologies that support voice, data, video and Push-To-Talk over Cellular applications:
requires less space and power to operate compared with legacy switches
is faster and easier to deploy than legacy switches
takes the operator to the world of multimedia data applications



Commercial SoftSwitch Deployments: Portugal_RadioMovel + India_Tata Teleservices, Ltd.

Opportunity: Mission-Critical Communications

From complex wide-area communications and information systems to a small enterprise—

our opportunities are broad and deep. They include solutions for: **Public Safety** Police, Fire, Emergency Medical Services

Government Municipal Services, National Ministries, Federal Agencies, Military

Utilities Gas, Water, Electric, Telephone

Transportation Airlines, Transit, Railroad, Courier

Manufacturing Automotive, Industrial, High-Tech, Aerospace

Other Enterprise Construction, Petrochemical, Retail



The portfolio of solutions we offer our customers ranges from *complex* to *simple*. The **Motorola PR400** two-way radio addresses the needs of small businesses.

The **Motorola MTH650** Dimetra system radio addresses the needs of customers implementing the **TETRA** standard.



We are the leading provider of **digital two-way radio** communications equipment **worldwide**.

That's more than 750 digital systems **installed** in more than 65 countries.

In your building
In your company
In your small business
In your office
In your town
In your nation
In your world

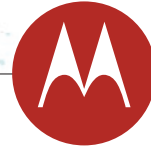
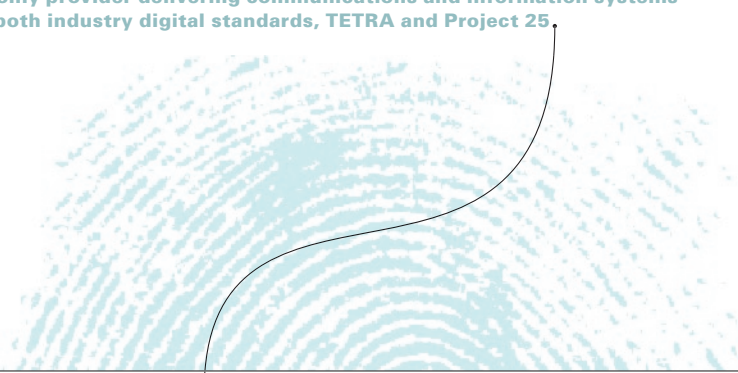


Motorola's innovative software applications in a centralized 311/Customer Service Request System help the City of Chicago deliver services efficiently to its residents.



Opportunity: Meeting and Exceeding the Standard

Motorola is the only provider delivering communications and information systems compliant with both industry digital standards, TETRA and Project 25.




Connect To Protect

Motorola is a leader in providing hometown and homeland security communications solutions. In Phoenix and Mesa, Arizona, Motorola is implementing a regional, multi-agency Project 25 digital communications system, providing interoperability for government agencies to communicate effectively in emergencies.

According to the United States Department of Homeland Security, new or upgraded systems should be compatible with the Project 25 standard.

This is Hong Kong ...over and out!

In 2003, the Hong Kong Police Department awarded Motorola the prime contract in a multi-vendor, integrated command-and-control communications solution, including a nine-year maintenance agreement. This digital system, built on the TETRA standard, includes innovative mobile computing and vehicle location capabilities.



Let the games begin

Motorola* was selected to provide the secure two-way radio communications system for use during Athens' 2004 Olympic Games. The system will be used after the Games by Greek police, fire brigade, ambulance and coast guard services.

*Working with Science Applications International Corporation (SAIC) and Siemens

- Motorola at the Olympics:**
- Munich 1972
 - Los Angeles 1984
 - Sarajevo 1984
 - Calgary 1988
 - Lillehammer 1994
 - Atlanta 1996
 - Sydney 2000
 - Salt Lake City 2002
 - Athens 2004

Digital Justice!

Motorola's Integrated Digital Justice Solution in Henderson, Nevada provides interoperability among the city's databases, software applications and wireless devices, including:

- Computer-aided dispatch
- Records & Corrections management
- Automated finger/palmprint identification
- Livescan and mugshot technologies

The first of its kind in North America enables information coordination and sharing among the city's various departments. Justice served.



Opportunity: Everywhere *Worldwide!*

- 349 million TV households in [China](#)
- 173 million TV households in [Western Europe](#)
- 106 million TV households in [U.S.A.](#)
- 77 million TV households in [India](#)
- 47 million TV households in [Japan](#)
- 40 million TV households in [Brazil](#)

source: IMS RESEARCH, 2003

Everywhere

It's in your home, in every room.
It's on your television.
It's in your telephone.
It's digital.
It's broadband...and Motorola's in everything broadband.
It's happening.
Right *now*.

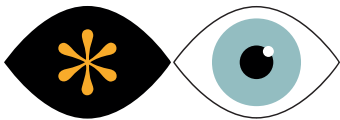
It's the 21st century. *It's time to live like it.*

Our Wireless Home Networking solutions do exactly that, keeping people informed, connected and entertained...

leveraging the power of the broadband pipe in the home + office.



The **Motorola MS1000 Media Station** platform enables consumers to build an advanced broadband network inside the home, complete with file sharing, digital music and media streaming along with the ability to run additional applications offered by a broadband service provider.



Motorola Home Monitoring and Control

Our portfolio of advanced broadband applications enable people to stay connected to their homes even when they're away. Remotely monitor **security**, control heating, cooling and lighting through any Web browser. The **Motorola HM1000 Home Monitoring and Control System**, provides *everything you need*, including software and wireless camera.



Amazing. And amazingly easy.



Opportunity: HDTV

Worldwide HDTV shipments in 2003: 8 million

Worldwide HDTV shipments in 2007: 27 million projected

source: IMS RESEARCH, 2003

The **first specification** for HDTV in 1990

The **first commercial deployment** of digital cable in 1996

The **first digital set-top** to integrate HD and DVR in 2003

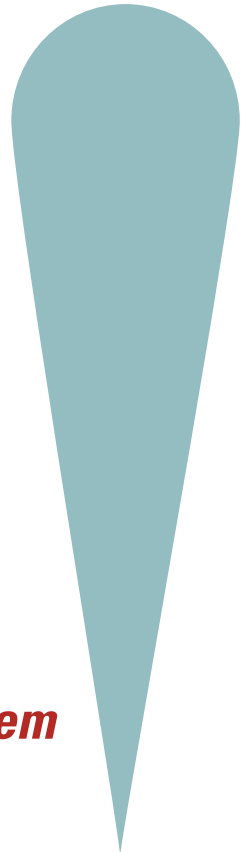
We developed and delivered *the first system*
on which today's broadband industry is built.

Now Motorola is:

Number One in digital set-top shipments

Number One in cable modem shipments

Number One in digital headend/encoders



Video on demand, HDTV and more - **MOTOROLA**



the connected home



High Definition is changing how we see TV.

Experience the crispest picture and clearest sound *available today* with the **Motorola DCT6208 High-Definition Cable Receiver**. Be ready for the advanced interactive features of tomorrow's HDTV.

WiFi is Surging!



22.7 million **WiFi NIC cards** and access points rolled out last year, **an astounding increase of 215%** versus 2002's 7.2 million units shipped. source: IN-STAT/MDR

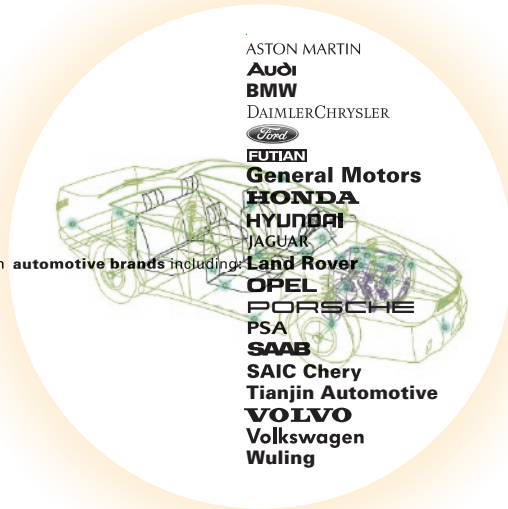


Opportunity: Automotive

The automotive electronics industry is growing at a rate triple that of the automotive industry itself.

source: Motorola Business Intelligence

Our electronics are found in automotive brands including:



What we make in the automotive market:

telematics systems
engine control units
braking system sensors
global positioning systems
powertrain electronics
tire pressure sensors
interior electronics
transmission controls
and the list goes on...

The automotive electronics market continues to grow and **Motorola is an industry leader.**

Our technology makes your time on the road **safer+smarter.** Every day!

Other things we do:

- Driving directions** Cool, Calm and Connected
- Navigation**
- Remote diagnostics**
- Remote door unlock**
- Entertainment**
- Concierge**
- Hands-free calling**
- Vehicle theft tracking**
- Emergency assistance** Smart, Safe and Secure
- Airbag deployment notification**
- Autonomous cruise control**
- Side-object detection**
- Lane departure warning**
- Lane change support**
- Vehicle workload manager**



Telematics
66 models and millions of subscribers enabled by Motorola



Opportunity: Leveraging Our Lead

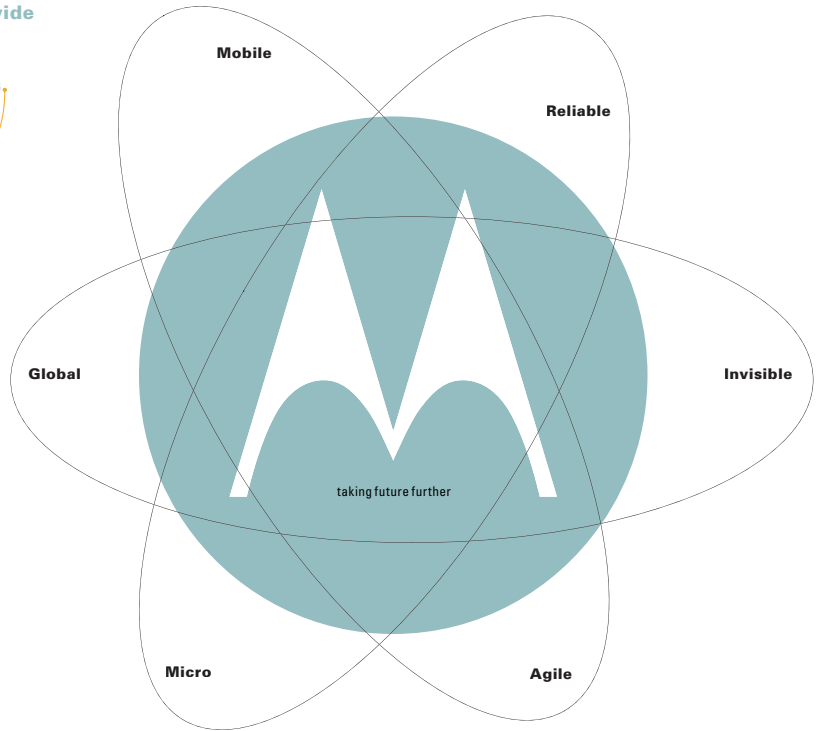
As a leading global semiconductor company we provide embedded processing and connectivity products to large markets, such as the automotive, networking and wireless communications industries.

In essence, our processors add the **smarts** to:

- telecom networks
- Internet routers
- mobile phones
- mobile games
- personal digital assistants
- factory & home automation
- antilock braking systems
- airbag sensors
- and thousands more...

Motorola is the market leader in embedded computer systems for the communications industry.

source: Venture Development Corporation, 2004



We believe **we have shipped *more* embedded processors than any other company *worldwide*.**

#1 global market share in semiconductors for automotive applications

according to Strategy Analytics

in communications processors

according to International Data Corporation (IDC)

in radio frequency power products for cellular base station markets.

according to Allied Business Intelligence

***Pioneered* Magnetoresistive Random Access Memory (MRAM)**

Copper interconnect

Silicon-on-insulator

Silicon germanium carbon

We make wireless smart.

Our **i.MX** family of application processors make the communication devices of tomorrow a reality today. More than 50 million shipped...wow!



Edward J. Zander

Chairman of the Board and Chief Executive Officer, Motorola, Inc.

H. Laurance Fuller

Retired; formerly Co-Chairman, BP Amoco, p.l.c.

Judy C. Lewent

Executive Vice President & Chief Financial Officer, and President, Human Health Asia, Merck & Co., Inc.

Walter E. Massey

President, Morehouse College

Nicholas Negroponte

Chairman of Media Laboratory, Massachusetts Institute of Technology

Indra Nooyi

President and Chief Financial Officer, PepsiCo, Inc.

John E. Pepper, Jr.

Vice President, Finance and Administration, Yale University; Retired Chairman & CEO, Procter & Gamble Company

Samuel C. Scott, III

Chairman, President and Chief Executive Officer, Corn Products International

Douglas A. Warner, III

Retired; formerly Chairman of the Board, J.P. Morgan Chase & Co.

Dr. John A. White

Chancellor, University of Arkansas

Mike S. Zafirovski

President and Chief Operating Officer, Motorola, Inc.

Intelligence Everywhere.™

It's a promise. Not to sound too dramatic, **it's our mission.**

Now is our time.

We will leverage the power of a revitalized brand, terrific talent, a rekindled spirit of innovation and extraordinary execution to delight customers across the globe. **As we have tried to illustrate in this report, our skills, our strategies and our technologies align remarkably with where the world is going.**

In 2004, you will feel energy and urgency as never before from me and every single member of the Motorola team.



Edward J. Zander

Chairman of the Board and Chief Executive Officer
Motorola, Inc.



Our 10-K

available at www.motorola.com/investor



Corporate Management

Edward J. Zander

Chairman of the Board and Chief Executive Officer

Mike S. Zafirovski

President and Chief Operating Officer

Robert L. Barnett

Executive Vice President

Eugene A. Delaney

Executive Vice President and
President, Global Relations and Resources Organization

David W. Devonshire

Executive Vice President and Chief Financial Officer

Glenn A. Gienko

Executive Vice President and
Motorola Director, Human Resources

A. Peter Lawson

Executive Vice President, General Counsel and Secretary

Leif G. Soderberg

Senior Vice President and
Director, Global Strategy and Corporate Development

Steven J. Strobel

Senior Vice President and Corporate Controller

Padmasree Warrior

Senior Vice President and Chief Technology Officer

Operating Management

Scott A. Anderson

Executive Vice President,
President and CEO, Semiconductor Products Sector

Gregory Q. Brown

Executive Vice President,
President and CEO, Commercial, Government and
Industrial Solutions Sector

Dennis J. Carey

Executive Vice President,
President and CEO, Integrated Electronic Systems Sector

Thomas J. Lynch

Executive Vice President,
President and CEO, Personal Communications Sector

Daniel M. Moloney

Executive Vice President,
President and CEO, Broadband Communications Sector

Adrian R. Nemcek

Executive Vice President,
President and CEO, Global Telecom Solutions Sector

Business Risks

Statements that are not historical facts are forward-looking and involve risks and uncertainties. Motorola's actual results could differ materially from those projected in the forward-looking statements. For a list of factors that could cause, and in some cases have caused, such differences please refer to the section entitled "Business Risks" in Motorola's 2003 Form 10-K.

Non-Incorporation of Form 10-K "Wrap"

Motorola's 2003 Form 10-K, as filed with the SEC, is included within this Annual Report. Other than the Form 10-K, all other portions of this Annual Report are not "filed" with the SEC and should not be deemed so.

Stockholder Reference Information

Stock transfer, registrar, dividend disbursing, direct stock purchase and dividend reinvestment agent

Mellon Investor Services LLC
Overpeck Centre
85 Challenger Road
Ridgefield Park, NJ 07660 U.S.A.
1 800 704 4098
www.melloninvestor.com

For shareholder correspondence:

Mellon Investor Services LLC
Shareholder Relations Department
P.O. Box 3315
South Hackensack, NJ 07606-1912 U.S.A.

For transfer of stock:

Mellon Investor Services LLC
Stock Transfer Department
P.O. Box 3312
South Hackensack, NJ 07606-1912 U.S.A.

Investor Relations

Security analysts, investment professionals and shareholders can find investor relations information on the Internet at www.motorola.com/investor.

Inquiries should be directed to:

Investor Relations, Motorola, Inc.
Corporate Offices
1303 East Algonquin Road
Schaumburg, IL 60196 U.S.A.
E-mail: investors@motorola.com
1 800 262 8509

Common Stock

Motorola common stock is listed on the New York, Chicago and Tokyo Stock Exchanges.

Annual Meeting of Stockholders

The annual meeting will be held on May 3, 2004. A notice of the meeting, together with a form of Proxy and a Proxy Statement, will be mailed to stockholders on or about March 15, 2004, at which time proxies will be solicited by the Board of Directors.

Availability of Proxy Statement and Form 10-K

The Proxy Statement and the Form 10-K are available on the Internet at www.motorola.com/investor. A copy of the Proxy Statement and/or Form 10-K may be obtained without charge by contacting the Investor Relations Department as listed above.

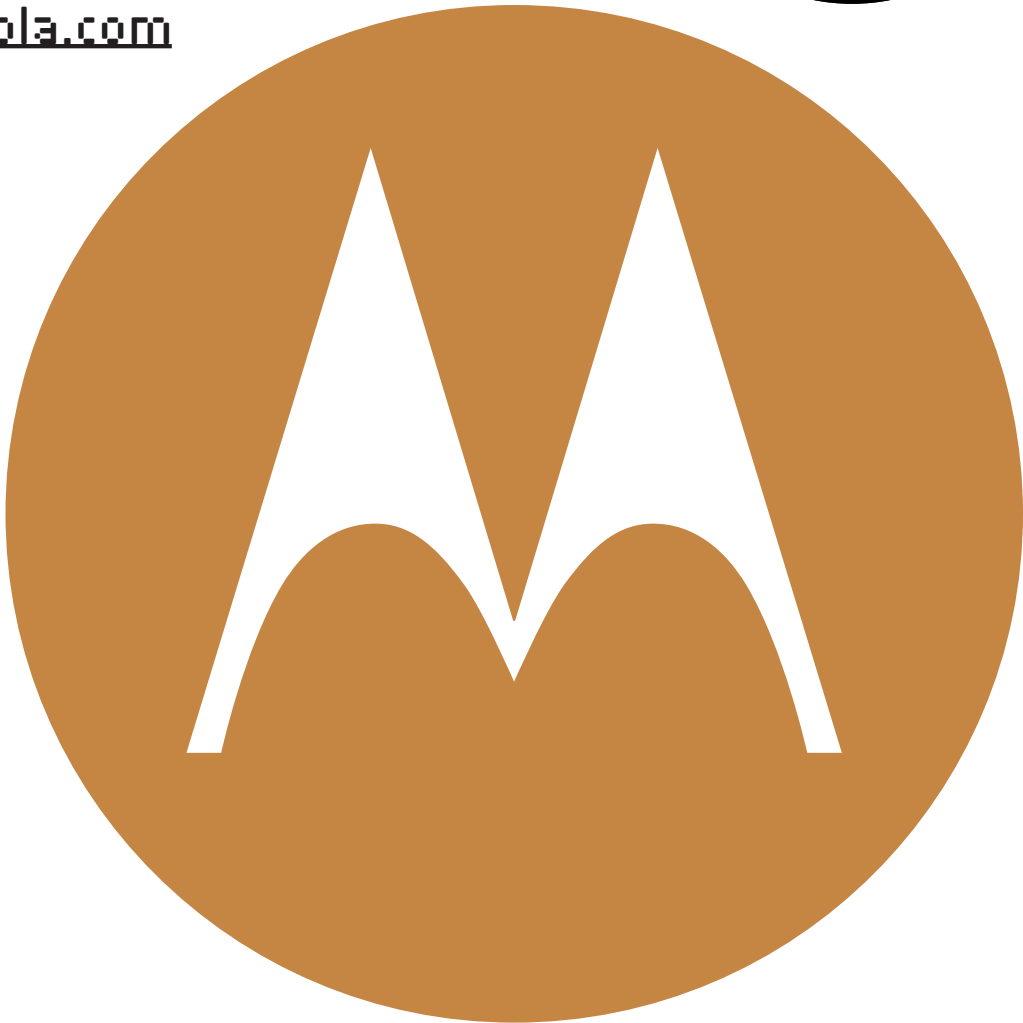
Independent Auditors

KPMG LLP
303 East Wacker Drive
Chicago, IL 60601 U.S.A.

we're in your home
we're in your automobile
we're in your workplace
we're in your life
we're in your future



motorola.com



MOTOROLA
intelligence everywhere™

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