

January 22, 2014

MOTOROLA SOLUTIONS Q4 2013 EARNINGS CONFERENCE CALL



SHEP DUNLAP

VICE PRESIDENT
INVESTOR RELATIONS



SAFE HARBOR



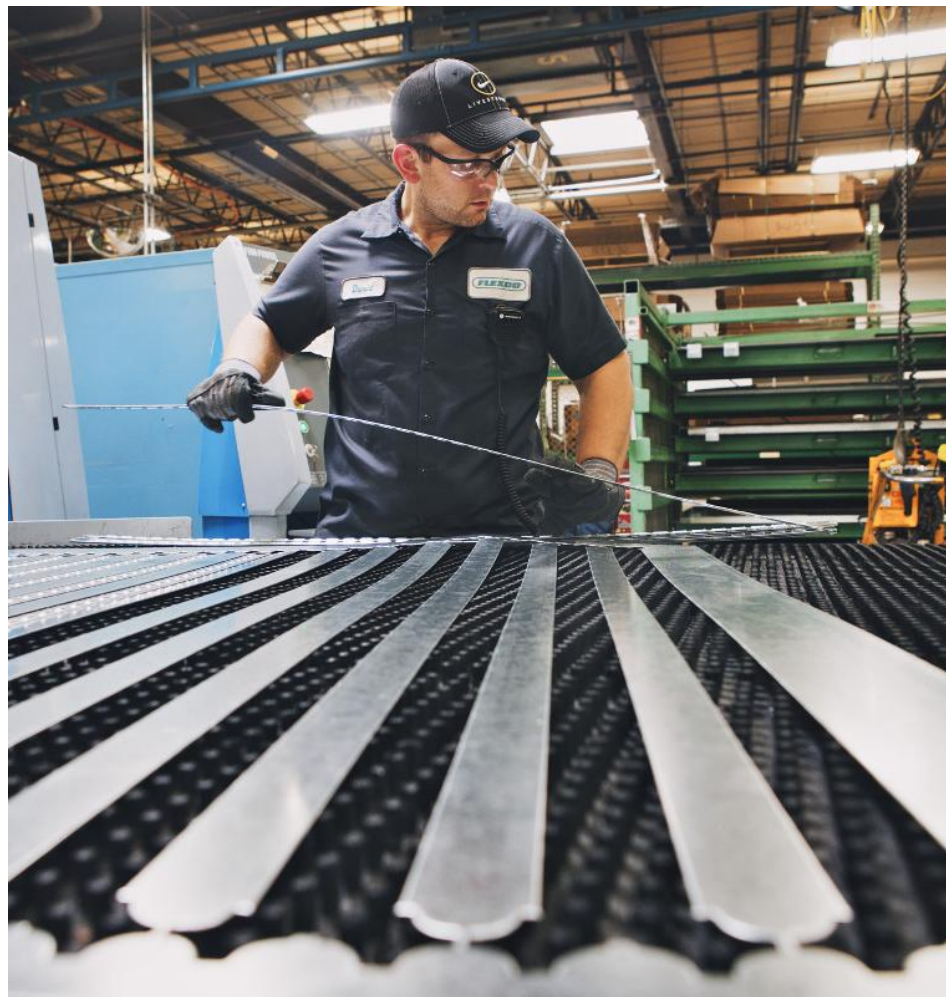
A number of forward-looking statements will be made during this presentation. Forward-looking statements are any statements that are not historical facts. These forward-looking statements are based on the current expectations of Motorola Solutions, and we can give no assurance that any future results 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 Solution's 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 22nd of January 2014. 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



Q4 HIGHLIGHTS



- Sales of \$2.5B, up 3%
- Government sales of \$1.8B, up 4%
- Non-GAAP Earnings per share* growth 52%
- Operating cash flow of \$741M
- Continued capital return** to shareholders of \$442M



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

**Includes share repurchases and dividends paid

2013 HIGHLIGHTS



- Sales of \$8.7B, flat to prior year
- Government sales up 1%
- Non-GAAP Earnings per share* growth of 48%, including a one time tax benefit of \$1.25
- Operating cash flow of \$944M
- Continued capital return** to shareholders of \$2.0B



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

**Includes share repurchases and dividends paid

GINO BONANOTTE

EXECUTIVE VICE PRESIDENT AND CFO



2013 FINANCIAL RESULTS



(\$ in Millions)

GAAP	FOURTH QUARTER		FULL YEAR	
	2013	2012	2013	2012
Sales	\$2,504	\$2,441	\$8,696	\$8,698
Operating Earnings	\$413	\$423	\$1,215	\$1,256
Operating Margin	16.5%	17.3%	14.0%	14.4%
EPS from Continuing Operations*	\$1.31	\$1.18	\$4.06	\$2.95

Non-GAAP**	FOURTH QUARTER		FULL YEAR	
	2013	2012	2013	2012
Operating Earnings	\$519	\$476	\$1,527	\$1,503
Operating Margin	20.7%	19.5%	17.6%	17.3%
EPS from Continuing Operations*	\$1.67	\$1.10	\$4.73	\$3.20

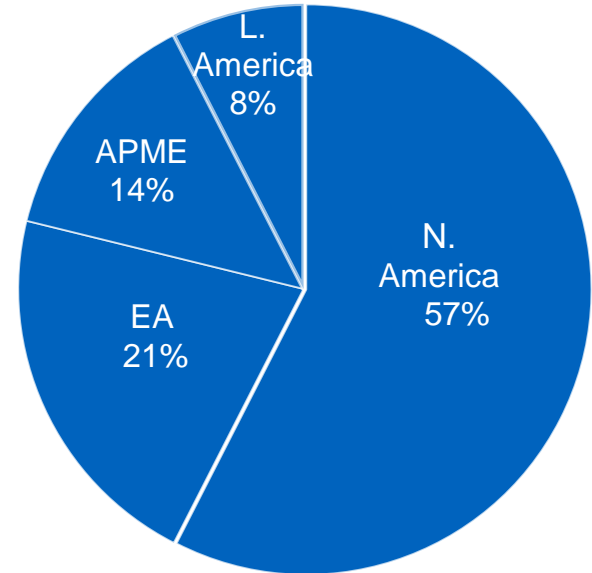
* Amounts attributable to Motorola Solutions, Inc. common shareholders

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



REGIONAL HIGHLIGHTS

	2013	2012	Change
N. America	\$5,002	\$5,083	-2%
L. America	654	714	-8%
EA	1,854	1,662	12%
APME	1,186	1,239	-4%
TOTAL	\$8,696	\$8,698	0%



HIGHLIGHTS:

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

CASH FLOW

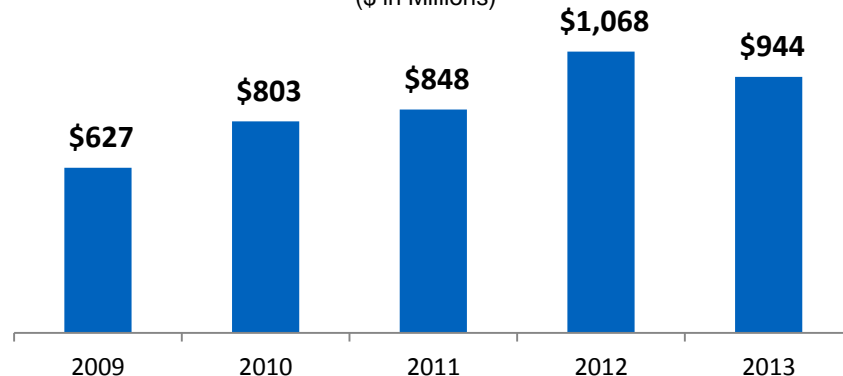


- Q4 '13 operating cash flow \$741M and \$944M in 2013
- \$150M of US Pension Funding completed by Q4
- 2013 CAPEX spend of \$191M
- 2013 free cash flow of \$753M

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

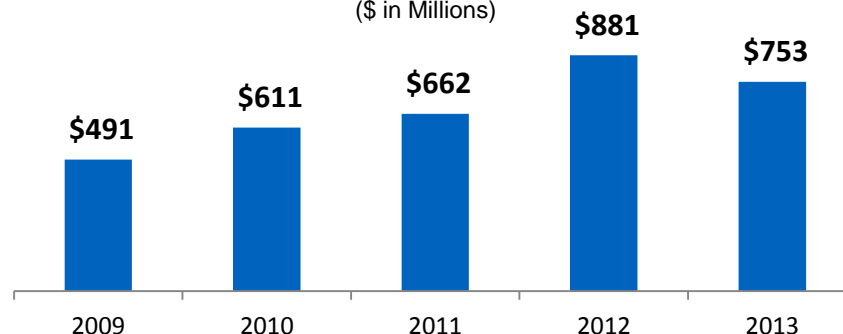
Operating Cash Flow

(\$ in Millions)



Free Cash Flow*

(\$ in Millions)



WORKING CAPITAL TREND



Q/Q changes

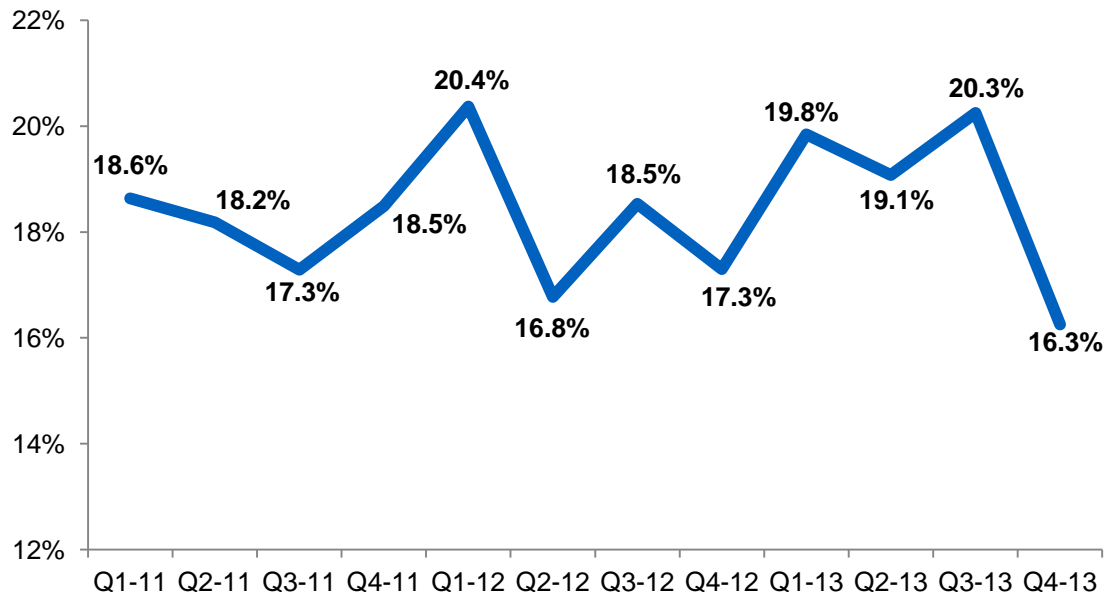
- Improved metrics in AP, AR, and long-term contract collections

Y/Y changes

- AP increased \$109M
- AR increased \$39M
- Inventory increased \$9M

* Working Capital Performance, as % of revenue = working capital (AR + Inventory - AP)/quarterly revenue annualized

Working Capital Performance*



BALANCE SHEET



\$3.2B in total cash*

Share repurchase activity

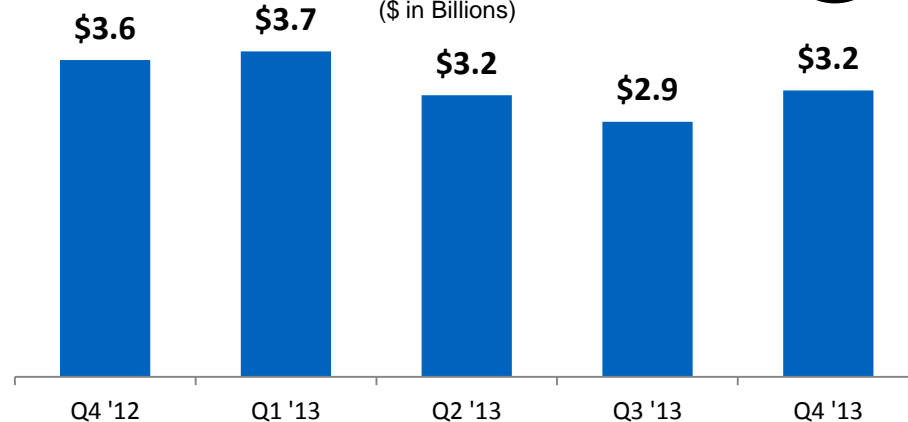
- \$362M in Q4 '13 (5.6M shares at \$64.45)
- \$1.7B in 2013 (28.6M shares at \$59.30)
- \$5.2B total since July 2011 at \$50.04 average price
- Reduced net shares outstanding 26% since July 2011 buyback announcement

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

** Net Cash = Total cash – Current portion of long-term debt and Long term debt

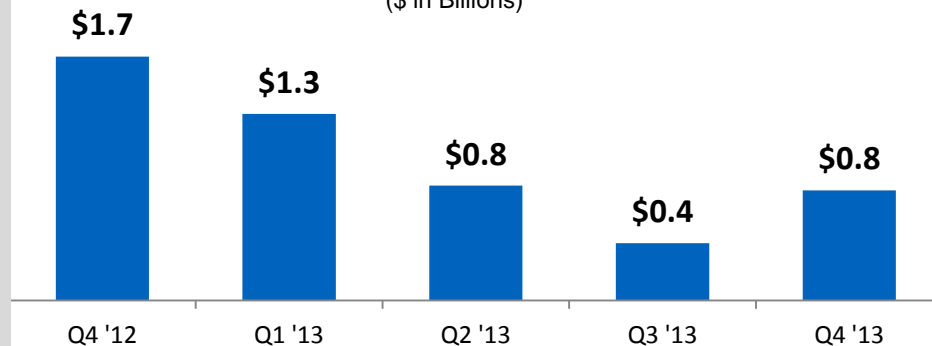
Total Cash*

(\$ in Billions)

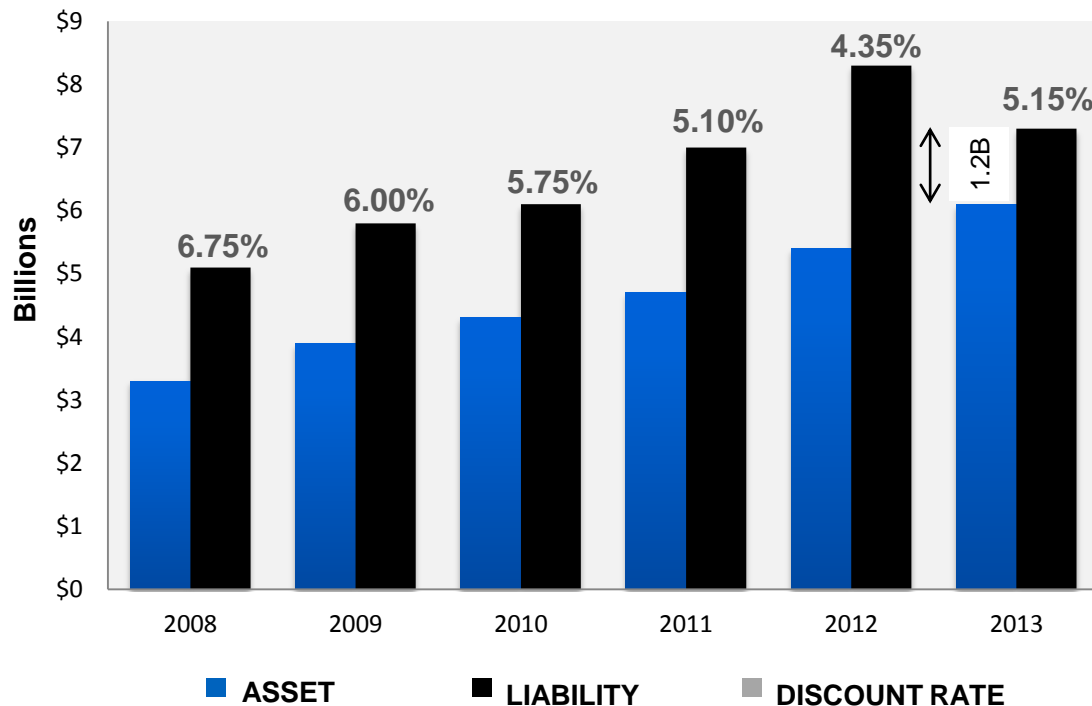


Net Cash**

(\$ in Billions)



U.S. PENSION STATUS



- Deficit improved to \$1.2B YE 2013 from \$2.8B YE 2012
- 2013 contribution \$150M
- 2013 expense \$110M
- 2014 expectations
 - ~\$300M cash contribution
 - ~\$80M expense

Plan frozen in 2009... no further service costs

OUTLOOK



First Quarter 2014

- Sales decline of 4 to 6%
- Non-GAAP* EPS \$0.46 - \$0.52

Full Year 2014

- Sales growth of flat to 2%
- Operating earnings* ~18.5%

* Non-GAAP, excluding highlighted items, stock-based compensation, and intangible amortization





GOVERNMENT



GOVERNMENT



(\$ in Millions)

GAAP	FOURTH QUARTER		FULL YEAR	
	2013	2012	2013	2012
Sales	\$1,768	\$1,708	\$6,030	\$5,989
Operating Earnings	\$332	\$346	\$979	\$965
Operating Margin	18.8%	20.3%	16.2%	16.1%

Non-GAAP*	FOURTH QUARTER		FULL YEAR	
	2013	2012	2013	2012
Operating Earnings	\$398	\$373	\$1,169	\$1,108
Operating Margin	22.5%	21.8%	19.4%	18.5%

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

Q4 GOVERNMENT HIGHLIGHTS



- 4% sales growth Y/Y
- Solid double digit system infrastructure and services growth in ASTRO and TETRA
- Operating margin* of 22.5% vs. 21.8% last year
- Backlog up \$450M Y/Y



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

ENTERPRISE



ENTERPRISE



(\$ in Millions)

GAAP	FOURTH QUARTER		FULL YEAR	
	2013	2012	2013	2012
Sales	\$736	\$733	\$2,666	\$2,709
Operating Earnings	\$81	\$77	\$236	\$291
Operating Margin	11.0%	10.5%	8.9%	10.7%

Non-GAAP*	FOURTH QUARTER		FULL YEAR	
	2013	2012	2013	2012
Operating Earnings	\$121	\$103	\$358	\$395
Operating Margin	16.4%	14.1%	13.4%	14.6%

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

Q4 ENTERPRISE HIGHLIGHTS



- Slight increase in sales, second consecutive quarter of growth
- Enterprise grew 1% without iDEN
- 16.4% operating margin* compared to 14.1% last year
- Backlog up ~\$50M Y/Y



*Non-GAAP, excluding highlighted items, stock-based compensation, and intangible amortization

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Backlog

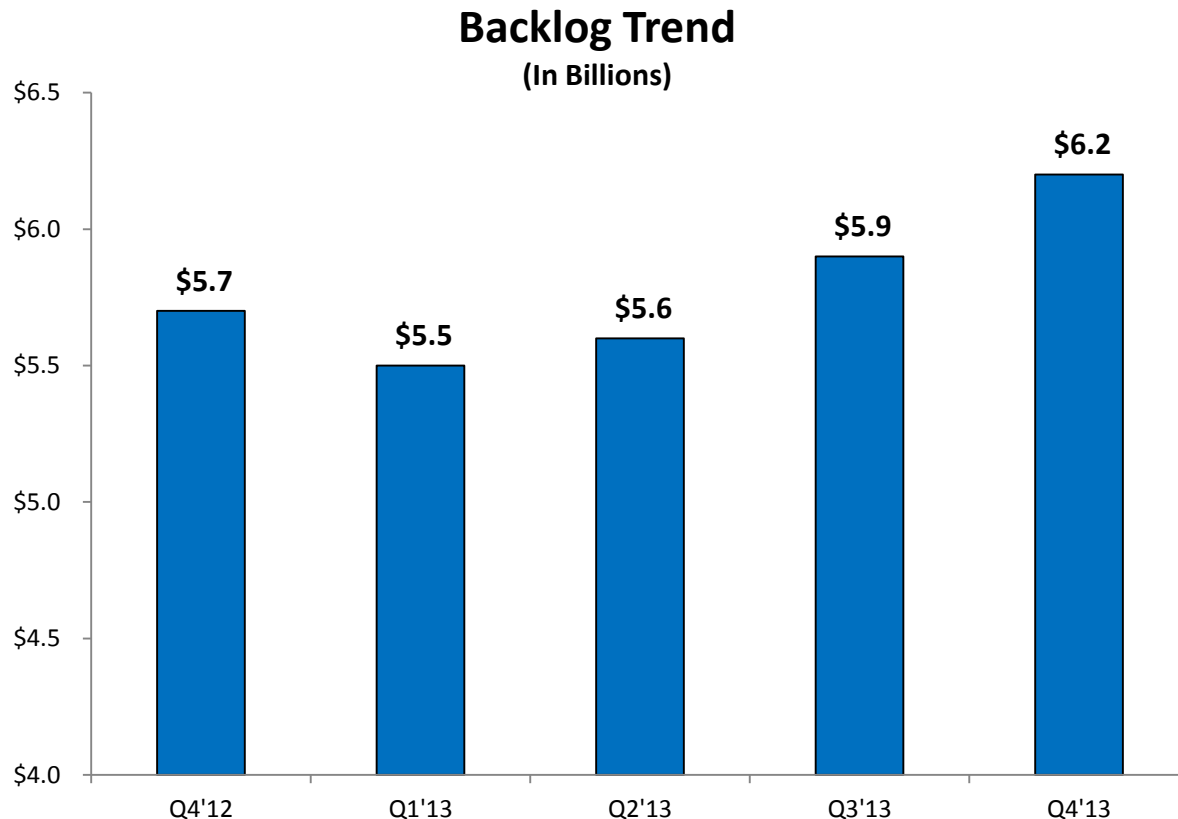


Y/Y change

- Total Increased \$500M
 - Government up \$450M
 - Enterprise up \$50M

Sequential Quarter Change

- Total backlog increased \$300M as of Q4'13 compared to end of Q3'13



Q&A PARTICIPANTS

GREG BROWN

Chairman and CEO

GINO BONANOTTE

Executive Vice President and CFO

MARK MOON

Executive Vice President and President,
Sales and Product 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, Inc. and Subsidiaries Non-GAAP Trend (In millions, except per share amounts)

	Q1 '11	Q2'11	Q3'11	Q4'11	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q1 '13	Q2 '13	Q3 '13	Q4 '13
Net sales	\$1,834	\$1,984	\$2,085	\$2,300	\$1,956	\$2,148	\$2,153	\$2,441	\$1,973	\$2,107	\$2,112	\$2,504
GAAP gross margin	924	1,007	1,055	1,160	973	1,060	1,087	1,229	955	1,029	1,043	1,214
Non-GAAP gross margin adjustments:												
Stock-based compensation expense	3	5	6	6	6	7	6	6	6	5	5	5
Reorganization of business charges	3	-	-	3	-	3	3	2	-	9	8	11
Non-GAAP gross margin	930	1,012	1,061	1,169	979	1,070	1,096	1,237	961	1,043	1,056	1,230
GAAP Operating earnings ("OE")	169	159	254	276	232	278	324	423	216	266	320	413
Non-GAAP OE Adjustments:												
Stock-based compensation expense	36	34	39	39	37	45	38	39	39	29	32	32
Reorganization of business charges	5	17	10	20	9	11	10	12	11	19	24	52
Intangibles amortization expense	50	50	50	50	6	6	6	10	6	6	8	6
Other highlighted items	-	39	-	50	-	-	-	(16)	-	-	-	-
Non-GAAP OE	\$ 266	\$ 304	\$ 359	\$ 444	\$ 290	\$ 350	\$ 387	\$ 476	\$ 278	\$ 334	\$ 397	\$ 519
GAAP OE%	9.2%	8.0%	12.2%	12.0%	11.9%	12.9%	15.0%	17.3%	10.9%	12.6%	15.2%	16.5%
Non-GAAP Adj %	5.3%	7.3%	5.0%	7.3%	2.9%	3.4%	3.0%	2.2%	3.2%	3.3%	3.6%	4.2%
Non-GAAP OE %	14.5%	15.3%	17.2%	19.3%	14.8%	16.3%	18.0%	19.5%	14.1%	15.9%	18.8%	20.7%

SUPPLEMENTAL NON-GAAP MEASURES



Motorola Solutions, Inc. and Subsidiaries Non-GAAP Trend (In millions, except per share amounts)

	Q1 '11	Q2'11	Q3'11	Q4'11	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q1 '13	Q2 '13	Q3 '13	Q4 '13
Non-GAAP OE	\$ 266	\$ 304	\$ 359	\$ 444	\$ 290	\$ 350	\$ 387	\$ 476	\$ 278	\$ 334	\$ 397	\$ 519
GAAP Other income (expense)	3	(98)	(16)	(9)	12	(38)	-	(16)	(11)	(42)	5	(22)
Non-GAAP Below OE adjustments	-	81	-	-	(16)	-	(13)	-	-	-	(23)	-
Non-GAAP Other income (expense)	3	(17)	(16)	(9)	(4)	(38)	(13)	(16)	(11)	(42)	(18)	(22)
GAAP Earnings from cont. operations	367	50	153	177	159	177	206	336	192	258	307	343
Non-GAAP OE adjustments	97	145	105	168	58	72	63	53	62	68	77	106
Non-GAAP below OE adjustments	-	81	-	-	(16)	-	(13)	-	-	-	(23)	-
Non-GAAP tax adjustments and effect	(277)	(84)	(35)	(59)	(12)	(41)	(15)	(76)	(67)	(18)	(10)	(14)
TOTAL Non-GAAP Earnings	\$ 187	\$ 192	\$ 223	\$ 286	\$ 189	\$ 208	\$ 241	\$ 313	\$ 187	\$ 308	\$ 351	\$ 435
GAAP Continuing operations earnings per share ("EPS")	\$ 1.07	\$ 0.14	\$ 0.45	\$ 0.54	\$ 0.50	\$ 0.60	\$ 0.72	\$ 1.18	\$ 0.68	\$ 0.94	\$ 1.16	\$ 1.31
Non-GAAP Continuing operations EPS adjustments	(0.53)	0.40	0.21	0.33	0.09	0.10	0.12	(0.08)	(0.02)	0.18	0.16	0.36
Non-GAAP Continuing operations EPS	\$ 0.54	\$ 0.54	\$ 0.66	\$ 0.87	\$ 0.59	\$ 0.70	\$ 0.84	\$ 1.10	\$ 0.66	\$ 1.12	\$ 1.32	\$ 1.67
Diluted, weighted average shares outstanding	344.2	348.5	339.5	328.4	317.7	296.1	287.4	284.4	280.7	274.7	265.3	261.2

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