UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2012
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission File number 1-7221

MOTOROLA SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**36-1115800**
(State of Incorporation)	(I.R.S. Employer Identification No.)

1303 East Algonquin Road, Schaumburg, Illinois 60196
(Address of principal executive offices)
(847) 576-5000
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $.01 Par Value per Share	**New York Stock Exchange** **Chicago Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2012 (the last business day of the Registrant's most recently completed second quarter) was approximately $13.8 billion.

The number of shares of the registrant's Common Stock, $.01 par value per share, outstanding as of January 31, 2013 was 275,983,331.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement to be delivered to stockholders in connection with its Annual Meeting of Stockholders to be held on May 6, 2013, are incorporated by reference into Part III.

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PART I

Throughout this 10-K report we "incorporate by reference" certain information in parts of other documents filed with the Securities and Exchange Commission (the "SEC"). The SEC allows us to disclose important information by referring to it in that manner. Please refer to such information.

We are making forward-looking statements in this report. In "Item 1A: Risk Factors" we discuss some of the risk factors that could cause actual results to differ materially from those stated in the forward-looking statements.

"Motorola Solutions" (which may be referred to as the "Company," "we," "us," or "our") means Motorola Solutions, Inc. or Motorola Solutions, Inc. and its subsidiaries, or one of our segments, as the context requires. MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M Logo, as well as iDEN are trademarks or registered trademarks of Motorola Trademark Holdings, LLC and are used under license.

During 2011, we reclassified the historical financial results of the following businesses as discontinued operations: (i) Motorola Mobility Holdings, Inc. ("Motorola Mobility"), (ii) Point-to-Point (Orthogon) and Point-to-Multipoint (Canopy) wireless broadband businesses ("wireless broadband businesses"), and (iii) the amateur, marine and airband radio businesses. Also during 2011, we completed the sale of certain assets and liabilities of the Networks business to Nokia Siemens Networks B.V. ("NSN"), which was reclassified to discontinued operations during 2010. The results from discontinued operations are discussed in further detail in the "Discontinued Operations" section.

Item 1: Business

General

We are a leading provider of mission critical communication infrastructure, devices, software and services. Our products and services help government and enterprise customers improve their operations through increased effectiveness and efficiency of their mobile workforce. Our customers benefit from our global footprint and thought leadership. We are positioned for success with a presence in over 100 countries, an industry leadership position, an unmatched portfolio of products and services and a strong patent portfolio.

We report financial results for two segments:

Government: The Government segment includes sales of public safety communications systems, commercial two-way radio systems, devices, and software. Service revenues included in the Government segment are primarily those associated with the design, installation, maintenance and optimization of equipment for public safety networks.

Enterprise: The Enterprise segment includes sales of rugged and enterprise-grade mobile computers and tablets, laser/imaging/RFID based data capture products, wireless local area network ("WLAN") and integrated digital enhanced network ("iDEN") infrastructure and software. Service revenues included in the Enterprise segment are primarily maintenance contracts associated with the above products.

The Company is a corporation organized under the laws of the State of Delaware as the successor to an Illinois corporation, Motorola, Inc., organized in 1928. The Company changed its name from Motorola, Inc. to Motorola Solutions, Inc. on January 4, 2011. The Company's principal executive offices are located at 1303 East Algonquin Road, Schaumburg, Illinois 60196.

Government segment

The Government segment designs, manufactures, sells, and provides services around voice and data communications systems, devices, security products and applications. These products and services are sold to a wide range of customers, including government, public safety and first responder agencies as well as commercial customers who operate private communications networks and manage a mobile workforce. In 2012 , this segment's net sales represented approximately 69% of our consolidated net sales.

Our Industry, Products, and Services

Our government, public safety and first responder customers demand mission-critical and interoperable communications to effectively serve and protect the public. Our commercial customers demand business-critical communications to effectively run their business. Our customers are facing efficiency challenges which are driving technology transitions and equipment upgrades. Our sales growth is driven by helping our customers address their communication needs.

We offer an extensive portfolio of network infrastructure, devices, applications and services, based on standards including Association of Public-Safety Communications Officials Project 25 ("APCO P-25"), and European Telecommunications Standards Institute ("ETSI"), Terrestrial Trunked Radio ("TETRA"), Digital Mobile Radio ("DMR") and Digital Private Mobile Radio ("dPMR"), as well as broadband technologies (Long-Term Evolution ("LTE"), and WiFi). In addition, we offer critical applications and the ability to integrate application platforms in the public safety command center, including voice,

computer aided dispatch, and multimedia/video. Our comprehensive service offering in this segment includes mobility consulting, system design and installation, network and device management, and product support.

Our Strategy

Our strategy in the Government segment is to partner with our customers to enable them to deliver reliable services efficiently through innovative products and best-in-class services. Thought leadership and innovation are core to the effective partnership with our customers. We deliver innovation by: (i) developing next-generation public safety solutions including devices, public safety LTE systems, and critical command center applications; (ii) leading the ongoing migration to digital products; (iii) managing the potential public/private convergence of 700MHz public safety systems in the U.S. and digital dividend spectrum worldwide; (iv) continuing to be an industry leader in APCO 25 and TETRA standards-based voice and data communication systems around the world; and (v) enhancing our services offering through network and application integration, and network management. We continue to actively manage our product and services portfolio, investing to expand into attractive and complementary vertical markets to strengthen our customer relationships.

Our Customers

We address the communication needs of government agencies, state and local public safety and first responder agencies, and commercial and industrial customers. Our largest customer is the U.S. government (through its various branches and agencies, including the armed services), which represented approximately 10% of this segment's net sales, and 7% of the Company's net sales in 2012 . The loss of this customer could have a material adverse effect on our revenue and earnings over several quarters, because some of our contracts with the U.S. government are long-term. All contracts with the U.S. government are subject to cancellation at the convenience of the U.S. government. Net sales to customers in North America represented 64% of this segment's net sales in 2012 .

We believe that there are a large number of government and commercial customers globally who have yet to replace aged analog infrastructure with next generation digital systems, that enables enhanced features and a more efficient use of spectrum. We also believe government and commercial customers globally have yet to experience the benefits of converged wireless communications, mobility, and efficiencies realized through applications enabled by mobile broadband. In addition to serving our existing customers, we believe that we have opportunities to pursue profitable growth by extending our reach across new technologies, including public safety LTE systems.

Our sales model includes both direct sales by our in-house sales force, which tends to focus on our largest accounts, and sales through our channel partner program. Our channel partners include distributors, value added resellers and independent software vendors. Resellers and distributors each have their own sales organizations that complement and extend the reach of our sales force. With deep expertise about specific customers' operations, resellers are very effective in promoting sales of our product portfolio. The independent software vendors in our channel partner program offer customized applications that meet specific needs in the vertical market we serve.

Our Competition

The markets in which we operate are highly competitive. Continued evolution in our industry and technology shifts are creating opportunities for established and new competitors. Key competitive factors include: product performance, product features, product quality, availability and warranty, price, availability of vendor financing, quality and availability of service, company reputation and financial strength, partner community, and relationships with key customers. Our strong relationships with customers and partners, technology leadership, breadth of portfolio, product performance and support position us well for success.

We experience widespread competition from a growing number of existing and new competitors, including large system integrators and manufacturers of private and public wireless network equipment and devices. Competitors include: Alcatel-Lucent, Cassidian, Harris, Hytera, Kenwood, Sepura and Tait.

Large system integrators are seeking to move further into the government customer space. We and our competitors may serve as subcontractors to large system integrators and are selected based on a number of competitive factors and customer requirements. Where favorable, we may partner with large system integrators to make available our portfolio of advanced mission-critical network infrastructure, devices, applications and services.

Several other competitive factors may have an impact on our Government segment, including: evolving developments in the 700 MHz band, increasing encroachment by broadband and IP solution providers, and new low-tier vendors. As demand for fully integrated voice, data, and broadband systems continue, we may face additional competition from public telecommunications carriers and telecommunications equipment providers.

Enterprise segment

The Enterprise segment designs, manufactures, sells and provides services around rugged and enterprise-grade mobile computers, including tablets, data capture devices, security products and applications, and WLAN and iDEN infrastructure. These are sold to a wide range of enterprise customers, including those in retail, hospitality, transportation and logistics, manufacturing, warehouse and distribution centers, energy and utilities, education and healthcare. In 2012 , this segment's net sales represented approximately 31% of our consolidated net sales.

Our Industry, Products and Services

Our enterprise customers are continuously looking to improve their operational efficiency as well as to increase their top line through superior customer service. We believe that long-term growth opportunities exist within the Enterprise segment, as the global workforce continues to become more mobile and enterprise customers continue to focus on improving their workforce efficiency and productivity. Our sales growth is driven by helping our customers mobilize their workforce and improve their customer service.

We offer a comprehensive portfolio of enterprise grade solutions, including devices, infrastructure, applications and services. These include rugged mobile computers and tablets, laser/imager/RFID based data capture devices and kiosks, WLAN switches, controllers and access points, network and device management software, network and device security software, voice-based integrated solutions, and systems based on iDEN technology. Our service offerings in this segment have been primarily related to product support. However, we are expanding our services offerings to also include network integration and network and device management, as well as mobility consulting.

Our Strategy

Our strategy in the Enterprise segment is to deliver the next generation of enterprise mobility to empower the mobile worker, enable real-time asset visibility and engage the smart consumer. We have identified key areas of innovation that will enable successful implementation of this strategy. These include advanced devices, enhanced information capture and analysis, adaptive networking solutions, integrated voice and data communications, applications and services. We are expanding our devices portfolio to address the needs of an increasingly mobile workforce. Our products and services are designed to improve our customers' operations through real-time asset visibility and integrated/adaptive communications networking solutions. Our portfolio of wireless infrastructure and device products is complemented by applications and services, which are designed to help our customers achieve their business objectives. We are seeking to further expand our services offerings over the lifecycle of these products.

Our Customers

We address the communication and data capture needs of enterprise customers including those in retail, hospitality, transportation and logistics, manufacturing, warehouse and distribution centers, energy and utilities, education and healthcare. These customers operate a large and diverse mobile workforce and are continuously focused on improving their operations through greater employee efficiency, greater asset visibility and superior customer service. Our product and services portfolio delivers attractive return on technology investment for our customers. In addition to serving our existing customers, we believe that we have opportunities to pursue profitable growth by extending our reach across new vertical markets.

Our sales model includes both direct sales by our in-house sales force and sales through our channel partner program. Our channel partners include distributors, value added resellers and independent software vendors. Resellers and distributors each have their own sales organizations that complement and extend the reach of our sales force. With deep expertise about specific customers' operations, resellers are very effective in promoting sales of our product portfolio. The independent software vendors in our channel partner program offer customized applications that meet specific needs in each vertical market we serve. Our Enterprise segment utilizes our channel partners more extensively than our Government segment, as the products of this segment generally support a broad range of applications.

Our Competition

The markets in which we operate are highly competitive. Economic pressure, growth of mobile workers worldwide, industry consolidation, business model evolution and technology shifts are creating opportunities for established and new competitors. Key competitive factors include product and services portfolio breadth, product performance, product and service availability and warranty, product and service quality, strength of company relationships with customers and partners, and company reputation. Our strong relationships with customers and partners, strong brand and history of innovation, product portfolio breadth, strong position in data capture technologies, superior product design and performance, evolving services offerings and business model flexibility position us well for success.

We experience widespread competition from a growing number of existing and new competitors, including present manufacturers of laser/imager/RFID based data capture devices, optical instruments, notebook computers and tablets, smart phones, cordless phones, and cellular/WLAN/wired infrastructure equipment. Competitors include: Apple, Aruba, Bluebird, Cisco, Datalogic, HP, Honeywell, Intermec, Panasonic, and Samsung.

Other Information

Backlog

During 2012, we changed our methodology for reporting backlog. Prior to the first quarter of 2012, we excluded from backlog service orders such as maintenance and extended warranty contracts. Additionally, certain product and system installation labor orders that were for delivery beyond a certain time frame, typically 18 months, were excluded from backlog. Our new methodology now includes all service, product, and system installation orders that have been received, and are believed to be firm.

The Company's backlog, using our new methodology for both years, as of December 31, 2012 and December 31, 2011 was as follows:

	December 31	
(In millions)	***2012***	*2011*
Government	**$ 4,937**	$ 4,426
Enterprise	**782**	875
	$ 5,719	$ 5,301

Approximately 40% of the Government backlog and 85% of the Enterprise backlog is expected to be recognized as revenue during 2013. The forward-looking estimate of the firmness of such orders is subject to future events that may cause the amount recognized to change.

Research and Development

We participate in very competitive industries with constant changes in technology. Throughout our history, we have relied, and continue to rely, primarily on our research and development ("R&D") programs for the development of new products, and on our production engineering capabilities for the improvement of existing products. We supplement our internal R&D spending through activities with joint development and manufacturing partners. Management believes, looking forward, that our commitment to R&D programs should allow us to remain competitive.

R&D expenditures relating to new product development or product improvement were $1.1 billion in 2012 , compared to $1.0 billion in 2011 and in 2010 . We continue to believe that a strong commitment to R&D is required to drive long-term growth. As of December 31, 2012 , we had approximately 7,000 professional employees engaged in such R&D activities.

Payment Terms

Payment terms vary worldwide, depending on the arrangement. Generally, contract payment terms range from 30 to 45 days from the invoice date within North America and typically do not exceed 90 days in regions outside of North America. A portion of the contracts within our Government segment include implementation milestones, such as delivery, installation and system acceptance, which generally take 30 to 180 days to complete. Invoicing the customer is dependent on completion of the milestone.

We generally do not grant extended payment terms. As required for competitive reasons, we may provide long-term financing in connection with equipment purchases. Financing may cover all or a portion of the purchase price.

Regulatory Matters

The use of wireless voice, data and video communications systems requires radio spectrum, which is regulated by governmental agencies throughout the world. In the U.S., the Federal Communications Commission ("FCC") and the National Telecommunications and Information Administration ("NTIA") regulate spectrum use by non-federal entities and federal entities, respectively. Similarly, countries around the world have one or more regulatory bodies that define and implement the rules for use of the radio spectrum, pursuant to their respective national laws and international coordination under the International Telecommunications Union ("ITU"). We manufacture and market products in spectrum bands already made available by regulatory bodies. These include voice and data infrastructure, mobile radios and portable or handheld devices. Consequently, our results could be positively or negatively affected by the rules and regulations adopted from time to time by the FCC, NTIA or regulatory agencies in other countries. Our products operate both on licensed and unlicensed spectrum. The availability of additional radio spectrum may provide new business opportunities, and consequently, the loss of available radio spectrum may result in the loss of business opportunities. Regulatory changes in current spectrum bands may also provide opportunities or may require modifications to some of our products so they can continue to be manufactured and marketed.

As television transmission and reception technology transitions from analog to more efficient digital modes, various countries around the world are examining, and in some cases already pursuing, the redevelopment of portions of the television spectrum. In the U.S., pursuant to federal legislation, analog television stations ceased operation in the broadcast television

spectrum on June 12, 2009. As a result of this transition, 108 MHz of spectrum historically used for broadcast television, known as the 700MHz band, is being redeveloped and deployed for new uses (the so-called “digital dividend” spectrum), including broadband and narrowband wireless communications. Now that the 700 MHz band spectrum is open nationwide, FCC records indicate that so far over 170 public safety agencies throughout over 30 states have been deploying narrowband operations at 700 MHz and others are in the planning stages.

Thirty-four MHz of spectrum in the 700 MHz band is now allocated to support new public safety narrowband and broadband communications systems. This includes 24 MHz of spectrum previously allocated by the FCC and an additional ten MHz of spectrum (the “D block”) allocated in February 2012. This latter ten MHz allocation is the result of Congressional action responding to public safety requests for additional broadband spectrum.

The resulting law, Public Law 112-96 also identified up to $7 billion in funding for the nationwide public safety broadband network with $2 billion of that available near-term. Pursuant to this law, a governance structure and entity known as the First Responder Network Authority ("FirstNet") was established in August 2012 to manage deployment and operation of the network. Additional work, currently ongoing in FirstNet, is required to enable deployment of the nationwide public safety broadband network. As a result of the legislation and establishment of FirstNet, the FCC cancelled 21 conditional waiver grants previously issued to public safety agencies to deploy 700 MHz broadband systems and instead established a new process to issue special temporary authorizations ("STAs”) for early deployments. This required public safety entities to apply for early deployment using the new process, and required that they be able to substantiate progress toward deployment. This creates a higher standard than that used for the waivers, potentially affecting several of our customers. In September 2012, one such customer, the State of Texas received an STA for deployment of 14 broadband sites in the Harris County area around Houston, and we are in the process of implementing that broadband system. FirstNet is considering the potential for additional early deployments, some by other of our customers, such as the State of Mississippi. Such early deployments would help speed interoperable broadband capabilities for first responders and the experience gained regarding public safety broadband operation should benefit FirstNet in developing and implementing its plan to deploy the nationwide network. The planned implementation of a nationwide public safety network and any additional early deployments may also create opportunities for our broadband solutions.

In March, 2012, Canada released a decision to allocate ten MHz of spectrum in the 700 MHz band for public safety broadband. Subsequently, in August 2012, Canada proposed that an additional and adjacent ten MHz also be allocated to public safety for broadband use. A decision on that additional ten MHz of spectrum is expected in 2013. If adopted, this would harmonize Canada's 700 MHz band plan with that in the U.S.

Internationally, the ITU World Radio Conference ("WRC") was held in Geneva during the first quarter of 2012. During this conference, leaders from United Nations member countries considered a number of initiatives, including whether to allocate additional spectrum for commercial broadband use as well as whether to allocate spectrum dedicated for public safety broadband. The WRC agreed to consider spectrum for public safety broadband. Studies are underway to assess whether and how much spectrum is needed and to develop recommendations on where in the spectrum range the spectrum should be allocated (taking into account regional and global harmonization to the extent practicable). The issue made it onto the agenda for the next WRC in 2015. The result could be future allocations for dedicated broadband spectrum for public safety which will provide opportunities for us in the future. In addition, certain countries already have spectrum landscapes that would permit country administrations to allocate public safety spectrum today. A WRC initiative can spur individual countries to act sooner, which may also create opportunities for our broadband solutions in the nearer term.

Some of our operations use substances regulated under various federal, state, local and international laws governing the environment and worker health and safety, including those governing the discharge of pollutants into the ground, air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. Certain of our products are subject to various federal, state, local and international laws governing chemical substances in electronic products.

Intellectual Property Matters

Patent protection is extremely important to our operations. We have an extensive U.S. and international portfolio of patents relating to our products, systems and technologies, including research developments in radio frequency technology and circuits, wireless network technologies, over-the-air protocols, mission critical two-way radio communications and advanced data capture. We have also filed additional patent applications in the U.S. Patent and Trademark Office, as well as in foreign patent offices.

We license some of our patents to third-parties, but this revenue is not significant. We are also licensed to use certain patents owned by others. Royalty and licensing fees vary from year to year and are subject to the terms of the agreements and sales volumes of the products subject to licenses. In addition, Motorola Solutions has a royalty free license under all of the patents and patent applications assigned to Motorola Mobility at the time of the separation of the two businesses and will continue to enjoy the benefit of that license even with the acquisition of Motorola Mobility by Google.

We actively participate in the development of standards for interoperable, mission-critical digital two-way radio systems. Our patents are used in various standards including APCO P-25, ETSI, TETRA, DMR and dPMR. We offer licenses to those patents on fair, reasonable and non-discriminatory terms.

Notwithstanding the transfer of patents to Motorola Mobility, the expiration of certain patents and the potential for increased competition for some of our products in the future, we believe that our patent portfolio will continue to provide us with a competitive advantage in our core product areas as well as provide leverage for future technologies. Furthermore, we believe we are not dependent upon a single patent or a few patents. Our success depends more upon our extensive know-how, innovative culture, technical leadership and marketing abilities. We do not rely primarily on patents or other intellectual property rights to protect or establish our market position; however, we will enforce our intellectual property rights in certain technologies when attempts to negotiate mutually agreeable licenses are not successful.

Patents and Trademarks

We seek to obtain patents and trademarks to protect our proprietary position whenever possible and practical. As of December 31, 2012 , we owned approximately 6,354 patents in the U.S. and in foreign countries. As of December 31, 2012 , we and our wholly owned subsidiaries had approximately 2,648 U.S. and foreign patent applications pending. These foreign patents and patent applications are mostly counterparts of our U.S. patents. During 2012 , we and our wholly owned subsidiaries were granted 340 U.S. patents and 372 patents in other countries.

We no longer own certain logos and other trademarks, trade names and service marks, including MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M logo and all derivatives and formatives thereof (“Motorola Marks”) and we license the Motorola Marks from Motorola Mobility, which is currently owned by Google.

Inventory, Raw Materials, Right of Return and Seasonality

Our practice is to carry reasonable amounts of inventory to meet customers’ delivery requirements in a manner consistent with industry standards. We provide custom products which require the stocking of inventories and large varieties of piece parts and replacement parts in order to meet delivery and warranty requirements. To the extent suppliers’ product life cycles are shorter than ours, stocking of lifetime buy inventories is required to meet long-term warranty and contractual requirements. In addition, replacement parts are stocked for delivery on customer demand within a short delivery cycle.

Availability of materials and components required is generally dependable; however, fluctuations in supply and market demand could cause selective shortages and affect our results of operations. We currently procure certain materials and components from single-source vendors. A material disruption from a single-source vendor may have a material adverse impact on our results of operations. If certain single-source suppliers were to become capacity constrained or insolvent, it could result in a reduction or interruption in supplies or an increase in the price of supplies and adversely impact our financial results.

Natural gas, electricity and, to a lesser extent, oil are the primary sources of energy for our manufacturing operations. Each of these resources is currently in adequate supply for our operations. In addition, the cost to operate our facilities and freight costs are dependent on world oil prices. Labor is generally available in reasonable proximity to our manufacturing facilities. Difficulties in obtaining any of the aforementioned resources or a significant cost increase could affect our financial results.

Generally, our contracts do not include a right of return, other than for standard warranty provisions; however, certain distributor partners within the commercial enterprise markets do maintain limited stock rotation rights. Due to buying patterns in the markets we serve, sales tend to be somewhat higher in the fourth quarter.

Environmental Quality

During 2012 , compliance with U.S. federal, state and local, and foreign laws regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, did not have a material effect on our capital expenditures, earnings or competitive position.

Employees

At December 31, 2012 , we and our subsidiaries had approximately 22,000 employees, compared to 23,000 employees at December 31, 2011 .

Financial Information About Geographic Areas

The response to this section of Item 1 incorporates by reference Note 11, “Commitments and Contingencies” and Note 12, “Information by Segment and Geographic Region” of Part II, Item 8: Financial Statements and Supplementary Data of this document, the “Results of Operations— 2012 Compared to 2011 ” and “Results of Operations— 2011 Compared to 2010 ” sections of Part II, “Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Item 1A: Risk Factors” of this document.

Financial Information About Segments

The response to this section of Item 1 incorporates by reference Note 12, “Information by Segment and Geographic Region,” of Part II, Item 8: Financial Statements and Supplementary Data of this document.

Available Information

We make available free of charge through our websit e, www.motorolasolutions.com/investors , our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, other reports filed under the Securities Exchange Act of 1934 (“Exchange Act”) and all amendments to those reports simultaneously or as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Our reports are also available free of charge on the SEC’s website, *www.sec.gov*. Also available free of charge on our website are the following corporate governance documents:

- Motorola Solutions, Inc. Restated Certificate of Incorporation
- Motorola Solutions, Inc. Amended and Restated Bylaws
- Motorola Solutions, Inc. Board Governance Guidelines
- Motorola Solutions, Inc. Director Independence Guidelines
- Principles of Conduct for Members of the Motorola Solutions, Inc. Board of Directors
- Motorola Solutions Code of Business Conduct, which is applicable to all Motorola Solutions employees, including the principal executive officers, the principal financial officer and the controller (principal accounting officer)
- Audit Committee Charter
- Compensation and Leadership Committee Charter
- Governance and Nominating Committee Charter

All of our reports and corporate governance documents may also be obtained without charge by contacting Investor Relations, Motorola Solutions, Inc., Corporate Offices, 1303 East Algonquin Road, Schaumburg, Illinois 60196, E-mail: *investors@motorolasolutions.com* . Our Annual Report on Form 10-K and Definitive Proxy Statement may also be requested in hardcopy by clicking on “Printed Materials” a t www.motorolasolutions.com/investors . Our Internet website and the information contained therein or incorporated therein are not intended to be incorporated into this Annual Report on Form 10-K.

Item 1A: Risk Factors

We wish to caution the reader that the following important risk factors, and those risk factors described elsewhere in this report or in our other Securities and Exchange Commission filings, could cause our actual results to differ materially from those stated in forward-looking statements contained in this document and elsewhere. These risks are not presented in order of importance or probability of occurrence.

We continue to face a number of risks related to current global economic conditions, including adverse credit conditions, low economic growth, risk of sovereign defaults and high levels of unemployment, and political conditions that have and could continue to unfavorably impact our business.

Global economic conditions continue to be challenging for government and enterprise communications markets, as many economies and financial markets remain in a recession resulting from a number of factors, including adverse credit conditions, low economic growth rates, risk of sovereign defaults, particularly in certain European countries, continuing high rates of unemployment and reduced corporate capital spending. Economic growth in the U.S. and many other countries has remained low and the length of time these adverse economic conditions may persist are unknown. In addition, conflicts in the Middle East and elsewhere have created many economic and political uncertainties that have impacted worldwide markets. These global economic and political conditions have impacted and could continue to impact our business in a number of ways, including:

- *Budgeting and Forecasting are Difficult:* It is difficult to estimate changes in various parts of the U.S. and world economy, including the markets in which we participate. Components of our budgeting and forecasting are dependent upon estimates of demand for our products, the prevailing economic uncertainties render estimates of future income and expenditures difficult.

- *Potential Deferment or Cancellation of Purchases and Orders by Customers:* Uncertainty about current and future global economic conditions may cause, and in some cases has caused businesses and in some cases governments to defer or cancel purchases in response to tighter credit and decreased cash availability and declining consumer confidence. If future demand for our products declines due to global economic conditions, it will negatively impact our financial results.

- *Customers' Inability to Obtain Financing to Make Purchases from Motorola Solutions and/or Maintain Their Business:* Some of our customers require substantial financing, including public financing or government grants, in order to fund their operations and make purchases from us. The inability of these customers to obtain sufficient credit or other funds to finance purchases of our products and/or meet their payment obligations to us could have, and in some cases has had, a negative impact on our financial results. In addition, if global economic conditions result in insolvencies for our customers, it will negatively impact our financial results.

- *Requests by Customers for Vendor Financing by Motorola Solutions:* Certain of our customers, particularly, but not limited to, those who purchase large infrastructure systems, request that their suppliers provide financing in connection with equipment purchases or the provision of managed services. In response to reduced tax revenue at the state and local government level and ongoing tightening of credit for certain enterprise customers, these types of requests have increased in volume and scope. Motorola Solutions through its Government segment and in connection with its global solutions and services offering, has continued to provide customer financing in light of these requests. We have been faced with and expect to continue to be faced with choosing between further increasing our level of vendor financing or potentially losing sales to these customers, as some of our competitors, particularly those in Asia, have been more willing to provide vendor financing to customers around the world, particularly customers in Africa and Latin America. To the extent we are unable to sell these receivables on terms acceptable to us we will retain exposure to the credit quality of our customers who we finance.

- *Negative Impact from Increased Financial Pressures on Third-Party Dealers, Distributors and Retailers:* We offer our products through a variety of third-party dealers, distributors and retailers. Some of these third-parties are smaller and more likely to be impacted by the significant decrease in available credit that resulted from the financial crisis that continues today. If credit pressures or other financial difficulties result in insolvency for third party dealers, distributors or retailers and we are unable to successfully transition end-customers to purchase our products from other third parties or from us directly, it may cause, and in some cases has caused, a negative impact on our financial results.

- *Negative Impact from Increased Financial Pressures on Key Suppliers:* Our ability to meet customers' demands depends, in part, on our ability to obtain timely and adequate delivery of quality materials, parts and components, including software from our suppliers. Certain of these items are available only from a single source or limited sources. If certain single-source or limited-source suppliers were to become capacity constrained or insolvent, it could result in a reduction or interruption in supplies or an increase in the price of supplies and negatively impact

our financial results. In addition, credit constraints at single-source suppliers have resulted in accelerated payment of accounts payable by us, impacting our cash flow.

- *Risk of Financial Counterparty Failures Could Negatively Impact our Financial Position:* A significant amount of our international business in 2012 was transacted in local currency. We use derivative financial instruments to reduce our overall exposure to the effects of currency fluctuations on cash flows. We are exposed to credit loss in the event of nonperformance by the counterparties to these derivative financial instruments. Although the contracts are distributed among several leading financial institutions, all of whom presently have investment grade credit ratings, the default by one or more counterparties could have an adverse impact on our financial statements.

- *Returns on Pension and Retirement Plan Assets and Interest Rate Changes Could Affect Our Earnings and Cash Flow in Future Periods:* We have large underfunded pension obligations, in part resulting from the fact that we retained almost all of the U.S. pension liabilities and a major portion of our non-U.S. pension liabilities following our divestitures, including the distribution of Motorola Mobility. The funding position of our pension plans is affected by the performance of the financial markets, particularly the equity and debt markets, and the interest rates used to calculate our pension obligations for funding and expense purposes. Minimum annual pension contributions are determined by government regulations and calculated based upon our pension funding status, interest rates, and other factors. If the financial markets perform poorly, we could be and have been required to make additional large contributions. The equity and debt markets can be volatile, and therefore our estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates can affect our contribution requirements. In volatile interest rate environments, the likelihood of material changes in the future minimum required contributions increases.

We have direct and indirect exposure to European sovereign and non-sovereign debt, and to European markets and our revenues and cash flows are exposed to fluctuations in the euro.

We have sizeable operations in Europe, which have been and will be impacted by the ongoing financial situation in Europe and the volatility of the euro. We view our exposures to the euro as follows as of December 31, 2012:

- Our cash and cash equivalents include approximately $360 million of euro denominated currency.
- Our accounts receivables balance includes approximately $140 million of euro denominated receivables.
- In 2012, approximately 10% of our total sales were euro denominated.
- Company-sponsored defined benefit plans have no material exposure to euro sovereign debt, approximately $70 million exposure to euro corporate bonds, and approximately $325 million exposure to euro equity investments.

A significant devaluation of, or movement away from, the use of the euro could have a material adverse effect on our financial condition and results of operations.

Our success depends in part on our timely introduction of new products and technologies and our results can be impacted by the effectiveness of our significant investments in new products and technologies.

The markets for certain of our products are characterized by rapidly changing technologies and evolving industry standards. In addition, new technologies and associated competitors are entering our markets at a faster pace than we have experienced in the past, including consumer grade products. New products are expensive to develop and bring to market. Our success depends, in substantial part, on the timely and successful introduction of new products and upgrades of current products to comply with emerging industry standards and to address competing technological and product developments carried out by our competitors. The research and development of new, technologically-advanced products is a complex and uncertain process requiring high levels of innovation and investment, as well as the accurate anticipation of technology and market trends. Many of our products and systems are complex and we may experience delays in completing development and introducing new products or technologies in the future. We may focus our resources on technologies that do not become widely accepted or are not commercially viable or involve compliance obligations with additional areas of regulatory requirements.

Our results are subject to risks related to our significant investment in developing and introducing new products. These risks include among others: (i) difficulties and delays in the development, production, testing and marketing of products; (ii) customer acceptance of products; (iii) the development of, approval of, and compliance with industry standards and regulatory requirements; (iv) the significant amount of resources we must devote to the development of new technologies; and (v) the ability to differentiate our products and compete with other companies in the same markets.

We are exposed to risks under large, multi-year system and managed services contracts that may negatively impact our business.

We enter into large, multi-year system and managed services contracts with large municipal, state, nation-wide government and enterprise customers. This exposes us to risks, including among others: (i) the technological risks, especially

when the contracts involve new technology; (ii) financial risks, including the estimates inherent in projecting costs associated with large, long term contracts and the related impact on operating results; and (iii) political risk, especially related to the contracts with government customers. In addition, multi-year awards from governmental customers may often only receive partial funding initially and may typically be cancelable on short notice with limited penalties. The termination of funding for a government program could result in a loss of anticipated future revenue attributable to that program, which could have an adverse impact on our profitability.

The expansion of our business into managed services creates new competitors and new and increased areas of risk that we have not been exposed to in the past and that we may not be able to properly assess or mitigate against.

In July 2011, we announced the formation of our global solutions and services organization. We plan to continue to expand our business by offering additional and expanded managed services for existing and new types of customers, such as designing, building, operating, managing and in some cases owning a public-safety system or other commercial system. The offering of managed services involves the integration of multiple services, multiple vendors and multiple technologies, requiring that we partner with other systems and services providers, often on multi-year projects. In some cases we must compete in some business areas with a company with which we have a partnership and, at the same time, cooperate with that company in other business areas. From time to time such projects may require that we form a joint venture with our partners. Risks associated with expanding our managed services offerings include:

- We may be unable to recognize revenue from the sale of equipment in connection with managed services contracts for a period of time, which may be several years.
- We may be required to agree to specific performance metrics that meet the customer's requirement for network availability, reliability, maintenance and support and, in some cases, if these performance metrics are not met we may not be paid.
- The managed services business is one characterized by large subcontracting arrangements and we may not be able to obtain adequate indemnities or other protections from our subcontractors to adequately mitigate our risk to our customers.
- We are facing increasing competition from traditional system integrators and the defense industry as system contracts become larger and more complicated.
- Expansion will bring us into contact with new regulatory requirements and restrictions with which we will have to comply and may increase the costs and delay or limit the range of new services which we will be able to offer.

A portion of our business is dependent upon U.S. government contracts and grants, which are highly regulated and subject to oversight audits by U.S. government representatives and subject to cancellations. Such audits could result in adverse findings and negatively impact our business.

Our government business is subject to specific procurement regulations with numerous compliance requirements. These requirements, although customary in U.S. government contracting, increase our performance and compliance costs. These costs may increase in the future, thereby reducing our margins, which could have an adverse effect on our financial condition. Failure to comply with these regulations could lead to suspension or debarment from U.S. government contracting or subcontracting for a period of time, and the inability to receive future grants. Among the causes for debarment are violations of various laws, including those related to procurement integrity, export control, U.S. government security regulations, employment practices, protection of the environment, accuracy of records, proper recording of costs, foreign corruption and the False Claims Act.

Generally, U.S. government contracts and grants are subject to oversight audits by U.S. government representatives. Such audits could result in adjustments to our contracts or grants. Any costs found to be improperly allocated to a specific contract or grant may not be allowed, and such costs already reimbursed may have to be refunded. Future audits and adjustments, if required, may materially reduce our revenues or profits upon completion and final negotiation of audits. Negative audit findings could also result in investigations, termination of a contract or grant, forfeiture of profits or reimbursements, suspension of payments, fines and suspension or prohibition from doing business with the U.S. government. All contracts with the U.S. government are subject to cancellation at the convenience of the U.S. government.

In addition, contacts with government officials and participation in political activities are areas that are tightly controlled by federal, state and local laws. Failure to comply with these laws could cost us opportunities to seek certain government sales opportunities or even result in fines, prosecution, or debarment .

We derive a portion of our revenue from government customers who award business through competitive bidding which can involve significant upfront costs and risks. This effort may not result in awards of business or we may fail to accurately estimate the costs to fulfill contracts awarded to us, which could have adverse consequences on our future profitability.

Many government customers, including most U.S. government customers, award business through a competitive bidding process, which results in greater competition and increased pricing pressure. The competitive bidding process involves

significant cost and managerial time to prepare bids for contracts that may not be awarded to us. Even if we are awarded contracts, we may fail to accurately estimate the resources and costs required to fulfill a contract, which could negatively impact the profitability of any contract award to us. In addition, following a contract award, we have experienced and may continue to experience significant expense or delay, contract modification or contract rescission as a result of customer delay or our competitors protesting or challenging contracts awarded to us in competitive bidding.

We enter into fixed-price contracts that could subject us to losses in the event we fail to properly estimate our costs.

We enter into a number of firm fixed-price contracts. If our initial cost estimates are incorrect, we can lose money on these contracts. Because many of these contracts involve new technologies and applications, require us to engage subcontractors and can last multiple years, unforeseen events, such as technological difficulties, fluctuations in the price of raw materials, problems with our subcontractors or suppliers and other cost overruns, can result in the contract pricing becoming less favorable or even unprofitable to us and have an adverse impact on our financial results. In addition, a significant increase in inflation rates could have a adverse impact on the profitability of longer-term contracts.

Government regulation of radio frequencies may limit the growth of public safety broadband systems or reduce barriers to entry for new competitors.

Radio frequencies are required to provide wireless services. The allocation of frequencies is regulated in the U.S. and other countries and limited spectrum space is allocated to wireless services and specifically to public safety users. The growth of public safety broadband communications systems may be affected: (i) by regulations relating to the access to allocated spectrum for public safety users, (ii) if adequate frequencies are not allocated, or (iii) if new technologies are not developed to better utilize the frequencies currently allocated for such use. Industry growth may also be affected by new licensing fees required to use frequencies.

The U.S. leads the world in allocating spectrum to enable wireless communications such as wireless local area network systems, such as WiFi, mesh technologies and wide area network systems, such as WiMAX and LTE. Other countries have also allocated spectrum to allow deployment of these and other technologies. This changing landscape may introduce new competition and new opportunities for us.

The Middle Class Tax Relief and Job Creation Act of 2012 (the “Legislation”) authorized an additional ten MHz of broadband spectrum for public safety use (the “D-block”) for a total of 20 MHz of contiguous broadband spectrum for public safety. In addition, public safety retained 14 MHz of the 700 MHz narrowband spectrum, subject to the FCC's authority to determine whether such spectrum should be authorized for future broadband use. The Legislation further provides for the establishment of a centralized governance model through an independent authority within NTIA designated as the “First Responder Network Authority” or “FirstNet” but allows for states to opt out of the plan to develop a nationwide public safety network and perform their own competitive procurements if certain criteria are met. States that opt out would still be eligible for funding and would also be allowed to generate revenue through leases to secondary users.

Although the Legislation has been enacted, the implementation of a nationwide public safety network under FirstNet could be delayed or reduced significantly in scope due to: (i) complexities in the acquisition of a nationwide network, which involves regulatory requirements, (ii) writing of the specifications and statement of work, (iii) decision making on the system architecture or (iv) potential political opposition from certain states. Any such delays or changes in scope of the FirstNet initiative could negatively impact our ability to further develop and expand our public safety LTE business. For example, FirstNet may define specifications for the nationwide network which make it impossible or impractical for commercial LTE infrastructure and equipment vendors to compete for contracts to build out the network. Furthermore, states may seek alternative means to deploy public safety LTE networks if a centralized architecture inhibits states' ability to operationally control its first responder agencies.

Our employees, customers, suppliers and outsource partners are located throughout the world and, as a result, we face risks that other companies that are not global may not face.

Our customers and suppliers are located throughout the world. In 2012, more than 40% of our revenue was generated by customers outside the U.S. In addition, we have a number of manufacturing, research and development, administrative and sales facilities outside the U.S. and more than 50% of our employees are employed outside the U.S. Most of our suppliers' operations are outside the U.S. and most of our products are manufactured outside the U.S.

Because we have sizeable sales and operations outside the U.S., including outsourcing and procurement arrangements outside of the U.S., we have more complexity in our operations and are exposed to a unique set of global risks that could negatively impact sales or profitability, including but not limited to: (i) import/export regulations, tariffs, trade barriers and trade disputes, customs classifications and certifications, including but not limited to changes in classifications or errors or omissions related to such classifications and certifications; (ii) changes in U.S. and non-U.S. rules related to trade, environmental, health and safety, technical standards and consumer protection; (iii) longer payment cycles; (iv) tax issues, such as tax law changes, variations in tax laws from country to country and as compared to the U.S., obligations under tax incentive

agreements, difficulties in repatriating cash generated or held abroad in a tax-efficient manner and difficulties in securing local country approvals for cash repatriations; (v) currency fluctuations, particularly in the euro, the British pound, Chinese renminbi, Norwegian krone, Israeli shekel, and Japanese yen among others; (vi) foreign exchange regulations, which may limit our ability to convert or repatriate foreign currency; (vii) challenges in collecting accounts receivable; (viii) cultural and language differences; (ix) employment regulations and local labor conditions; (x) difficulties protecting intellectual property in foreign countries; (xi) instability in economic or political conditions, including inflation, recession and actual or anticipated military or political conflicts; (xii) natural disasters; (xiii) public health issues or outbreaks; (xiv) changes in laws or regulations that negatively impact benefits being received by us or that require costly modifications in products sold or operations performed in such countries; and (xv) litigation in foreign court systems and foreign administrative proceedings.

Many of our products that are manufactured outside the U.S. are manufactured in Asia (primarily Malaysia and China) and Latin America (primarily Mexico). If manufacturing in these regions is disrupted, our overall capacity could be significantly reduced and sales or profitability could be negatively impacted. We have engineering resources in Israel that could be disrupted as a result of hostilities in that country. We also sell our products and services throughout the Middle East and demand for our products and services could be negatively impacted by political conflicts and hostilities in this region. The potential for future unrest, terrorist attacks, increased global conflicts and the escalation of existing conflicts has created worldwide uncertainties that have negatively impacted, and may continue to negatively impact, demand for certain of our products.

We also are subject to risks that our operations could be conducted by our employees, contractors, representatives or agents in ways that violate the Foreign Corrupt Practices Act, the U.K. Bribery Act, or other similar anti-corruption laws. While we have policies and procedures to comply with these laws, our employees, contractors, representatives and agents may take actions that violate our policies. Any such violations could have a negative impact on our business. Moreover, we face additional risks that our anti-corruption policies and procedures may be violated by third-party sales representatives or other third-parties that help sell our products or provide other services, because such representatives or agents are not our employees and it may be more difficult to oversee their conduct.

We may not continue to have access to the capital markets for financing on acceptable terms and conditions, particularly if our credit ratings are downgraded.

From time to time we access the capital markets to obtain financing. Our access to the capital markets and the availability of acceptable terms and conditions are impacted by many factors, including: (i) our credit ratings, (ii) the liquidity of the overall capital markets, and (iii) the current state of the economy. There can be no assurances that we will continue to have access to the capital markets on terms acceptable to us.

We are rated investment grade by all three national rating agencies. Any downward changes by the rating agencies to our credit rating may negatively impact the value and liquidity of both our debt and equity securities. Under certain circumstances, if our credit ratings are downgraded or other negative action is taken, an increase in the interest rate payable by us under our revolving credit facility could result. In addition, a downgrade in our credit ratings could limit our ability to: access the debt markets; provide performance bonds, bid bonds, standby letters of credit and surety bonds; hedge foreign exchange risk; fund our foreign affiliates; and sell receivables. A downgrade in our credit rating could also result in less favorable trade terms with suppliers. In addition, any downgrades in our credit ratings may affect our ability to obtain additional financing in the future and may affect the terms of any such financing. Any future disruptions, uncertainty or volatility in the capital markets may result in higher funding costs for us and adversely affect our ability to access funds and other credit related products. In addition, we may avoid taking actions that would otherwise benefit us, such as engaging in certain acquisitions, that would negatively impact our credit rating.

Changes in our effective tax rate may have a negative impact on future operating results.

We are subject to income taxes in the U.S. and numerous foreign tax jurisdictions. Our effective tax rate may be negatively impacted by: (i) changes in the mix of earnings taxable in jurisdictions with different statutory tax rates, (ii) changes in tax laws and accounting principles, (iii) changes in the valuation of our deferred tax assets and liabilities, (iv) failure to meet commitments under tax incentive agreements, (v) discovery of new information during the course of tax return preparation, (vi) increases in nondeductible expenses, or (vii) difficulties in repatriating cash held abroad in a tax-efficient manner.

Tax audits may also negatively impact our effective tax rate. We are subject to continued examination of our income tax returns, and tax authorities may disagree with our tax positions and assess additional tax. We regularly evaluate the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these continuing examinations will not have a negative impact on future operating results.

If the quality of our products does not meet our customers' expectations or regulatory or industry standards, then our sales and operating earnings, and ultimately our reputation, could be negatively impacted.

Some of the products we sell may have quality issues resulting from the design or manufacture of the product, or from the software used in the product. Sometimes, these issues may be caused by components we purchase from other manufacturers or suppliers. Often these issues are identified prior to the shipment of the products and may cause delays in shipping products to customers, or even the cancellation of orders by customers. Sometimes, we discover quality issues in the products after they have been shipped to our customers, requiring us to resolve such issues in a timely manner that is the least disruptive to our customers. Such pre-shipment and post-shipment quality issues can have legal and financial ramifications, including: (i) delays in the recognition of revenue, loss of revenue or future orders, (ii) customer-imposed penalties on us for failure to meet contractual requirements, (iii) increased costs associated with repairing or replacing products, and (iv) a negative impact on our goodwill and brand name reputation.

In some cases, if the quality issue affects the product's safety or regulatory compliance, then such a “defective” product may need to be “stop-shipped” or recalled. Depending on the nature of the defect and the number of products in the field, it could cause us to incur substantial recall costs, in addition to the costs associated with the potential loss of future orders and the damage to our goodwill or brand reputation. In addition, we may be required, under certain customer contracts, to pay damages for failed performance that might exceed the revenue that we receive from the contracts. Recalls involving regulatory non-compliance could also result in fines and additional costs. Finally, recalls could result in third-party litigation by persons or companies alleging harm or economic damage as a result or the use of the products.

Many of our components and products, including software, are designed, developed or manufactured by third-parties and if such third-parties lack sufficient quality control or if there are significant changes in the financial or business condition of such third-parties, it may have a negative impact on our business.

We rely on third-parties to design, develop or manufacture many of our components and finished products, as well as software. We could have difficulties fulfilling our orders and our sales and profits could decline if (i) we are not able to engage such third-parties with the capabilities or capacities required by our business, (ii) such third-parties lack sufficient quality control and fail to deliver quality components or products on time and at reasonable prices or deliver products that do not meet regulatory or industry standards or requirements, or (iii) if there are significant changes in the financial or business condition of such third-parties.

We utilize the services of subcontractors to perform under many of our contracts and the inability of our subcontractors to perform could cause our products or services to be produced or delivered in an untimely or unsatisfactory manner.

We engage subcontractors on many of our contracts and as we expand our global solutions and services organization our use of subcontractors has and will continue to increase. We may have disputes with our subcontractors, including disputes regarding the quality and timeliness of work performed by the subcontractor. We are not always successful in passing down customer requirements to our subcontractors, and thus in some cases may be required to absorb contractual risks from our customers without corresponding back-to-back coverage from our subcontractor. Our subcontractors may not be able to acquire or maintain the quality of the materials, components, subsystems and services they supply, which might result in greater product returns, service problems and warranty claims and regulatory compliance issues and could harm our business, financial condition and results of operations.

Failure of our suppliers, subcontractors, distributors, resellers and representatives to use acceptable legal or ethical business practices could negatively impact our business.

It is our policy to require our suppliers, subcontractors, distributors, resellers, and third-party sales representatives (“TPSRs”) to operate in compliance with applicable laws, rules and regulations regarding working conditions, employment practices, environmental compliance, anti-corruption and trademark and copyright licensing. However, we do not control their labor and other business practices. If one of our suppliers, subcontractors, distributors, resellers, or TPSRs violates labor or other laws or implements labor or other business practices that are regarded as unethical, the shipment of finished products to us could be interrupted, orders could be canceled, relationships could be terminated and our reputation could be damaged. If one of our suppliers or subcontractors fails to procure necessary license rights to trademarks, copyrights or patents, legal action could be taken against us that could impact the salability of our products and expose us to financial obligations to a third-party. Any of these events could have a negative impact on our sales and results of operations.

We rely on third-party dealers, distributors, and retailers to sell certain of our products.

In addition to our own sales force, we offer our products through a variety of third-party dealers, distributors and retailers. These third-parties may also market other products that compete with our products. Failure of one or more of our dealers, distributors or retailers to effectively promote our products could affect our ability to bring products to market and have a negative impact on our results of operations.

Our future operating results depend on our ability to purchase a sufficient amount of materials, parts and components to meet the demands of our customers and any reduction or interruption in supplies or significant increase in the price of supplies could have a negative impact on our results of operations.

Our ability to meet customers' demands depends, in part, on our ability to obtain timely and adequate delivery of quality materials, parts and components from our suppliers. If demand for our products increases from our current expectations or if suppliers are unable to meet our demand for other reasons, including as a result of natural disasters or financial issues, we could experience shortages. We have experienced shortages in the past that have negatively impacted our results of operations and may experience such shortages in the future.

Furthermore, certain of our components are available only from a single source or limited sources. We may not be able to diversify sources in a timely manner. A reduction or interruption in supplies or a significant increase in the price of supplies could have a negative impact on our business. In addition, our current contractual arrangements with certain suppliers may be cancelled or not extended by such suppliers and, therefore, not afford us with sufficient protection against a reduction or interruption in supplies. Moreover, in the event any of these single source or limited source suppliers breach their contracts with us, our legal remedies associated with such a breach may be insufficient to compensate us for any damages we may suffer.

We rely on complex information technology systems and networks to operate our business. Any significant system or network disruption, including as a result of third-party attacks, could have a negative impact on our operations, sales and operating results.

We rely on the efficient and uninterrupted operation of complex information technology systems and networks, some of which are within the Company and some of which are outsourced, including to India. All information technology systems are potentially vulnerable to damage or interruption from a variety of sources, including but not limited to computer viruses, security breach, energy blackouts, natural disasters, terrorism, war and telecommunication failures. As a provider of high technology emergency response systems, we face additional risk as a target of sophisticated attacks aimed at compromising our intellectual property and our customer information, referred to as advanced persistent threats. We implemented a number of significant business systems upgrades in 2012 and plan to implement a number of additional significant business systems upgrades in 2013 which, if defective or improperly installed or implemented may result in a business disruption. In addition, we currently rely on a number of older legacy information systems that are harder to maintain. A system failure or security breach could negatively impact our operations and financial results. We may incur additional costs to remedy the damages caused by these disruptions or security breaches.

There has been a sharp increase in laws in Europe, the U.S. and elsewhere imposing requirements for the handling of personal data, including data of employees, consumers and business contacts. There is a risk that failures in systems designed to protect private, personal or proprietary data held by us will allow such data to be disclosed to or seen by others, resulting in application of regulatory penalties, enforcement actions, remediation obligations and/or private litigation by parties whose data were improperly disclosed. There is also a risk that our Company (directly or as the result of some third-party service provider we use) could be found to have failed to comply with the laws or regulations of some country regarding the collection, consent, handling, transfer, or disposal of such personal data, and therefore subject the Company to fines or other sanctions, as well as adverse reputational impact.

We face many risks relating to intellectual property rights.

Our business will be harmed if: (i) we, our customers and/or our suppliers are found to have infringed intellectual property rights of third-parties, (ii) the intellectual property indemnities in our supplier agreements are inadequate to cover damages and losses due to infringement of third-party intellectual property rights by supplier products, (iii) we are required to provide broad intellectual property indemnities to our customers, (iv) our intellectual property protection is inadequate to protect against threats of misappropriation from internal or external sources or otherwise inadequate to protect our proprietary rights, or (v) our competitors negotiate significantly more favorable terms for licensed intellectual property. We may be harmed if we are forced to make publicly available, under the relevant open-source licenses, certain internally developed software-related intellectual property as a result of either our use of open-source software code or the use of third-party software that contains open-source code.

Since our products are comprised of complex technology, much of which we acquire from suppliers through the purchase of components or licensing of software, we are often involved in or impacted by assertions, including both requests for licenses and litigation, regarding patent and other intellectual property rights. Third-parties have asserted, and in the future may assert, intellectual property infringement claims against us and against our customers and suppliers. These assertions against us, and our customers and suppliers have been increasing as the complexity of our products has increased. Many of these assertions are brought by non-practicing entities whose principle business model is to secure patent licensing-based revenue from product manufacturing companies. The patent holders often make broad and sweeping claims regarding the applicability of their patents to our products, seeking a percentage of sales as licenses fees, seeking injunctions to pressure us into taking a license, or a combination thereof. Defending claims may be expensive and divert the time and efforts of our management and employees. Increasingly, third-parties have sought broad injunctive relief which could limit our ability to sell our products in the U.S. or elsewhere with intellectual property subject to the claims. If we do not succeed in any such litigation, we could be required to expend significant resources to pay damages, develop non-infringing products or to obtain licenses to the intellectual property that is the subject of such litigation, each of which could have a negative impact on our financial results. However, we cannot

be certain that any such licenses, if available at all, will be available to us on commercially reasonable terms. In some cases, we might be forced to stop delivering certain products if we or our customer or supplier are subject to a final injunction.

We attempt to negotiate favorable intellectual property indemnities with our suppliers for infringement of third-party intellectual property rights. However, there is no assurance that we will be successful in our negotiations or that a supplier's indemnity will cover all damages and losses suffered by us and our customers due to the infringing products or that a supplier will choose to accept a license or modify or replace its products with non-infringing products which would otherwise mitigate such damages and losses. Further, we may not be able to participate in intellectual property litigation involving a supplier and may not be able to influence any ultimate resolution or outcome that may negatively impact our sales if a court enters an injunction that enjoins the supplier's products or if the International Trade Commission issues an exclusionary order that blocks our products from importation into the U.S. Intellectual property disputes involving our suppliers have resulted in our involvement in International Trade Commission proceedings from time to time. These proceedings are costly and entail the risk that we will be subjected to a ban on the importation of our products into the U.S. solely as a result of our use of a supplier's components.

In addition, our customers increasingly demand that we indemnify them broadly from all damages and losses resulting from intellectual property litigation against them. These demands stem from the increasing trend of the non-practicing entities that engage in patent enforcement and litigation targeting the end users of our products. End users are targeted so the non-practicing entities can seek royalties and litigation judgments in proportion to the value of the use of our products, rather than in proportion to the cost of our products. Such demands can amount to many times the selling price of our products.

Our patent and other intellectual property rights are important competitive tools and may generate income under license agreements. We regard our intellectual property as proprietary and attempt to protect it with patents, copyrights, trademarks, trade secret laws, confidentiality agreements and other methods. We also generally restrict access to and distribution of our proprietary information. Despite these precautions, it may be possible for a third-party to obtain and use our proprietary information or develop similar technology independently. In addition, effective patent, copyright, trademark and trade secret protection may be unavailable or limited in certain foreign countries. Unauthorized use of our intellectual property rights by third-parties and the cost of any litigation necessary to enforce our intellectual property rights could have a negative impact on our financial results.

As we expand our business, including through acquisitions, and compete with new competitors in new markets, the breadth and strength of our intellectual property portfolio in those new areas may not be as developed as in our longer-standing businesses. This may expose us to a heightened risk of litigation and other challenges from competitors in these new markets. Further, competitors may be able to negotiate significantly more favorable terms for licensed intellectual property than we are able to, which puts them at a competitive advantage. As our products become more like commercial products, through the adoption of industry-standard technologies, for instance, our intellectual property-related risks may increase.

We no longer own certain logos and other trademarks, trade names and service marks, including MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M logo and all derivatives and formatives thereof ("Motorola Marks") and we license the Motorola Marks from Motorola Mobility, which is currently owned by Google. Our joint use of the Motorola Marks could result in product and market confusion and negatively impact our ability to expand our business under the Motorola brand. In addition, if we do not comply with the terms of the license agreement we could lose our rights to the Motorola Marks. A further change of control of or bankruptcy of Motorola Mobility could result in an incompatible third-party owning the Motorola Marks.

We have a worldwide, perpetual and royalty-free license from Motorola Mobility to use the Motorola Marks as part of our corporate name and in connection with the manufacture, sale, and marketing of our current products and services. The license of the Motorola Marks is important to us because of the reputation of the Motorola brand for our products and services. There are risks associated with both Motorola Mobility and the Company using the Motorola Marks and with this loss of ownership. As both Motorola Mobility and the Company will be using the Motorola Marks, confusion could arise in the market, including customer and investor confusion regarding the products offered by and the actions of the two companies. This risk could increase as both Motorola Mobility's and our products continue to converge. Also, any negative publicity associated with either company in the future could adversely affect the public image of the other. In addition because our license of the Motorola Marks will be limited to products and services within our specified fields of use, we will not be permitted to use the Motorola Marks in other fields of use without the approval of Motorola Mobility. In the event that we desire to expand our business into any other fields of use, we may need to do so with a brand other than Motorola. Developing a brand as well-known and with as much brand equity as Motorola could take considerable time and expense. The risk of needing to develop a second brand increases as Motorola Mobility's and our products continue to converge and as our business expands into other fields of use. In addition, we could lose our rights to use the Motorola Marks if we do not comply with the terms of the license agreement. Such a loss could negatively affect our business, results of operations and financial condition. Furthermore, Motorola Mobility has the right to license the brand to third-parties and either Motorola Mobility or licensed third parties may use the brand in ways that make the brand less attractive for customers of Motorola Solutions, creating increased risk that Motorola Solutions may

need to develop an alternate or additional brand. Motorola Mobility was acquired by Google in May 2012, which results in Google having effective control over the Motorola Marks.

In the event either Motorola Mobility or Google is acquired, the acquiring entity would gain control of the Motorola Marks. In addition, neither Motorola Mobility nor Google are prohibited from selling the Motorola Marks. In the event of a liquidation of Motorola Mobility or the then owner of the Motorola Marks, it is possible that a bankruptcy court would permit the Motorola Marks to be assigned to a third-party. While our right to use the Motorola Marks under our license should continue in our specified field of use in such situations, it is possible that we could be party to a license arrangement with a third-party whose interests are incompatible with ours, thereby potentially making the license arrangement difficult to administer, and increasing the costs and risks associated with sharing the Motorola Marks. In addition, there is a risk that, in the event of a bankruptcy of Motorola Mobility or the then owner of the Motorola Marks, Motorola Mobility, the then owner or its bankruptcy trustee may attempt to reject the license, or a bankruptcy court may refuse to uphold the license or certain of its terms. Such a loss could negatively affect our business, results of operations and financial condition.

We may continue to make strategic acquisitions of other companies or businesses and these acquisitions introduce significant risks and uncertainties, including risks related to integrating the acquired businesses and achieving benefits from the acquisitions.

In order to position ourselves to take advantage of growth opportunities or to meet other strategic needs such as product or technology gaps, we have made, and expect to continue to make, strategic acquisitions that involve significant risks and uncertainties, such as the acquisition of Psion PLC. These risks and uncertainties include: (i) the difficulty in integrating newly-acquired businesses and operations in an efficient and effective manner; (ii) the challenges in achieving strategic objectives, cost savings and other benefits from acquisitions; (iii) the risk that our markets do not evolve as anticipated and that the technologies acquired do not prove to be those needed to be successful in those markets; (iv) the potential loss of key employees of the acquired businesses; (v) the risk of diverting the attention of senior management from our operations; (vi) the risks of entering new markets in which we have limited experience; (vii) risks associated with integrating financial reporting and internal control systems; (viii) difficulties in expanding information technology systems and other business processes to accommodate the acquired businesses; and (ix) future impairments of goodwill of an acquired business. In particular, failure to achieve targeted cost and revenue synergies could negatively impact our business performance.

Certain acquisition candidates in the industries in which we participate may carry higher relative valuations (based on earnings multiples) than we do. This is particularly evident in software and services businesses. Acquiring a business that has a higher valuation than Motorola Solutions may be dilutive to our earnings, especially if the acquired business has little or no revenue. In addition, we may not pursue opportunities that are highly dilutive to near-term earnings.

Key employees of acquired businesses may receive substantial value in connection with a transaction in the form of change-in-control agreements, acceleration of stock options and the lifting of restrictions on other equity-based compensation rights. To retain such employees and integrate the acquired business, we may offer additional retention incentives, but it may still be difficult to retain certain key employees.

We have completed a number of large divestitures over the last several years and have ongoing potential liability associated with those transactions and the businesses we divested. We may complete future divestitures with similar risks.

Over the last several years we have spun-off or sold a number of businesses, including Motorola Mobility and our Networks business and we may divest other businesses in the future. In connection with many of our divestitures we remain liable for certain pre-closing liabilities associated with the divested business, such as pension liabilities, taxes, environmental liabilities and litigation. In certain situations, such as our spin-off transactions, we may retain risk for pre-closing liabilities in the event of a liquidation or bankruptcy of the company we spun off, even if they assumed certain liabilities because they were incurred when they were part of the Company and a third-party may not have consented to the assumption. In addition, although we often assign contracts associated with the divested business to a buyer in a divestiture, often that assignment will be subject to the consent of the contractual counterparty, which may not be obtained or may be conditioned, resulting in the company remaining liable under the contract. In addition, in most of our divestitures we make representations and warranties and agree to covenants relating to the business divested. We remain liable for a period of time for breaches of representations, warranties and covenants and we also indemnify buyers in the event of such breaches and for other specific risks. Even though we establish reserves for any expected ongoing liability associated with divested businesses, those reserves may not be sufficient if unexpected liabilities arise and this could negatively impact our financial condition and future results of operations.

As part of our transformation efforts over the last several years we have outsourced portions of certain business operations like IT, manufacturing, repair and distribution and may outsource additional business operations which limits our control over these business operations and exposes us to additional risk as a result of the actions of our outsource partners.

As we outsource more of our business operations we are not able to directly control these activities. Our outsource partners may not prioritize our business over that of their other customers and they may not meet our desired level of service, cost reductions or other metrics. In some cases their actions may result in our being found to be in violation of laws or

regulations like import or export regulations. As many of our outsource partners operate outside of the U.S., our outsourcing activity increases our global risks. In addition, we are exposed to the financial viability of our outsource partners. Once a business activity is outsourced we may be contractually prohibited from or may not practically be able to bring such activity back within the Company or move it to another outsource partner. The actions of our outsource partners could result in reputational damage to us and could negatively impact our financial results.

We may be required to record additional goodwill or other long-lived asset impairment charges, which could result in an additional significant charge to earnings.

Under generally accepted accounting principles, we review our long-lived assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is assessed for impairment at least annually. Factors that may be considered in assessing whether goodwill or intangible assets may not be recoverable include a decline in our stock price or market capitalization, reduced estimates of future cash flows and slower growth rates in our industry. No goodwill or long-lived assets impairment charges were recorded during 2012, 2011 or 2010. Declines in our stock price or reductions in our future cash flow estimates and future operating results may require us to record significant additional goodwill or other long-lived asset impairment charges in our financial statements in future periods, which could negatively impact our financial results.

Changes in our operations or sales outside the U.S. markets could result in lost benefits in impacted countries and increase our cost of doing business.

We have entered into various agreements with non-U.S. governments, agencies or similar organizations under which we receive certain benefits relating to its operations and/or sales in the jurisdiction. If our circumstances change, and operations or sales are not at levels originally anticipated, we may be at risk of having to reimburse benefits already granted, and losing some or all of these benefits and increasing our cost of doing business.

Our success depends in part upon our ability to attract, retain and prepare succession plans for senior management and key employees.

The performance of our CEO, senior management and other key employees is critical to our success. If we are unable to retain talented, highly qualified senior management and other key employees or attract them when needed, it could negatively impact us. We rely on the experience of our senior management, who have specific knowledge relating to us and our industry that is difficult to replace and competition for management with experience in the communications industry is intense. A loss of the CEO, a member of senior management or key employee particularly to a competitor could also place us at a competitive disadvantage. Further, if we fail to adequately plan for the succession of our CEO, senior management and other key employees, the Company could be negatively impacted.

It may be difficult for us to recruit and retain the types of engineers and other highly-skilled employees that are necessary to remain competitive.

Competition for key technical personnel in high-technology industries is intense. We believe that our future success depends in large part on our continued ability to hire, assimilate, retain and leverage the skills of qualified engineers and other highly-skilled personnel needed to develop successful new products. We may not be as successful as our competitors at recruiting, assimilating, retaining and utilizing these highly-skilled personnel.

The unfavorable outcome of any pending or future litigation, arbitration or administrative action could have a material adverse effect on our financial condition or results of operations.

From time to time we are made a party to litigation, arbitration or administrative actions. Our financial results and reputation could be negatively impacted by unfavorable outcomes to any pending or future litigation or administrative actions, including those related to the Foreign Corrupt Practices Act and other anti-corruption laws. There can be no assurances as to the favorable outcome of any litigation or administrative proceedings. In addition, it can be very costly to defend litigation or administrative proceedings and these costs could negatively impact our financial results.

It is important that we are able to obtain many different types of insurance, and if we are not able to obtain insurance or we exhaust our coverage we are forced to retain the risk.

We have many types of insurance coverage and are also self-insured for some risks and obligations. While the cost and availability of most insurance is stable, there are still certain types and levels of insurance that remain difficult to obtain. For example, we recently purchased professional liability insurance, which is expensive to obtain for the amount of coverage often requested by certain customers. As we grow our global solutions and services organization we are being asked to obtain higher amounts of professional liability insurance, which could result in higher costs to do business. Natural disasters and certain risks arising from securities claims, professional liability and public liability are potential self-insured events that could negatively impact our financial results. In addition, while we maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover all claims or liabilities, and we may be forced to bear substantial costs from an accident, incident or claim.

We are subject to a wide range of product regulatory and safety, consumer, worker safety and environmental laws.

Our operations and the products we manufacture and/or sell are subject to a wide range of product regulatory and safety, consumer, worker safety and environmental laws. Compliance with such existing or future laws could subject us to future costs or liabilities, impact our production capabilities, constrict our ability to sell, expand or acquire facilities, restrict what products and services we can offer, and generally impact our financial performance. Some of these laws are environmental and relate to the use, disposal, clean up of, and exposure to certain substances. For example, in the United States, laws often require parties to fund remedial studies or actions regardless of fault and often times in response to action or omissions that were legal at the time they occurred. We continue to incur disposal costs and have ongoing remediation obligations. Changes to environmental laws or our discovery of additional obligations under these laws could have a negative impact on our financial performance.

Laws focused on: the energy efficiency of electronic products and accessories; recycling of both electronic products and packaging; reducing or eliminating certain hazardous substances in electronic products; and the transportation of batteries continue to expand significantly. Laws pertaining to accessibility features of electronic products, standardization of connectors and power supplies, the transportation of lithium-ion batteries and other aspects are also proliferating. There are also demanding and rapidly changing laws around the globe related to issues such as product safety, radio interference, radio frequency radiation exposure, and consumer and social mandates pertaining to use of wireless or electronic equipment. These laws, and changes to these laws, could have a substantial impact on whether we can offer certain products, solutions and services, on product costs, and on what capabilities and characteristics our products or services can or must include.

These laws impact our products and negatively affect our ability to manufacture and sell products competitively. We expect these trends to continue. In addition, we anticipate that we will see increased demand to meet voluntary criteria related to reduction or elimination of certain constituents from products, increasing energy efficiency, and providing additional accessibility.

We may be unable to obtain a sufficient supply of components and parts that are verified free of conflict minerals mined from the Democratic Republic of Congo and adjoining countries, which could result in a shortage of such components and parts or reputational damages if we are unable to determine that our products are free of such minerals.

The Dodd-Frank Wall Street Reform and Consumer Protection Act included disclosure requirements regarding the use of “conflict” minerals mined from the Democratic Republic of Congo and adjoining countries (“DRC”) and procedures regarding a manufacturer's efforts to prevent the sourcing of such “conflict” minerals. The final rules implementing these requirements were released in August 2012. The short implementation time frame may limit the pool of suppliers who can provide us verifiable DRC Conflict Free components and parts, and we are not certain that we will be able to obtain products in sufficient quantities that meet the DRC Conflict Free determination as required by the rule to declare our products DRC Conflict Free. Also, since our supply chain is complex, we may face reputational challenges with our customers, other stockholders and the activist community if we are required to publically state that we are unable to sufficiently verify the origins for the defined “conflict” metals used in our products.

A large percentage of our cash and cash equivalents are held outside of the United States and we could be subject to repatriation delays and costs which could reduce our financial flexibility.

A large percentage of our cash and cash equivalents is currently held outside the U.S., while many of our liabilities, such as our public debt, the majority of our pension liabilities and certain other cash payments, such as dividends and share repurchases, are payable in the U.S. While we regularly repatriate funds with minimal adverse financial impact, repatriation of some of the funds has been and could continue to be subject to delay for local country approvals and could have potential adverse tax consequences. As a result of having a lower amount of the cash and cash equivalents in the U.S., our financial flexibility may be reduced.

In connection with the distribution of Motorola Mobility, Motorola Mobility indemnified us for certain liabilities and we indemnified Motorola Mobility for certain liabilities. This indemnity may not be sufficient to insure us against the full amount of the liabilities assumed by Motorola Mobility and Motorola Mobility may be unable to satisfy its indemnification obligations to us in the future.

Pursuant to the Master Separation and Distribution Agreement and certain other agreements with Motorola Mobility, Motorola Mobility agreed to indemnify us for certain liabilities, and we agreed to indemnify Motorola Mobility for certain liabilities, in each case for uncapped amounts. Motorola Mobility was acquired by Google in May 2012. This indemnity obligation did not change as a result of the acquisition of Motorola Mobility by Google. There can be no assurance that the indemnity from Motorola Mobility will be sufficient to protect us against the full amount of such liabilities, or that Motorola Mobility will be able to fully satisfy its indemnification obligations, even if it continues to be owned by Google. Third-parties could also seek to hold us responsible for any of the liabilities that Motorola Mobility has agreed to assume. Even if we ultimately succeed in recovering from Motorola Mobility any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. In addition, indemnities that we may be required to provide Motorola Mobility are not subject to any cap, may be significant and could negatively impact our business. Each of these risks could negatively affect our

business, results of operations and financial condition. For more detailed information, see the Amended and Restated Master Separation and Distribution Agreement which was filed as an exhibit to our Form 10-Q for the third quarter 2010.

We contributed a significant portfolio of intellectual property rights, including patents, to Motorola Mobility and we are unable to leverage these intellectual property rights as we did prior to the distribution of Motorola Mobility.

We contributed approximately 17,200 granted patents and approximately 8,000 pending patent applications worldwide to Motorola Mobility in connection with the distribution. Although we have a perpetual, royalty free license to these patents and other intellectual property rights, we no longer own them. As a result we are unable to leverage these intellectual property rights for purposes of generating licensing revenue or entering into favorable licensing arrangements with third-parties. As a result we may incur increased license fees or litigation costs. Although we cannot predict the extent of such unanticipated costs, it is possible such costs could negatively impact our financial results.

Item 1B: Unresolved Staff Comments

None.

Item 2: Properties

Motorola Solutions' principal executive offices are located at 1303 East Algonquin Road, Schaumburg, Illinois 60196. Motorola Solutions also operates manufacturing facilities and sales offices in other U.S. locations and in many other countries.

As of December 31, 2012 , we owned 19 facilities (manufacturing, sales, service and office), 14 of which were located in the Americas Region (USA, Canada, Mexico, Central and South America) and five of which were located in other countries. As of December 31, 2012 , the Company leased 227 facilities, 97 of which were located in the Americas Region and 130 of which were located in other countries. As of December 31, 2012 , we primarily utilized five major facilities for the manufacturing and distribution of our products, and these facilities were located in: Penang, Malaysia; Reynosa, Mexico; Schaumburg, Illinois; Berlin, Germany; and Suzhou, China.

We generally consider the productive capacity of the plants to be adequate and sufficient for our requirements. The extent of utilization of each manufacturing facility varies throughout the year.

In 2012 , a substantial portion of our products were manufactured in facilities in Mexico and Malaysia. A portion of our manufacturing is done by a small number of non-affiliated electronics manufacturing suppliers and distribution and logistics services providers, most of which are outside the United States. We rely on these third-party providers in order to enhance our ability to lower costs and deliver products that meet consumer demands. If manufacturing in either Mexico or Malaysia, or by third-parties who manufacture and assemble approximately 33% of our products were disrupted, our overall productive capacity could be significantly reduced.

Item 3: Legal Proceedings

The proceedings referenced below refer to Motorola, Inc., our former name, and we have not changed the court descriptions to refer to Motorola Solutions, Inc.

Silverman Federal Securities Class Action Case

A purported class action lawsuit on behalf of the purchasers of Motorola securities between July 19, 2006 and January 5, 2007, *Silverman v. Motorola, Inc., et al* ., was filed against the Company and certain current and former officers and directors of the Company on August 9, 2007, in the United States District Court for the Northern District of Illinois. The complaint alleges violations of Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934, as well as, in the case of the individual defendants, the control person provisions of the Securities Exchange Act. The operative amended complaint primarily alleges that the defendants knowingly made incorrect statements concerning Motorola's projected revenues for the third and fourth quarter of 2006. The complaint also challenges Motorola's accounting and disclosures for certain transactions entered into in the third quarter of 2006. The complaint seeks unspecified damages and other relief relating to the purported inflation in the price of Motorola shares during the class period. On August 25, 2009, the district court granted plaintiff's motion for class certification. On February 1, 2012, the parties in the *Silverman* litigation signed a settlement agreement to resolve all claims in that case for $200 million, $150 million of which was paid by the Company's insurance carriers. The district court approved the settlement agreement on May 9, 2012. Two appeals have been filed from the judgment entered pursuant to the settlement - one challenging the court's approval of certain terms of the settlement, and the other challenging the fee award to the attorneys for the class. The appeals court has heard the appeals but has not issued a decision.

The Company is a defendant in various other suits, claims and investigations that arise in the normal course of business. In the opinion of management, the ultimate disposition of the Company's pending legal proceedings will not have a material adverse effect on the Company's consolidated financial position, liquidity or results of operations. However, an unfavorable resolution could have a material adverse effect on the Company's consolidated financial position, liquidity or results of

operations in the periods in which the matters are ultimately resolved, or in the periods in which more information obtained changes management's opinion of the ultimate disposition.

Item 4: Mine Safety Disclosures

Not applicable.

Executive Officers of the Registrant

Following are the persons who were the executive officers of Motorola Solutions as of February 12, 2013 , their ages as of January 1, 2013, their current titles and positions they have held during the last five years with the Company, unless otherwise noted:

Gregory Q. Brown; age 52; Chairman and Chief Executive Officer, since May 3, 2011; President and Chief Executive Officer from January 2011 to May 2011; Co-Chief Executive Officer, and Chief Executive Officer of Broadband Mobility Solutions business from August 2008 to January 2011; President and Chief Executive Officer from January 2008 to August 2008.

Michele A. Carlin; age 51; Senior Vice President, Human Resources since January 4, 2011; Senior Vice President, Human Resources from November 2009 to January 2011; Corporate Vice President, Human Resources, Global Rewards and HR Shared Services from July 2008 to October 2009; Vice President, Global Compensation, Benefits & HR Technology, Campbell Soup Company from June 2006 to July 2008.

Eduardo F. Conrado; age 46; Senior Vice President, Marketing and IT since January 7, 2013; Senior Vice President, Chief Marketing Officer from January 2011 to January 2013; Senior Vice President and Chief Marketing Officer, Motorola Solutions business from September 2010 to January 2011; Senior Vice President, Chief Marketing Officer, Enterprise Mobility Solutions business and Home and Networks business from March 2009 to September 2010; Corporate Vice President, Marketing and Communications, Home and Networks Mobility business from December 2007 to March 2009.

Edward J. Fitzpatrick; age 46; Executive Vice President, Chief Financial Officer since May 3, 2011; Senior Vice President, Chief Financial Officer from October 2009 to May 2011; Senior Vice President, Corporate Controller and Acting Chief Financial Officer from February 2009 to October 2009; Senior Vice President and Corporate Controller from January 2009 to February 2009; Corporate Vice President, Finance, Home and Networks Mobility business from January 2008 to January 2009.

Mark F. Moon; age 49; Executive Vice President and President, Sales & Product Operations since January 7, 2013; Executive Vice President, Sales and Field Operations from May 2011 to January 2013; Senior Vice President, Sales and Field Operations from January 2011 to May 2011; Senior Vice President, Sales and Field Operations, Motorola Solutions business from August 2010 to January 2011; Senior Vice President, Worldwide Field Operations, Enterprise Mobility Solutions business from April 2009 to August 2010 **;** Senior Vice President, Government and Commercial Markets-Americas, ASTRO Product Management, Enterprise Mobility Solutions business from January 2008 to April 2009; Senior Vice President, NA and LAC Biometrics, ASTRO, PCR Product Management, Government and Public Safety business, Enterprise Mobility Solutions business from July 2007 to January 2008.

Lewis A. Steverson; age 49; Senior Vice President, General Counsel and Secretary to the Board since January 4, 2011; Senior Vice President and General Counsel, Motorola Solutions business from August 2010 to January 2011; Senior Vice President, Law, Enterprise Mobility Solutions business from April 2010 to August 2010; Corporate Vice President, Law, Broadband Mobility business from May 2007 to April 2010.

John K. Wozniak; age 41; Corporate Vice President and Chief Accounting Officer since November 3, 2009; Vice President and Assistant Controller from March 2008 to November 2009; Senior Director of Technical Accounting and International Controller, Home and Networks Mobility business from June 2007 to March 2008.

The above executive officers will serve as executive officers of Motorola Solutions until the regular meeting of the Board of Directors in May 2013 or until their respective successors shall have been elected. There is no family relationship between any of the executive officers listed above.

PART II

Item 5: Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Motorola Solutions' common stock is listed on the New York and Chicago Stock Exchanges. The number of stockholders of record of its common stock on January 31, 2013 was 49,815.

Information regarding securities authorized for issuance under equity compensation plans is incorporated by reference to the information under the caption "Equity Compensation Plan Information" of Motorola Solutions' Proxy Statement for the 2013 Annual Meeting of Stockholders. The remainder of the response to this Item incorporates by reference Note 16, "Quarterly and Other Financial Data (unaudited)" of the Notes to Consolidated Financial Statements appearing under "Item 8: Financial Statements and Supplementary Data.''

The following table provides information with respect to acquisitions by the Company of shares of its common stock during the quarter ended December 31, 2012 .

ISSUER PURCHASES OF EQUITY SECURITIES

Period	*(a) Total Number of Shares Purchased*	*(b) Average Price Paid per Share* [1]	*(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Program* [2]	*(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Program* [2]
9/30/12 to 10/26/12	—	$ —	—	$ 1,777,794,222
10/27/12 to 11/23/12	3,429,478	$ 53.12	3,429,478	$ 1,595,688,839
11/24/12 to 12/31/12	2,641,924	$ 54.43	2,641,924	$ 1,451,951,491
Total	6,071,402	$ 53.69	6,071,402	

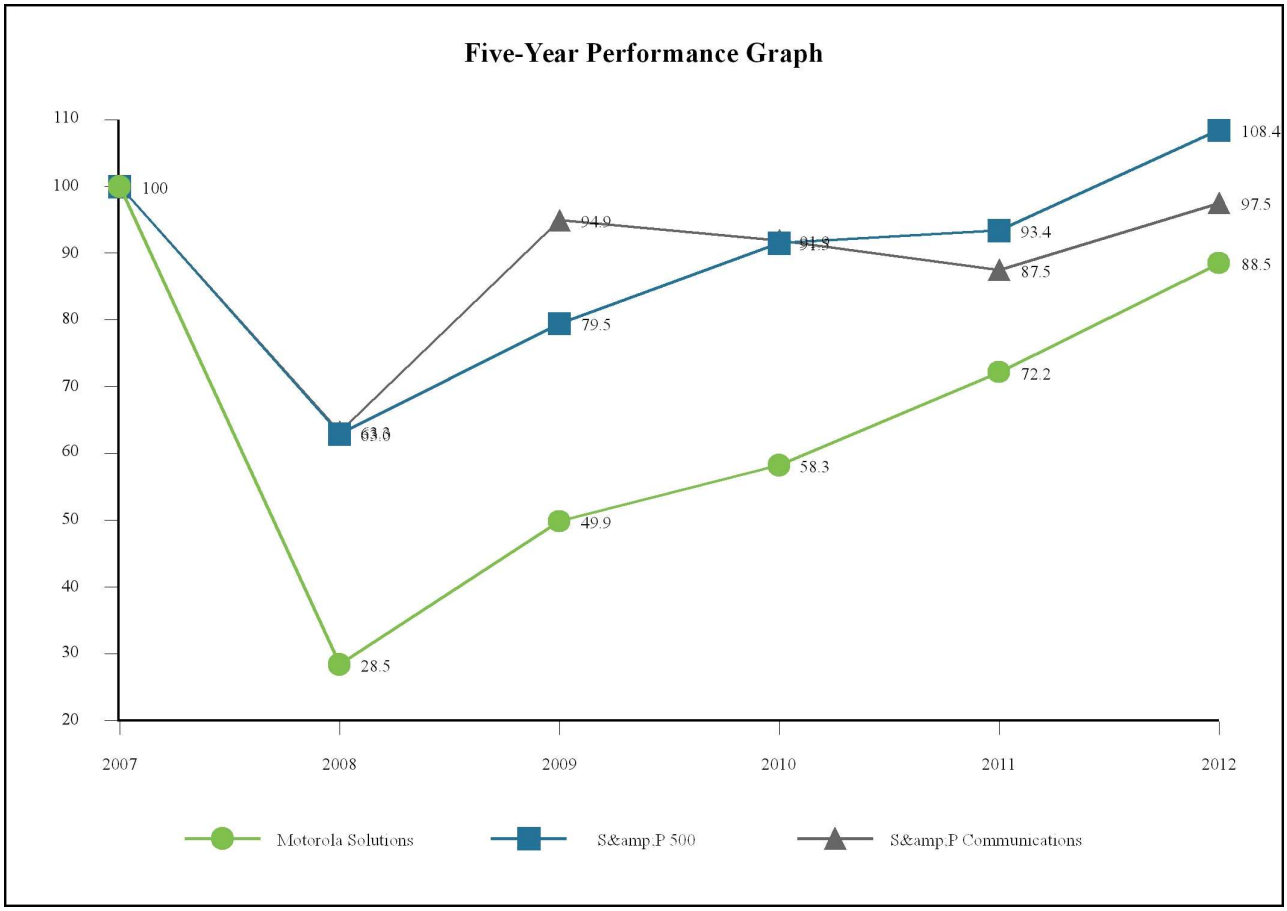
(1) Average price paid per share of common stock repurchased is the execution price, including commissions paid to brokers.

(2) Through actions taken on July 28, 2011, January 30, 2012 and July 25, 2012, the Board of Directors has authorized the Company to repurchase an aggregate amount of up to $5.0 billion of its outstanding shares of common stock (the "share repurchase program"). The share repurchase program does not have an expiration date.

PERFORMANCE GRAPH

The following graph compares the five-year cumulative total returns of Motorola Solutions, Inc., the S&P 500 Index and the S&P Communications Equipment Index.

This graph assumes $100 was invested in the stock or the Index on December 31, 2007 and reflects the payment of dividends, including the Company's distribution to its shareholders of one share of Motorola Mobility for every eight shares of its common stock on January 4, 2011. For purposes of this graph, the Motorola Mobility distribution is treated as a dividend of $26.46 (per share post the 1-for-7 reverse stock split) paid at the close of business January 4, 2011.



Item 6: Selected Financial Data

Motorola Solutions, Inc. and Subsidiaries
Five-Year Financial Summary

	Years Ended December 31				
(Dollars in millions, except as noted)	2012	2011	2010	2009	2008
Operating Results					
Net sales from products	**$ 6,363**	$ 6,068	$ 5,616	$ 5,026	$ 6,026
Net sales from services	**2,335**	2,135	2,001	1,921	1,835
Net sales	**8,698**	8,203	7,617	6,947	7,861
Cost of product sales	**2,844**	2,723	2,523	2,221	2,703
Cost of service sales	**1,506**	1,334	1,282	1,249	1,181
Costs of sales	**4,350**	4,057	3,805	3,470	3,884
Gross margin	**4,348**	4,146	3,812	3,477	3,977
Selling, general and administrative expenses	**1,963**	1,912	1,874	1,662	1,800
Research and development expenditures	**1,075**	1,035	1,037	993	1,062
Other charges	**54**	341	150	255	1,819
Operating earnings (loss)	**1,256**	858	751	567	(704)
Other income (expense):					
Interest income (expense), net	**(66)**	(74)	(129)	(133)	35
Gains on sales of investments and businesses, net	**39**	23	49	108	64
Other	**(14)**	(69)	(7)	91	(415)
Total other income (expense)	**(41)**	(120)	(87)	66	(316)
Earnings (loss) from continuing operations before income taxes	**1,215**	738	664	633	(1,020)
Income tax expense (benefit)	**337**	(3)	403	188	2,470
Earnings (loss) from continuing operations	**878**	741	261	445	(3,490)
Earnings (loss) from discontinued operations, net of tax	**3**	411	389	(473)	(750)
Net earnings (loss)	**881**	1,152	650	(28)	(4,240)
Less: Earnings (loss) attributable to noncontrolling interests	**—**	(6)	17	23	4
Net earnings (loss) attributable to Motorola Solutions, Inc.	**$ 881**	$ 1,158	$ 633	$ (51)	$ (4,244)
Amounts attributable to Motorola Solutions, Inc. common shareholders					
Earnings (loss) from continuing operations, net of tax	**$ 878**	$ 747	$ 244	$ 422	$ (3,494)
Earnings (loss) from discontinued operations, net of tax	**3**	411	389	(473)	(750)
Net earnings (loss)	**$ 881**	$ 1,158	$ 633	$ (51)	$ (4,244)
Per Share Data (in dollars)					
Diluted earnings (loss) from continuing operations per common share	**2.95**	2.20	0.72	1.28	(10.80)
Diluted earnings (loss) per common share	**2.96**	3.41	1.87	(0.15)	(13.11)
Diluted weighted average common shares outstanding (in millions)	**297.4**	339.7	338.1	329.9	323.6
Dividends declared per share	**$ 0.96**	$ 0.22	$ —	$ —	$ 1.40
Balance Sheet					
Total assets	**$ 12,679**	$ 13,929	$ 25,577	$ 25,603	$ 27,869
Long-term debt	**1,859**	1,130	2,098	3,258	3,982
Total debt	**1,863**	1,535	2,703	3,794	4,074
Total stockholders' equity	**3,290**	5,274	10,987	9,883	9,595
Other Data					
Capital expenditures	**$ 187**	$ 186	$ 192	$ 136	$ 257
% of sales	**2.1%**	2.3%	2.5%	2.0%	3.3%
Research and development expenditures	**$ 1,075**	$ 1,035	$ 1,037	$ 993	$ 1,062
% of sales	**12.4%**	12.6%	13.6%	14.3%	13.5%
Year-end employment (in thousands)	**22**	23	51	53	64

Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion and analysis of our financial position and results of operations for each of the three years in the period ended December 31, 2012 . This commentary should be read in conjunction with our consolidated financial statements and the notes thereto appearing under "Item 8: Financial Statements and Supplementary Data."

Executive Overview

What businesses are we in?

We report financial results for two segments:

Government: Our Government segment includes sales of public safety communications systems, commercial two-way radio systems, devices, and software. Service revenues included in the Government segment are primarily those associated with the design, installation, maintenance and optimization of equipment for public safety networks.

Enterprise: Our Enterprise segment includes sales of rugged and enterprise-grade mobile computers and tablets, laser/imaging/RFID based data capture products, WLAN and iDEN infrastructure and software. Service revenues included in the Enterprise segment are primarily maintenance contracts associated with the above products.

What were our 2012 financial results?

- We increased net sales by 6% to $8.7 billion in 2012 , compared to net sales of $8.2 billion in 2011 .
- We generated operating earnings of $1.3 billion in 2012 , compared to $858 million in 2011 . Operating margin was 14.4% of net sales in 2012 , compared to 10.5% of net sales in 2011 .
- We had earnings from continuing operations of $878 million , or $2.95 per diluted common share, in 2012 , compared to earnings from continuing operations of $747 million , or $2.20 per diluted common share, in 2011 .
- We generated cash from operating activities of $1.1 billion in 2012 , compared to $848 million of cash from operating activities in 2011 .
- We returned $2.4 billion in cash to shareholders through share repurchases and $270 million in cash dividends during 2012 .
- We issued $750 million of 3.750% senior notes due 2022 and redeemed $400 million of 5.375% senior notes due in November 2012.

What were the financial results for our two operating segments in 2012 ?

- *In the Government segment:* Net sales were $6.0 billion in 2012 , an increase of 12% compared to net sales of $5.4 billion in 2011 . On a geographic basis, net sales increased in all regions. Operating margin improved in 2012 to 16.1% from 11.5% in 2011 , primarily due to the 12% increase in net sales and increased leverage in operating expenses. Operating earnings were $965 million in 2012 , compared to operating earnings of $616 million in 2011 .
- *In the Enterprise segment:* Net sales were $2.7 billion in 2012 , a decrease of 5% compared to net sales of $2.8 billion in 2011 . On a geographic basis, net sales increased in Asia and decreased in North America, Latin America and Europe, Middle East, and Africa ("EMEA"). Operating earnings were $291 million in 2012 , compared to operating earnings of $242 million in 2011 . Operating margin increased in 2012 compared to 2011 , due to a decrease in Other charges driven by lower intangible amortization, partially offset by decreased gross margins due to lower sales levels.

What were our major accomplishments in 2012 ?

- *In the Government segment:* In 2012 , sales, operating earnings, and operating leverage increased compared to 2011 . We saw strong growth across all of our major product lines, including systems infrastructure and subscribers. The 12% increase in net sales was primarily driven by the continued transition from analog to digital, the replacement of aged public safety infrastructure, and the tiered expansion of our product portfolio. Additionally, in North America we benefited from U.S. narrowbanding, as many existing public safety, professional and commercial analog systems were replaced with next generation digital systems, with enhanced features and a more efficient use of spectrum, providing additional channels and enabling new users to be added.

  During 2012, our APCO P-25 based Astro technology continued to extend beyond North America, as we now have deployments in over 60 countries. Additionally, we shipped our two millionth TETRA terminal, and continued to expand our digital professional and commercial radio solution MOTOTRBO. Additionally, our services portfolio saw significant growth with the completion of the agreement with NSN to take over responsibility to implement and manage Norway´s TETRA public safety network.

- *In the Enterprise segment:* Our sales decline in 2012 was driven by a challenging macro environment as many large customers continued to postpone deployments in the face of soft economic conditions. Despite challenges in the macro environment, our engagement with customers who continue to invest in our mobile technologies, remains strong.

  Our R&D and capital investments resulted in many new enhancements to our product portfolio, including the acquisition of Psion plc ("Psion"), a U.K. based leader in mobile computing solutions. We extended retail thought leadership with innovative new products like the SB1, MC40 and ET1 tablet that help provide customer support while delivering significant operational efficiencies. Within the data capture solutions product group we continued to strengthen our product portfolio by executing on the laser to imager transition, including the recent announcement of the MP6000 multi-plane imager based scanner, which sits inside the check-out counters used by retailers.

Looking Forward

In 2012, we achieved a number of key accomplishments, including solid sales growth, operating earnings expansion and earnings per share growth, generating strong operating cash flow and significant capital returns to our shareholders, which positions us well as we begin 2013. The demand drivers for our business remain solid and we remain focused on improving operating leverage through targeted investments and disciplined cost management.

In the Government segment, our focused R&D investments have led to the introduction of over 100 new products across both our subscriber and infrastructure portfolios since 2009, giving us the broadest portfolio in the industry. We believe that while regulatory mandates to improve spectrum efficiency have encouraged some of our U.S. customers to upgrade, our new product introductions and expanded portfolio will continue to be a driver for growth across our U.S. and international markets, as customers will continue to invest in our next-generation systems with the assurance that new radios with enhanced features remain interoperable and backward-compatible.

In addition to our investment in our radio communication systems, we have been investing in R&D for next generation public safety. Private public safety broadband networks based on the LTE standard are an important next generation tool for our first-responder customers, and we believe our expertise in both public and private networks makes us uniquely qualified to provide LTE solutions. The development of this market is an important part of our overall global growth strategy for the Government segment.

Our government customer base is composed of thousands of customers, predominantly at the U.S. state and local level with various funding sources. In addition, these customers are at different stages of network evolution and aging in a long cycle business. We believe the fundamentals for our business and customer base provide a significant degree of resiliency for this segment even if sequestration cuts were to occur.

In the Enterprise segment, sales declined in 2012 due to a challenging macro environment, unfavorable foreign currency fluctuations and uncertainty around operating system roadmaps. These factors led to suppressed information technology ("IT") spend and fewer large deals as compared to 2011 in the key verticals we serve, including retail and transportation and logistics. Although our 2012 results were impacted by these factors, we believe customers will continue to invest in our mobile computing, data capture, and WLAN technologies, which yield high return on investment and enable real-time information to their workforce. In addition, we believe information technology ("IT") and IT hardware spend will increase during 2013.

We feel well equipped to address the uncertainty around operating system roadmaps with our R&D investment in mobile computing technologies, which enables us to accommodate applications through a variety of different enterprise environments, including devices on Microsoft with Windows Embedded 8, Android, and at the web-browser level, HTML5. Outside of our investment in mobile computing, we continue to invest in new products across the Enterprise portfolio that serve many existing customers, but address market opportunities that are new to us.

Beyond investment in R&D, in 2012, we made acquisitions that are complimentary to our existing portfolio, including Psion. We expect that the financial results of Psion, which we report in the Enterprise segment, will be accretive to earnings by 2014, as we integrate their technology into our current Enterprise product and services offering.

For the iDEN infrastructure portfolio, which we report in the Enterprise segment, we expect to see a continued decline in iDEN infrastructure and related services.

We continue to expand our current services offerings, as both our government and enterprise customers are looking for end-to-end solutions that combine managed services and comprehensive device and network management with our existing portfolio. We believe we are uniquely positioned to provide our customers products and services that meet mobile workforce needs, as well as build successful long term relationships.

We are committed to employing disciplined financial policies, achieving our financial plan, and optimizing our capital structure. In 2013, we intend to continue the quarterly dividends that were initiated in 2011 and intend to continue to invest

organically in capital expenditures. We will also evaluate our acquisition opportunities along with the opportunities to return capital to shareholders via share repurchases. As of December, 31, 2012 we had approximately $1.5 billion of authority available for repurchases.

We conduct our business in competitive markets, facing both new and established competitors. The markets for many of our products are characterized by rapidly changing technologies and evolving industry standards. Market disruptions caused by new technologies, the entry of new competitors, consolidations among our customers and competitors, and changes in regulatory requirements, among other matters, can introduce volatility into our businesses. Meeting all of these challenges requires consistent operational planning and execution and investment in technology, resulting in innovative solutions that meet the needs of our customers globally. As we execute on meeting these objectives, we remain focused on taking the necessary action to design and deliver differentiated and innovative products and services that serve the needs of our government and enterprise customers.

Results of Operations

(Dollars in millions, except per share amounts)	Years Ended December 31					
	2012	**% of sales****	2011	% of sales	2010	% of sales**
Net sales from products	**$ 6,363**		$ 6,068		$ 5,616	
Net sales from services	**2,335**		2,135		2,001	
Net sales	**8,698**		8,203		7,617	
Cost of product sales	**2,844**	**44.7 %**	2,723	44.9 %	2,523	44.9 %
Cost of service sales	**1,506**	**64.5 %**	1,334	62.5 %	1,282	64.1 %
Costs of sales	**4,350**	**50.0 %**	4,057	49.5 %	3,805	50.0 %
Gross margin	**4,348**	**50.0 %**	4,146	50.5 %	3,812	50.0 %
Selling, general and administrative expenses	**1,963**	**22.6 %**	1,912	23.2 %	1,874	24.5 %
Research and development expenditures	**1,075**	**12.4 %**	1,035	12.6 %	1,037	13.6 %
Other charges	**54**	**0.6 %**	341	4.2 %	150	2.0 %
Operating earnings	**1,256**	**14.4 %**	858	10.5 %	751	9.9 %
Other income (expense):						
Interest expense, net	**(66)**	**(0.8)%**	(74)	(0.9)%	(129)	(1.7)%
Gains on sales of investments and businesses, net	**39**	**0.4 %**	23	0.3 %	49	0.6 %
Other	**(14)**	**(0.2)%**	(69)	(0.8)%	(7)	(0.1)%
Total other income (expense)	**(41)**	**(0.5)%**	(120)	(1.5)%	(87)	(1.2)%
Earnings from continuing operations before income taxes	**1,215**	**14.0 %**	738	9.0 %	664	8.7 %
Income tax expense (benefit)	**337**	**3.9 %**	(3)	— %	403	5.3 %
Earnings from continuing operations	**878**	**10.1 %**	741	9.0 %	261	3.4 %
Less: Earnings (loss) attributable to noncontrolling interests	**—**	**— %**	(6)	(0.1)%	17	0.2 %
Earnings from continuing operations*	**878**	**10.1 %**	747	9.1 %	244	3.2 %
Earnings from discontinued operations, net of tax	**3**	**— %**	411	5.0 %	389	5.1 %
Net earnings*	**$ 881**	**10.1 %**	$ 1,158	14.1 %	$ 633	8.3 %
Earnings per diluted common share:						
Continuing operations	**$ 2.95**		$ 2.20		$ 0.72	
Discontinued operations	**0.01**		1.21		1.15	
	$ 2.96		$ 3.41		$ 1.87	

* Amounts attributable to Motorola Solutions, Inc. common shareholders.

** Percentages may not add due to rounding.

Geographic market sales measured by the locale of the end customer as a percent of total net sales for 2012 , 2011 and 2010 are as follows:

Geographic Market Sales by Locale of End Customer

	2012	*2011*	*2010*
North America	**58%**	57%	58%
Latin America	**8%**	9%	9%
EMEA	**21%**	21%	21%
Asia	**13%**	13%	12%
	100%	100%	100%

Results of Operations— 2012 Compared to 2011

Net Sales

Net sales were $8.7 billion in 2012 , a 6% increase compared to net sales of $8.2 billion in 2011 . The increase in net sales reflects: (i) a $631 million , or 12% increase in net sales in the Government segment driven by broad based growth across the product portfolio, and (ii) a $136 million , or 5% decrease in net sales in the Enterprise segment driven by the anticipated decline in iDEN infrastructure sales, reduced information technology spending driven by macroeconomic uncertainty, and unfavorable foreign currency fluctuations.

Gross Margin

Gross margin was $4.3 billion , or 50.0% of net sales in 2012 , compared to $4.1 billion , or 50.5% of net sales, in 2011 . The gross margin increase was driven by the 12% increase in net sales in our Government segment, offset by lower gross margin in our Enterprise segment, primarily related to a decline in volume, including the decline in iDEN infrastructure sales, and unfavorable foreign currency fluctuations. The decrease in gross margin as a percent of sales reflects higher gross margin percent from product sales and lower gross margin percent from service sales. The decline in gross margin percentage from service sales primarily relates to: (i) the expansion of managed services, which generally have lower gross margin than our traditional service contracts, and (ii) unfavorable foreign currency fluctuations.

Selling, General and Administrative Expenses

Selling, general and administrative (“SG&A”) expenses increased 3% to $2.0 billion , or 22.6% of net sales in 2012 , compared to $1.9 billion , or 23.2% of net sales in 2011 . The increase in SG&A expenses is driven by an increase in pension and employee benefit-related expenses, as well as the Psion acquisition that closed in the fourth quarter of 2012.

Research and Development Expenditures

Research and development (“R&D”) expenditures increased 4% to $1.1 billion , or 12.4% of net sales in 2012 , compared to $1.0 billion , or 12.6% of net sales, in 2011 . The increase in R&D expenditures reflects higher R&D expenditures in both segments, primarily due to: (i) an increase in employee benefit-related expenses, and (ii) increased investment in next-generation technology, including strategic acquisitions.

Other Charges

We recorded net charges of $54 million in Other charges in 2012 , compared to net charges of $341 million in 2011 . The charges in 2012 included: (i) $41 million of charges relating to the reorganization of business charges, and (ii) $29 million of charges relating to amortization of intangibles, partially offset by $16 million of income related to a legal matter. The charges in 2011 included: (i) $200 million of charges relating to the amortization of intangibles, (ii) $88 million of net charges relating to legal matters, (iii) $52 million of net reorganization of business charges, and (iv) $10 million related to a long term financing receivable reserve, partially offset by $9 million in gains related to pension plan adjustments. The net reorganization of business charges are discussed in further detail in the “Reorganization of Businesses” section.

Net Interest Expense

Net interest expense was $66 million in 2012 , compared to net interest expense of $ 74 million in 2011 . Net interest expense in 2012 included interest expense of $108 million , partially offset by interest income of $42 million . Net interest expense in 2011 includes interest expense of $132 million , partially offset by interest income of $58 million . The decrease in net interest expense in 2012 compared to 2011 is primarily attributable to lower interest expense driven by lower average debt outstanding, partially offset by a decrease in interest income due to lower average cash and cash equivalents during 2012 compared to 2011 .

Gains on Sales of Investments and Businesses

Gains on sales of investments and businesses were $39 million in 2012 , compared to $23 million in 2011 . In 2012 and 2011, the net gains were primarily comprised of gains related to sales of certain of our equity investments.

Other

Net Other expense was $14 million in 2012 , compared to net Other expense of $69 million in 2011 . The net Other expense in 2012 was primarily comprised of: (i) $13 million foreign currency expense, (ii) $6 million loss from the extinguishment of debt, and (iii) a $8 million investment write down expense, partially offset by $13 million of other net investment earnings. The net Other expense in 2011 was primarily comprised of an $81 million loss from the extinguishment of a portion of our outstanding long-term debt, partially offset by an $8 million foreign currency gain.

Effective Tax Rate

We recorded $337 million of net tax expense in 2012 , resulting in an effective tax rate of 28% , compared to a $3 million net tax benefit in 2011 , resulting in a negative effective tax rate. Our effective tax rate in 2012 is lower than the U.S. statutory tax rate of 35% primarily due to: (i) a $60 million tax benefit related to the reversal of a significant portion of the valuation allowance established on certain foreign deferred tax assets, and (ii) a $13 million reduction in unrecognized tax benefits for facts that now indicate the extent to which certain tax positions are more-likely-than-not of being sustained. Our negative effective tax rate in 2011 was primarily due to: (i) a $274 million tax benefit related to the reversal of a significant portion of the valuation allowance established on the U.S. deferred tax assets, and (ii) reductions in unrecognized tax benefits for facts that now indicate the extent to which certain tax positions are more-likely-than-not of being sustained, partially offset by an increase in the U.S. federal income tax accrual for repatriation of undistributed foreign earnings.

While our effective tax rate may change from period to period due to non-recurring events, such as settlements of income tax audits and changes in valuation allowances, we generally expect our effective tax rate to be close to the U.S. statutory tax rate primarily due to our current repatriation strategy and the U.S. federal income tax accrual on undistributed foreign earnings. During 2012, the Company began to reorganize certain of its non-U.S. subsidiaries under a holding company structure in order to facilitate the efficient movement of non-U.S. cash and provide a platform to fund foreign investments, such as potential acquisitions and capital expenditures. When the reorganization is complete, the tax impact of future cash repatriations from these subsidiaries may be more favorable than under the existing structure.

The valuation allowances on our deferred tax assets are discussed further in Note 6, “Income Taxes,” of our consolidated financial statements. Our effective tax rate will change from period to period based on non-recurring events, such as the settlement of income tax audits, changes in valuation allowances and the tax impact of significant unusual or extraordinary items, as well as recurring factors including changes in the geographic mix of income and effects of various global income tax strategies.

Earnings from Continuing Operations

After taxes, and excluding earnings attributable to noncontrolling interests, we had net earnings from continuing operations of $878 million , or $2.95 per diluted share, in 2012 , compared to $747 million , or $2.20 per diluted share, in 2011 . The increase in earnings from continuing operations in 2012 compared to 2011 was primarily attributable to: (i) $287 million decrease in other charges related to lower intangible asset amortization and net legal and related insurance matters, and (ii) $202 million increase in gross margin, partially offset by the $274 million benefit for the valuation allowance reversal recorded during 2011 . The increase in earnings per diluted share was primarily due to the increase in earnings from continuing operations and the reduction in shares outstanding as a result of our share repurchase program.

Earnings from Discontinued Operations

After taxes, we had earnings from discontinued operations of $3 million , or $0.01 per diluted share, in 2012 , compared to earnings from discontinued operations of $411 million , or $1.21 per diluted share, in 2011 . The earnings from discontinued operations in 2011 were primarily from the operations of and the gain on the sale of the Networks business.

Results of Operations— 2011 Compared to 2010

Net Sales

Net sales were $8.2 billion in 2011, an 8% increase compared to net sales of $7.6 billion in 2010. The increase in net sales reflects: (i) a $309 million, or 6% increase in net sales in the Government segment and (ii) a $277 million, or 11% increase in net sales in the Enterprise segment.

Gross Margin

Gross margin was $4.1 billion, or 50.5% of net sales in 2011, compared to $3.8 billion, or 50.0% of net sales, in 2010. Gross margin dollars increased in both segments. The increase in gross margin as a percent of sales reflects higher gross margin in the Government segment, driven by the increase in sales and favorable product mix, with margins remaining flat in the

Enterprise segment driven by margin gains in certain product lines offset by the anticipated decline in iDEN, which has historically yielded strong margins.

Selling, General and Administrative Expenses

SG&A expenses increased 2% to $1.9 billion, or 23.2% of net sales, in 2011, compared to $1.9 billion, or 24.5% of net sales, in 2010. The increase in SG&A expenses reflects higher SG&A expenses in both segments, primarily due to (i) increased sales incentives related to the increase in net sales and (ii) increased employee benefit-related expenses. The increases in employee benefit-related expenses are primarily due to an increase in pension-related expenses and the reinstatement of our 401(k) matching contributions.

Research and Development Expenditures

R&D expenditures of $1.0 billion, or 12.6% of net sales were relatively flat in 2011, compared to $1.0 billion, or 13.6% of net sales in 2010. R&D expenditures were flat in 2011 compared to 2010, which reflects higher R&D expenditures in the Enterprise segment and lower R&D expenditures in the Government segment. The slight increase in the Enterprise segment was primarily due to investment in next-generation technologies and increased employee benefit-related expenses. The decrease in R&D expenditures in the Government segment was primarily due to savings from cost reduction initiatives related to non employee expenses, partially offset by increased employee benefit expenses.

Other Charges

We recorded net charges of $341 million in Other charges in 2011, compared to net charges of $150 million in 2010. The charges in 2011 included: (i) $200 million of charges relating to the amortization of intangibles, (ii) $88 million of net charges relating to legal matters, (iii) $52 million of net reorganization of business charges included in Other charges, and (iv) $10 million related to a long term financing receivable reserve, partially offset by $9 million of gains related to pension plan adjustments. The charges in 2010 included: (i) $203 million of charges relating to the amortization of intangibles, and (ii) $54 million of net reorganization of business charges included in Other charges, partially offset by: (i) $78 million of gains related to intellectual property settlements and reserve adjustments, and (ii) $29 million of income related to a legal settlement. The net reorganization of business charges are discussed in further detail in the “Reorganization of Businesses” section.

Net Interest Expense

Net interest expense was $74 million in 2011, compared to net interest expense of $129 million in 2010. Net interest expense in 2011 included interest expense of $132 million, partially offset by interest income of $58 million. Net interest expense in 2010 includes interest expense of $217 million, partially offset by interest income of $88 million. The decrease in net interest expense in 2011 compared to 2010 is primarily attributable to lower interest expense driven by lower average debt outstanding partially offset by a decrease in lower interest income driven by lower average cash and cash equivalents and lower yields during 2011 compared to 2010.

Gains on Sales of Investments and Businesses

Gains on sales of investments and businesses were $23 million in 2011, compared to a gain of $49 million in 2010. In 2011, the net gain was primarily comprised of gains related to sales of certain of our equity investments. In 2010, the net gain was primarily comprised of a gain on the sale of a single investment.

Other

Net Other expense was $69 million in 2011, compared to net Other expense of $7 million in 2010. The net Other expense in 2011 was primarily comprised of an $81 million loss from the extinguishment of a portion of our outstanding long-term debt, partially offset by an $8 million foreign currency gain. The net expense in 2010 was primarily comprised of: (i) $21 million of investment impairments, and (ii) a $12 million loss from the extinguishment of a portion of our outstanding long-term debt, partially offset by: (i) a $12 million foreign currency gain, and (ii) an $11 million gain from Sigma Fund investments.

Effective Tax Rate

We recorded $3 million of net tax benefit in 2011, resulting in a negative effective tax rate on continuing operations compared to $403 million of net tax expense in 2010, resulting in an effective tax rate of 61%. Our negative effective tax rate in 2011 was primarily due to: (i) a $274 million tax benefit related to the reversal of a significant portion of the valuation allowance established on the U.S. deferred tax assets, and (ii) reductions in unrecognized tax benefits for facts that now indicate the extent to which certain tax positions are more-likely-than-not of being sustained, partially offset by an increase in the U.S. federal income tax accrual for repatriation of undistributed foreign earnings.

Our effective tax rate for 2010 was higher than the U.S. statutory tax rate of 35% primarily due to (i) an increase in the U.S. federal income tax accrual for repatriation of undistributed foreign earnings related to the realignment of our investment structure in preparation of the distribution of Motorola Mobility, and (ii) a non-cash tax charge related to the Medicare Part D

subsidy tax law change, partially offset by reductions in unrecognized tax benefits for facts that now indicate the extent to which certain tax positions are more-likely-than-not of being sustained.

Earnings from Continuing Operations

After taxes, and excluding earnings attributable to noncontrolling interests, we had net earnings from continuing operations of $747 million, or $2.20 per diluted share, in 2011, compared to $244 million, or $0.72 per diluted share, in 2010. The improvement in the earnings from continuing operations in 2011 compared to 2010 was primarily attributable to a $334 million increase in gross margin and a $406 million decrease in tax expense. These improvements were partially offset by a $191 million increase in other charges, and a $38 million increase in SG&A expenses.

Earnings from Discontinued Operations

After taxes, we had earnings from discontinued operations of $411 million, or $1.21 per diluted share, in 2011, compared to earnings from discontinued operations of $389 million, or $1.15 per diluted share, in 2010. The earnings from discontinued operations in 2011 was primarily from the operations and gain from the sale of the Networks business. The earnings from discontinued operations in 2010 were primarily from the Networks business, partially offset by losses from Motorola Mobility.

Segment Information

The following commentary should be read in conjunction with the financial results of each operating business segment as detailed in Note 12, “Information by Segment and Geographic Region,” to our consolidated financial statements. Net sales and operating results for our two reporting segments for 2012 , 2011 , and 2010 are presented below.

Government Segment

In 2012 , the Government segment’s net sales represented 69% of our consolidated net sales, compared to 65% in 2011 , and 66% in 2010 .

	Years Ended December 31			*Percent Change*	
(Dollars in millions)	***2012***	*2011*	*2010*	***2012—2011***	*2011—2010*
Segment net sales	**$ 5,989**	$ 5,358	$ 5,049	**12%**	6%
Operating earnings	**965**	616	534	**57%**	15%

Segment Results— 2012 Compared to 2011

In 2012 , the segment’s net sales were $6.0 billion , a 12% increase compared to net sales of $5.4 billion in 2011 . The 12% increase in net sales in the Government segment reflects broad based growth across the portfolio and in all regions. Net sales in North America continued to comprise a significant portion of the segment’s business, accounting for approximately 63% of the segment’s net sales in both 2012 and 2011 . The segment’s backlog was $4.9 billion at December 31, 2012 and $4.4 billion at December 31, 2011 .

The segment had operating earnings of $965 million in 2012 , compared to operating earnings of $616 million in 2011 . The increase in operating earnings was primarily due to: (i) an increase in gross margin, driven by the 12% increase in net sales, and (ii) a decline in Other charges, driven by net legal matters that occurred in 2011, partially offset by an increase in SG&A expenses and R&D expenditures. The increase in SG&A expenses was due to increases in pension and employee benefit related expenses, and the increase in R&D expenditures was driven by higher employee benefit related expenses and increased investment in next-generation technologies. As a percentage of net sales in 2012 as compared to 2011, gross margin increased slightly due to favorable mix, and operating leverage increased primarily due to the 12% increase in net sales while improving the segment's fixed cost structure.

Segment Results— 2011 Compared to 2010

In 2011 , the segment’s net sales were $5.4 billion , a 6% increase compared to net sales of $5.0 billion in 2010 . The 6% increase in net sales in the Government segment reflects an increase in sales of mission critical and professional commercial radio products and services. The increase in net sales for the segment reflects higher net sales in North America, Latin America, and Asia, while EMEA was down slightly due to continued macro-economic challenges in Western Europe. Net sales in North America continued to comprise a significant portion of the segment’s business, accounting for approximately 63% of the segment’s net sales in both 2011 and 2010 . The segment’s backlog was $4.4 billion at December 31, 2011 and $3.9 billion at December 31, 2010 .

The segment had operating earnings of $616 million in 2011 , compared to operating earnings of $534 million in 2010 . As a percentage of net sales in 2011 as compared to 2010 , gross margin increased, and SG&A expenses and R&D expenditures decreased. The increase in operating earnings was primarily due to an increase in gross margin, driven by the 6% increase in net sales and a favorable product mix, partially offset by: (i) increased SG&A expenses primarily due to an increase in sales incentives related to the increase in net sales and increased employee benefit-related expenses, and (ii) an increase in Other

charges primarily from net charges related to legal matters. The decrease in R&D expenditures was primarily due to savings from cost reduction initiatives related to non employee expenses partially offset by an increase in investment in next-generation technologies and increased employee benefit-related expenses.

Enterprise Segment

In 2012 , the Enterprise segment's net sales represented 31% of our consolidated net sales, compared to 35% in 2011 , and 34% in 2010 .

	Years Ended December 31			*Percent Change*	
(Dollars in millions)	***2012***	*2011*	*2010*	***2012—2011***	*2011—2010*
Segment net sales	**$ 2,709**	$ 2,845	$ 2,568	**(5)%**	11%
Operating earnings	**291**	242	217	**20 %**	12%

Segment Results— 2012 Compared to 2011

In 2012 , the segment's net sales were $2.7 billion , a 5% decrease compared to net sales of $2.8 billion in 2011 . The 5% decrease in net sales in the Enterprise segment reflects a decrease in sales of: (i) iDEN infrastructure, (ii) mobile computing, and (iii)WLAN, partially offset by an increase in data capture equipment sales. The decrease in net sales for the segment reflects a decline in North America, Latin America, and EMEA, and an increase in Asia. Net sales in North America continued to comprise a significant portion of the segment's business, accounting for approximately 47% of the segment's net sales in 2012 , and approximately 46% in 2011 . The segment's backlog was $782 million at December 31, 2012 , compared to $875 million at December 31, 2011 . The decline in backlog is primarily related to the anticipated decline in iDEN infrastructure and reduced information technology spending driven by macroeconomic uncertainty.

The segment had operating earnings of $291 million in 2012 , compared to operating earnings of $242 million in 2011 . The increase in operating earnings was primarily due to a decrease in Other charges as a result of a reduction in intangibles amortization as certain intangible assets are fully amortized, as well as a decline from net legal matters that occurred in 2011. The decrease in Other charges was partially offset by: (i) a decrease in gross margin, primarily attributable to a decline in volume, and unfavorable foreign currency fluctuations, (ii) increased SG&A expenses due to increases in pension and employee benefit related expenses and the acquisition of Psion, and (iii) an increase in R&D expenditures, driven by higher employee benefit expenses and increased investment in next-generation technologies, including the acquisition of Psion. As a percentage of net sales in 2012 as compared to 2011 , gross margin decreased primarily related to unfavorable foreign currency fluctuations and product mix, and operating leverage decreased due to the 5% decline in net sales.

Segment Results— 2011 Compared to 2010

In 2011 , the segment's net sales were $2.8 billion , an 11% increase compared to net sales of $2.6 billion in 2010 . The 11% increase in net sales in the Enterprise segment reflects an increase in mobile computing, WLAN and data capture equipment sales, partially offset by a decline in iDEN. The increase in net sales for the segment reflects higher net sales in all regions. Net sales in North America continued to comprise a significant portion of the segment's business, accounting for approximately 46% of the segment's net sales in 2011 , and approximately 48% in 2010 . The segment's backlog was $875 million at December 31, 2012 , compared to $881 million at December 31, 2011 .

The segment had operating earnings of $242 million in 2011 , compared to operating earnings of $217 million in 2010 . As a percentage of net sales in 2011 as compared to 2010 , gross margin was relatively flat and SG&A expenses and R&D expenditures decreased. The increase in operating earnings was primarily due to an increase in gross margin, driven by the 11% increase in net sales, partially offset by: (i) increased SG&A expenses primarily due to an increase in sales incentives related to the increase in net sales and increased employee benefit-related expenses, (ii) an increase in Other charges primarily from net charges related to legal matters, and (iii) an increase in R&D expenditures primarily due to an increased investment in next-generation technologies and increased employee benefit-related expenses.

Reorganization of Businesses

During 2012 we implemented various productivity improvement plans aimed at achieving long term, sustainable profitability by driving efficiencies and reducing operating costs. In 2012 , we recorded net reorganization of business charges of $50 million relating to the separation of 1,000 employees, of which 700 were indirect employees and 300 were direct employees. These charges included $9 million recorded to Costs of sales and $41 million of charges within Other charges in our consolidated statements of operations. Included in the aggregate $50 million are charges of: (i) $54 million for employee separation costs, and (ii) building impairment charges of $7 million, partially offset by $11 million of reversals for accruals no longer needed.

We realized cost-saving benefits of approximately $17 million in 2012 from the plans that were initiated during 2012 , primarily in operating expenses. Beyond 2012 , we expect the reorganization plans initiated during 2012 to provide annualized

cost savings of approximately $70 million, consisting of $15 million of savings in Cost of sales, and $55 million of savings in operating expenses.

During 2011, we recorded net reorganization of business charges of $58 million , including $41 million for employee separation costs and $19 million for exit costs, partially offset by $2 million for reversals of accruals no longer needed. During 2010 we recorded net reorganization of business charges of $73 million, including $73 million for employee separation costs and $16 million for exit costs, partially offset by $16 million of reversals of accruals no longer needed.

The following table displays the net charges incurred by business segment:

Year Ended December 31,	**2012**	2011	2010
Government	**$ 33**	$ 40	$ 57
Enterprise	**17**	18	16
	$ 50	$ 58	$ 73

Cash payments for exit costs and employee separations in connection with these reorganization plans were $55 million in 2012 , as compared to $81 million in 2011, and $53 million in 2010. The $35 million reorganization of businesses accrual at December 31, 2012 , includes: (i) $31 million relating to employee separation costs that are expected to be paid in 2013 , and (ii) $4 million relating to lease termination obligations that are expected to be paid over a number of years.

Liquidity and Capital Resources

We decreased the aggregate of our (i) cash and cash equivalent balances, and (ii) Sigma Fund and short-term investments by $1.5 billion from $5.1 billion as of December 31, 2011 to $3.6 billion as of December 31, 2012 . This decrease was primarily due to: (i) the return of $2.7 billion of capital to shareholders through share repurchases and dividends paid during 2012 , and (ii) the $413 million used for the retirement of debt, partially offset by: (i) $747 million of net proceeds from the issuance of debt, and (ii) $1.1 billion of operating cash flow.

Cash and Cash Equivalents

At December 31, 2012 , our cash and cash equivalents (which are highly-liquid investments with an original maturity of three months or less) were $1.5 billion , a decrease of $413 million compared to $1.9 billion at December 31, 2011 . At December 31, 2012 , approximately $400 million of this amount was held in the U.S. and $1.1 billion was held in other countries (including $322 million in China). At both December 31, 2012 and December 31, 2011, restricted cash was $63 million (including $3 million held outside the U.S.).

We continue to analyze and review various repatriation strategies to continue to efficiently repatriate cash. In 2012 , we repatriated approximately $1.0 billion in cash to the U.S. from international jurisdictions. We have approximately $1.3 billion of earnings in foreign subsidiaries that are not permanently reinvested and may be repatriated without an additional income tax charge to our consolidated statements of operations, given the U.S. federal and foreign income tax provisions accrued on undistributed earnings and the utilization of available foreign tax credits. On a cash basis, certain of these repatriations from our non-U.S. subsidiaries will require the payment of additional taxes. Repatriation of some of these funds could be subject to delay for local country approvals and could have potential adverse tax consequences.

On January 4, 2011, the distribution of Motorola Mobility from Motorola Solutions was completed. As part of the distribution, we contributed $3.2 billion of cash and cash equivalents to Motorola Mobility. We had an obligation to fund an additional $300 million, upon receipt of cash distributions as a result of future capital reductions of an overseas subsidiary, of which $225 million was paid during 2011 and $73 million was paid during 2012. These contributions are reflected as financing activities in our consolidated statements of cash flows for the years ended, December 31, 2012 and 2011.

Operating Activities

Cash provided by operating activities from continuing operations in 2012 was $1.1 billion , compared to $848 million in 2011 and $803 million in 2010 . Operating cash flows in 2012 , as compared to 2011 , were positively impacted by: (i) our increased sales and the expansion of our operating margins, (ii) a $156 million decrease in contributions to our pension plans, and (iii) improvements in our working capital management, including approximately $100 million of sold or collected long-term receivables related to the Networks divestiture that were retained after the sale. Operating cash flows in 2011, as compared to 2010, were negatively impacted by timing differences within our working capital accounts, as well as an increase of $329 million in contributions to our pension plans, partially offset by $150 million of sold or collected long-term receivables related to the Networks divestiture that were retained after the sale.

We contributed $340 million to our U.S. pension plans during 2012 compared to $489 million in 2011 . We contributed $31 million to our non-U.S. pension plans during 2012 compared to $38 million contributed in 2011 . In January 2011, the Pension Benefit Guaranty Corporation (“PBGC”) announced an agreement with Motorola Solutions under which we would

contribute $100 million above and beyond our legal requirement to our U.S. pension plans over the next five years. We and the PBGC entered into this agreement as we were in the process of separating Motorola Mobility and pursuing the sale of certain assets of the Networks business. We made $250 million of pension contributions to our U.S. pension plans over the amounts required in 2011, of which $100 million fulfilled the PBGC financial obligation. As a result, we have no further financial obligations under this agreement with the PBGC. During 2013 , we expect to make cash contributions of approximately $300 million to our U.S. pension plans and approximately $30 million to our non-U.S. pension plans.

Our pension deficit is impacted by the volatility of corporate bond rates which are used to determine the plan discount rate as well as returns on the pension plan asset portfolio. The discount rate used to measure the U.S. liability at the end of 2012 was 4.35%, compared to 5.1% in the prior year. As a result of the decrease in the discount rate, net of contributions and other factors, our total underfunded U.S. pension at year end increased to approximately $2.9 billion. As of December 31, 2012, changing the U.S. pension plans discount rate by one percentage point would change the U.S. pension plans net period expense by:

	1% Point Increase	*1% Point Decrease*
Increase (decrease) in:		
U.S. pension plans net periodic pension expense	$ (12)	$ 8

Based on the December 31, 2012 valuation of the U.S. pension plans, we expect a decrease in net periodic pension costs in 2013 as compared to 2012. The decrease is primarily due to changes in our loss amortization period, which was increased from nine years, the previous estimated remaining service period, to 28 years, the average remaining participant lifetime. The increase in amortization period reflects the change in mix of active and non-active employees remaining in the plan, as almost all of our plan participants are no longer actively employed by the Company due to significant employee exits as a result of our recent divestitures, including the distribution of Motorola Mobility and the sale of certain assets and liabilities of the Networks business.

We maintained all of the U.S. pension liabilities and the majority of the non-U.S. pension liabilities following the distribution of Motorola Mobility on January 4, 2011, and following the sale of certain assets and liabilities of the Networks business to NSN on April 29, 2011. Retirement benefits are further discussed in the “Accounting Policies - Retirement Benefits” section.

Investing Activities

Net cash provided by investing activities was $797 million in 2012 , compared to $2.4 billion in 2011 and net cash provided for investing activities of $523 million in 2010 . The $1.6 billion decrease in net cash provided by investing activities from 2011 to 2012 was primarily due to: (i) a $1.2 billion decrease in cash received from sales of investments and businesses relating to the sale of certain assets and liabilities of the Networks business, and (ii) $433 million decrease in cash received from net sales of Sigma Fund investments. The $1.9 billion increase in net cash provided by investing activities in 2011 from 2010 was primarily due to: (i) $1.1 billion increase in cash received from net sales of Sigma Fund investments, and (ii) $860 million increase in cash received from sales of investments and businesses relating to the sale of certain assets and liabilities of the Networks business.

Sigma Fund: We and our wholly-owned subsidiaries invest most of our U.S. dollar-denominated cash in a fund (the “Sigma Fund”) that allows us to efficiently invest our cash around the world. We had net proceeds of $1.1 billion from sales of Sigma Fund investments in 2012 , compared to $1.5 billion in net proceeds from sales of Sigma Fund investments in 2011 and $453 million from sales of Sigma Fund investments in 2010 . The aggregate fair value of Sigma Fund investments was $2.1 billion at December 31, 2012 (including $969 million held outside the U.S.), compared to $3.2 billion at December 31, 2011 (including $1.3 billion held outside the U.S.).

The Sigma Fund portfolio is managed by four independent investment management firms. The investment guidelines of the Sigma Fund require that purchased investments must be in high-quality, investment grade (rated at least A/A-1 by Standard & Poor's or A2/P-1 by Moody's Investors Service), U.S. dollar-denominated fixed income obligations, including certificates of deposit, commercial paper, government bonds, corporate bonds and asset- and mortgage-backed securities. Under the Sigma Fund's investment policies, except for obligations of the U.S. government, agencies and government-sponsored enterprises, no more than 5% of the Sigma Fund portfolio is to consist of securities of any one issuer. The Sigma Fund's investment policies further require that floating rate investments must have a maturity at purchase date that does not exceed thirty-six months with an interest rate that is reset at least annually. The average interest rate reset of the investments held by the funds must be 120 days or less. The actual average maturity of the portfolio (excluding cash) was less than one month at both December 31, 2012 , and December 31, 2011 .

At December 31, 2012 , 100% of the Sigma Fund investments were invested in cash and U.S. government, agency and government-sponsored enterprise obligations. This reflects a strategic decision to prioritize capital preservation rather than investment income.

We continuously assess our cash needs and continue to believe that the balance of cash and cash equivalents, short-term investments and investments in the Sigma Fund are more than adequate to meet our operating requirements over the next twelve months.

Acquisitions and Investments: We used $109 million cash for acquisitions and new investment activities in 2012 , compared to $32 million in 2011 and $23 million in 2010 . The cash used in 2012 was primarily for the acquisition of Psion plc, a U.K. based leader in mobile computing solutions, for approximately $200 million, primarily utilizing foreign cash, partially offset by net proceeds received related to the agreement with NSN to take over responsibility to implement Norway´s TETRA public safety network. The cash used in 2011 and 2010 was for small strategic investments.

Capital Expenditures: Capital expenditures were $187 million in 2012 , compared to $186 million in 2011 and $192 million in 2010 . Capital spending in 2012 was primarily focused on updating our information technology infrastructure, managed services opportunities, and engineering projects. Capital spending in 2011 as compared to 2010 was generally flat across all functions except for a slight decrease in our services function, offset by higher information technology capital spend.

Sales of Investments and Businesses: We made $38 million of disbursements related to a divested business and sales of investments in 2012 , compared to proceeds received of $1.1 billion in 2011 and proceeds received of $264 million in 2010 . The $38 million of disbursements in 2012 were primarily comprised of payments to NSN related to the purchase price adjustment from the sale of the Networks business, partially offset by proceeds from sales of certain of our equity investments. The $1.1 billion in proceeds in 2011 were primarily comprised of net proceeds received in connection with sales of: (i) certain assets of the Networks business, (ii) the Wireless Broadband businesses, (iii) certain of our equity investments, and (iv) the Israel-based module business. The $264 million in proceeds in 2010 were related to the sale of our Israel-based wireless network operator business.

Financing Activities

Net cash used for financing activities was $2.3 billion in 2012 , compared to $5.5 billion in 2011 and $40 million in 2010 . Cash used for financing activities in 2012 was primarily comprised of: (i) $2.4 billion used for purchases of our common stock under our share repurchase program, (ii) $413 million of cash used for the repayment of debt, and (iii) $270 million of cash used for the payment of dividends, partially offset by: (i) $747 million of net proceeds from the issuance of debt, and (ii) $133 million of net cash received from the issuance of common stock in connection with our employee stock option plans and employee stock purchase plan.

Cash used for financing activities in 2011 was primarily comprised of: (i) $3.4 billion of contributions to Motorola Mobility, (ii) $1.2 billion used for repayment of long-term debt, (iii) $1.1 billion of cash used for repurchases of shares, and (iv) $72 million of cash used for payment of dividends, partially offset by $192 million of net cash received from the issuance of common stock in connection with our employee stock option plans and employee stock purchase plan.

Cash used for financing activities in 2010 was primarily $1.0 billion of cash used for the repayment of long-term debt, partially offset by: (i) $797 million of cash provided by distributions from discontinued operations, and (ii) $179 million of cash received from the issuance of common stock in connection with our employee stock option plans and employee stock purchase plan.

Current portion of Long-Term Debt: At December 31, 2012 , our current portion of long-term debt was $4 million , compared to $405 million at December 31, 2011 . In May 2012, we retired early the $400 million aggregate principal outstanding of our 5.375% Senior Notes due November 2012. In November 2011, we repaid, at maturity, the entire $600 million aggregate principal amount outstanding of our 8.0% Notes.

Long-term portion of Long-Term Debt: At December 31, 2012 , we had outstanding long-term debt of $1.9 billion , compared to $1.1 billion at December 31, 2011 .

During the year ended 2012, we issued an aggregate face principal amount of $750 million of 3.750% Senior Notes due May 15, 2022 (the “2022 Senior Notes”). We also called for the redemption of the $400 million aggregate principal amount outstanding of our 5.375% Senior Notes due November 2012 (the “2012 Senior Notes”). All of the 2012 Senior Notes were redeemed for an aggregate purchase price of approximately $408 million. This debt was repurchased with a portion of the proceeds from the issuance of the 2022 Senior Notes.

During the year ended 2011, we repurchased $540 million of our outstanding long-term debt for a purchase price of $615 million, excluding approximately $6 million of accrued interest, all of which occurred during the three months ended July 2, 2011. The $540 million of long-term debt repurchased included principal amounts of: (i) $196 million of the $314 million then outstanding of the 6.50% Debentures due 2025, (ii) $174 million of the $210 million then outstanding of the 6.50% Debentures due 2028, and (iii) $170 million of the $225 million then outstanding of the 6.625% Senior Notes due 2037.

After accelerating the amortization of debt issuance costs and debt discounts, we recognized a loss of approximately $81 million related to this debt tender in Other within Other income (expense) in the consolidated statements of operations.

The three largest U.S. national ratings agencies rate our senior unsecured long-term debt investment grade. We believe that we will be able to maintain sufficient access to the capital markets at our current ratings. Any future disruptions, uncertainty or volatility in the capital markets may result in higher funding costs for us and adversely affect our ability to access funds.

We may, from time to time, seek to retire certain of our outstanding debt through open market cash purchases, privately-negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

Share Repurchase Program: Through actions taken in July 2011 and January 2012, the Board of Directors authorized us to repurchase an aggregate amount of up to $3.0 billion of our outstanding common stock through December 31, 2012. On February 26, 2012 , we entered into a stock purchase agreement with Carl C. Icahn and certain of his affiliates to purchase 23,739,362 shares of our common stock for approximately $1.2 billion. On July 25, 2012, the Board of Directors authorized up to $2.0 billion in additional funds for share repurchase, bringing the aggregate amount of the share repurchase program to $5.0 billion , and extended the entire share repurchase program indefinitely with no expiration date. During 2012 , we paid an aggregate of $2.4 billion , including transaction costs, to repurchase 49.6 million shares at an average price of $ 49.14 per share. As of December 31, 2012 , we had used approximately $3.5 billion of the share repurchase authority, including transaction costs, to repurchase shares, leaving approximately $1.5 billion available for future repurchases. All repurchased shares have been retired.

Payment of Dividends: We paid $270 million and $72 million in cash dividends to holders of our common stock during the years ended December 31, 2012 and December 31, 2011, respectively. During the year ended December 31, 2010, we did not pay cash dividends to holders of our common stock. Subsequent to December 31, 2012 , we paid $72 million in cash dividends to holders of our common stock.

During the years ended December 31, 2011 , and 2010, we paid $8 million and $23 million , respectively, of dividends to minority shareholders in connection with subsidiary common stock.

Credit Facilities

As of December 31, 2012 , we had a $1.5 billion unsecured syndicated revolving credit facility (the “2011 Motorola Solutions Credit Agreement”) that is scheduled to expire on June 30, 2014. The 2011 Motorola Solutions Credit Agreement includes a provision for which we can increase the aggregate credit facility size up to a maximum of $2.0 billion by adding lenders or having existing lenders increase their commitments. We must comply with certain customary covenants, including maintaining maximum leverage and minimum interest coverage ratios as defined in the 2011 Motorola Solutions Credit Agreement. We were in compliance with our financial covenants as of December 31, 2012 . As of and during the year ended December 31, 2012 , there were no outstanding borrowings under the 2011 Motorola Solutions Credit Agreement.

Contractual Obligations and Other Purchase Commitments

Summarized in the table below are our obligations and commitments to make future payments under long-term debt obligations (assuming earliest possible exercise of put rights by holders), lease obligations, purchase obligations, tax obligations and other obligations as of December 31, 2012 .

	Payments Due by Period							
(in millions)	*Total*	*2013*	*2014*	*2015*	*2016*	*2017*	*Uncertain Timeframe*	*Thereafter*
Long-Term Debt Obligations	$ 1,864	$ 4	$ 4	$ 4	$ 5	$ 405	$ —	$ 1,442
Lease Obligations	356	69	54	36	28	20	—	149
Purchase Obligations	50	22	19	9	—	—	—	—
Tax Obligations	161	25	—	—	—	—	136	—
Total Contractual Obligations	$ 2,431	$ 120	$ 77	$ 49	$ 33	$ 425	$ 136	$ 1,591

Amounts included represent firm, non-cancelable commitments.

Long-Term Debt Obligations: Our long-term debt obligations, including the current portion of long-term debt, totaled $1.9 billion at December 31, 2012 , compared to $1.5 billion at December 31, 2011 .

Lease Obligations: We lease certain office, factory and warehouse space, land, information technology and other equipment, principally under non-cancelable operating leases. Our future minimum lease obligations, net of minimum sublease rentals, totaled $356 million . Rental expense, net of sublease income, was $65 million in 2012 , $92 million in 2011 , and $123 million in 2010 .

Tax Obligations: We have approximately $161 million of unrecognized income tax benefits relating to multiple tax jurisdictions and tax years. Based on the potential outcome of our global tax examinations, or the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the unrecognized tax benefits will change within the next twelve months. The associated net tax impact on the effective tax rate, exclusive of valuation allowance changes, is estimated to be in the range of a $50 million tax charge to a $50 million tax benefit, with cash payments not expected to exceed $25 million.

Purchase Obligations: We have entered into agreements for the purchase of inventory, license of software, promotional activities and research and development, which are firm commitments and are not cancelable. As of December 31, 2012 our obligations in connection with these agreements run through 2015, and the total payments expected to be made by us under these agreements totaled $50 million, of which $32 million relate to take or pay obligations from arrangements with suppliers for the sourcing of inventory supplies and materials. We do not anticipate the cancellation of any of our take or pay agreements in the future and estimate that purchases from these suppliers will exceed the minimum obligations during the agreement periods.

Commitments Under Other Long-Term Agreements: We have entered into certain long-term agreements to purchase software, components, supplies and materials from suppliers which are not "take or pay" in nature. Most of the agreements extend for periods of one to three years (three to five years for software). Generally, these agreements do not obligate us to make any purchases, and many permit us to terminate the agreement with advance notice (usually ranging from 60 to 180 days). If we were to terminate these agreements, we generally would be liable for certain termination charges, typically based on work performed and supplier on-hand inventory and raw materials attributable to canceled orders. Our liability would only arise in the event we terminate the agreements for reasons other than “cause.”

We outsource certain corporate functions, such as benefit administration and information technology-related services. These contracts are expected to expire in 2017. Our remaining payments under these contracts are approximately $603 million over the remaining life of the contracts; however, these contracts can be terminated. Termination would result in a penalty substantially less than the remaining annual contract payments. We would also be required to find another source for these services, including the possibility of performing them in-house.

As is customary in bidding for and completing certain projects and pursuant to a practice we have followed for many years, we have a number of performance/bid bonds, standby letters of credit and surety bonds outstanding (collectively, referred to as “Performance Bonds”), primarily relating to projects of the Government segment. These Performance Bonds normally have maturities of multiple years and are standard in the industry as a way to give customers a convenient mechanism to seek resolution if a contractor does not satisfy certain requirements under a contract. Typically, a customer can draw on the Performance Bond only if we do not fulfill all terms of a project contract. If such an occasion occurred, we would be obligated to reimburse the institution that issued the Performance Bond for the amounts paid. In our long history, it has been rare for us to have a Performance Bond drawn upon. At December 31, 2012 , outstanding Performance Bonds totaled approximately $891 million, compared to $1.1 billion at December 31, 2011 . Any future disruptions, uncertainty, or volatility in bank, insurance or capital markets, or a change in our credit ratings could adversely affect our ability to obtain Performance Bonds and may result in higher funding costs.

Off-Balance Sheet Arrangements: Under the definition contained in Item 303(a)(4)(ii) of Regulation S-K, we do not have any off-balance sheet arrangements.

Long-term Customer Financing Commitments

Outstanding Commitments: Certain purchasers of our infrastructure equipment may request that we provide long-term financing (defined as financing with a term of greater than one year) in connection with the sale of equipment. These requests may include all or a portion of the purchase price of the equipment. Our obligation to provide long-term financing may be conditioned on the issuance of a letter of credit in favor of us by a reputable bank to support the purchaser's credit or a pre-existing commitment from a reputable bank to purchase the long-term receivables from us. We had outstanding commitments to provide long-term financing to third-parties totaling $84 million at December 31, 2012 , compared to $138 million at December 31, 2011 .

Outstanding Long-Term Receivables: We had net non-current long-term receivables of $60 million at December 31, 2012 , compared to net non-current long-term receivables of $37 million (net of allowances for losses of $10 million) at December 31, 2011 . These long-term receivables are generally interest bearing, with interest rates ranging from 1% to 13%.

Sales of Receivables

From time to time, we sell accounts receivable and long-term receivables on a non-recourse basis to third parties under one-time arrangements while others have been sold to third-parties under committed facilities that involve contractual commitments. We may or may not retain the obligation to service the sold accounts receivable and long-term receivables. We had no significant committed facilities for the sale of long-term receivables at December 31, 2012 or at December 31, 2011 .

The following table summarizes the proceeds received from non-recourse sales of accounts receivable and long-term receivables for the years ended December 31, 2012 , 2011 , and 2010 :

Years Ended December 31	***2012***	*2011*	*2010*
Cumulative annual proceeds received from one-time sales:			
Accounts receivable sales proceeds	**$ 12**	$ 8	$ 30
Long-term receivables sales proceeds	**178**	224	67
Total proceeds from one-time sales	**190**	232	97
Cumulative annual proceeds received from sales under committed facilities	**—**	—	70
Total proceeds from receivables sales	**$ 190**	$ 232	$ 167

At December 31, 2012 , the Company had retained servicing obligations for $375 million of long-term receivables, compared to $263 million of long-term receivables at December 31, 2011 . Servicing obligations are limited to collection activities of the non-recourse sales of accounts receivables and long-term receivables.

Adequate Internal Funding Resources

We believe that we have adequate internal resources available to fund expected working capital and capital expenditure requirements for the next twelve months as supported by the level of cash, cash equivalents, short-term investments and Sigma Fund balances in the U.S. and the ability to repatriate funds from foreign jurisdictions.

Other Contingencies

Potential Contractual Damage Claims in Excess of Underlying Contract Value: In certain circumstances, our businesses may enter into contracts with customers pursuant to which the damages that could be claimed by the other party for failed performance might exceed the revenue we receive from the contract. Contracts with these types of uncapped damage provisions are fairly rare, but individual contracts could still represent meaningful risk. There is a possibility that a damage claim by a counterparty to one of these contracts could result in expenses to us that are far in excess of the revenue received from the counterparty in connection with the contract.

Indemnification Provisions: In addition, we may provide indemnifications for losses that result from the breach of general warranties contained in certain commercial, intellectual property and divestiture agreements. Historically, we have not made significant payments under these agreements, nor have there been significant claims asserted against us. However, there is an increasing risk in relation to intellectual property indemnities given the current legal climate. In indemnification cases, payment by us is conditioned on the other party making a claim pursuant to the procedures specified in the particular contract, which procedures typically allow us to challenge the other party's claims. In some instances we may have recourse against third-parties for certain payments made by us. Further, our obligations under divestiture agreements for indemnification based on breach of representations and warranties are generally limited in terms of duration, typically not more than 24 months, and for amounts not in excess of a percentage of the contract value.

Intellectual Property Matters: During 2010, we entered into a settlement agreement with another company to resolve certain intellectual property disputes between the two companies. As a result of the settlement agreement, we received $65 million in cash and were assigned certain patent properties. As a result of this agreement, we recorded a pre-tax gain of $39 million (and $55 million was allocated to discontinued operations) during the year ended December 31, 2010, related to the settlement of the outstanding litigation between the parties.

Legal Matters: We are a defendant in various lawsuits, claims and actions, which arise in the normal course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on our consolidated financial position, liquidity or results of operations. However, an unfavorable resolution could have a material adverse effect on our consolidated financial position, liquidity or results of operations in the periods in which the matters are ultimately resolved.

Significant Accounting Policies

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period.

Management bases its estimates and judgments on historical experience, current economic and industry conditions and on various other factors that are believed to be reasonable under the circumstances. This forms the basis for making judgments

about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Management believes the following significant accounting policies require significant judgment and estimates:

—Revenue recognition

—Inventory valuation

—Income taxes

—Valuation of Sigma Fund and investment portfolios

—Restructuring activities

—Retirement-related benefits

—Valuation and recoverability of goodwill

Revenue Recognition

Net sales consist of a wide range of activities including the delivery of stand-alone equipment or services, custom design and installation over a period of time, and bundled sales of equipment, software and services. We enter into revenue arrangements that may consist of multiple deliverables of our product and service offerings due to the needs of our customers. We recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability of the sales price is reasonably assured. We recognize revenue from the sale of equipment, software bundled with equipment that is essential to the functionality of the equipment, and most services in accordance with general revenue recognition accounting principles. We recognize revenue in accordance with software accounting guidance for the following types of sales transactions: (i) standalone sales of software products or software upgrades, (ii) standalone sales of software maintenance agreements and (iii) sales of software bundled with hardware not essential to the functionality of that hardware.

Products —For product sales, revenue recognition occurs when products have been shipped, risk of loss has transferred to the customer, objective evidence exists that customer acceptance provisions have been met, no significant obligations remain and allowances for discounts, price protection, returns and customer incentives can be reliably estimated. Recorded revenues are reduced by these allowances. We base our estimates of these allowances on historical experience taking into consideration the type of products sold, the type of customer, and the specific type of transaction in each arrangement. Where customer incentives cannot be reliably estimated, we defer revenue until the incentive has been finalized with the customer.

We sell software and equipment obtained from other companies. We establish our own pricing and retain related inventory risk, are the primary obligor in sales transactions with customers, and assume the credit risk for amounts billed to customers. Accordingly, we generally recognize revenue for the sale of products obtained from other companies based on the gross amount billed.

Within our Enterprise segment, products are primarily sold through distributors and value-added resellers (collectively “channel partners”). Channel partners may provide a service or add componentry in order to resell our products to end customers. For sales to channel partners where we cannot reliably estimate the final sales price or when a channel partner is unable to pay for our products without reselling them to their customers, revenue is not recognized until the products are resold by the channel partner to the end customer.

Long-Term Contracts —For long-term contracts that involve customization of equipment and/or software, we generally recognize revenue using the percentage of completion method based on the percentage of costs incurred to date compared to the total estimated costs to complete the contract. In certain instances, when revenues or costs associated with long-term contracts cannot be reliably estimated or the contract contains other inherent uncertainties, revenues and costs are deferred until the project is complete and customer acceptance is obtained. When current estimates of total contract revenue and contract costs indicate a contract loss, the loss is recognized in the period it becomes evident.

Services —Revenue for services is generally recognized ratably over the contract term as services are performed.

Software and Licenses —Revenue from pre-paid perpetual licenses is recognized at the inception of the arrangement, presuming all other relevant revenue recognition criteria are met. Revenue from non-perpetual licenses or term licenses is recognized ratably over the period that the licensee uses the license. Revenues from software maintenance, technical support and unspecified upgrades are recognized over the period that these services are delivered.

Multiple-Element Arrangements —Arrangements with customers may include multiple deliverables, including any combination of products, services and software. These multiple element arrangements could also include an element accounted for as a long-term contract coupled with other products, services and software. For multiple-element arrangements that include products containing software essential to the equipment's functionality, undelivered software elements that relate to the product's essential software, and undelivered non-software services, deliverables are separated into more than one unit of

accounting when (i) the delivered element(s) have value to the customer on a stand-alone basis, and (ii) delivery of the undelivered element(s) is probable and substantially in our control. In these arrangements, we allocate revenue to all deliverables based on their relative selling prices. We use the following hierarchy to determine the selling price to be used for allocating revenue to deliverables: (i) vendor-specific objective evidence of fair value ("VSOE"), (ii) third-party evidence of selling price ("TPE") and (iii) best estimate of selling price ("ESP").

- VSOE—In many instances, products are sold separately in stand-alone arrangements as customers may support the products themselves or purchase support on a time and materials basis. Additionally, advanced services such as general consulting, network management or advisory projects are often sold in stand-alone engagements. Technical support services are also often sold separately through renewals of annual contracts. We determine VSOE based on our normal pricing and discounting practices for the specific product or service when sold separately. In determining VSOE, we require that a substantial majority of the selling prices for a product or service fall within a reasonably narrow pricing range, generally evidenced by the pricing rates of approximately 80% of such historical stand-alone transactions falling within plus or minus 15% of the median rate. In addition, we consider the geographies in which the products or services are sold, major product and service groups, customer classification, and other environmental or marketing variables in determining VSOE.
- TPE—VSOE exists only when we sell the deliverable separately. When VSOE does not exist, we attempt to determine TPE based on competitor prices for similar deliverables when sold separately. Generally, our go-to-market strategy for many of our products differs from that of our peers and our offerings contain a significant level of customization and differentiation such that the comparable pricing of products with similar functionality sold by other companies cannot be obtained. Furthermore, we are unable to reliably determine what similar competitor products' selling prices are on a stand-alone basis. Therefore, we are typically not able to determine TPE.
- ESP—The objective of ESP is to determine the price at which we would transact a sale if the product or service were sold on a stand-alone basis. When both VSOE and TPE do not exist, we determine ESP by first collecting all reasonably available data points including sales, cost and margin analysis of the product, and other inputs based on our normal pricing practices. Second, we make any reasonably required adjustments to the data based on market and Company-specific factors. Third, we stratify the data points, when appropriate, based on customer, magnitude of the transaction and sales volume.

Once elements of an arrangement are separated into more than one unit of accounting, revenue is recognized for each separate unit of accounting based on the nature of the revenue as described above.

Our arrangements with multiple deliverables may also contain a stand-alone software deliverable that is subject to software revenue recognition guidance. The revenue for these multiple-element arrangements is allocated to the software deliverable and the non-software deliverable(s) based on the relative selling prices of all of the deliverables in the arrangement using the fair value hierarchy outlined above. In circumstances where we cannot determine VSOE or TPE of the selling price for any of the deliverables in the arrangement, ESP is used for the purpose of allocating the arrangement consideration.

We account for multiple element arrangements that consist entirely of software or software-related products, including the sale of software upgrades or software support agreements to previously sold software, in accordance with software accounting guidance. For such arrangements, revenue is allocated to the deliverables based on the relative fair value of each element, and fair value is determined using VSOE. Where VSOE does not exist for the undelivered software element, revenue is deferred until either the undelivered element is delivered or VSOE is established, whichever occurs first. When VSOE of a delivered element has not been established, but VSOE exists for the undelivered elements, we use the residual method to recognize revenue when the fair value of all undelivered elements is determinable. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement consideration is allocated to the delivered elements and is recognized as revenue.

Changes in cost estimates and the fair values of certain deliverables could negatively impact our operating results. In addition, unforeseen conditions could arise over the contract term that may have a significant impact on operating results.

Inventory Valuation

We record valuation reserves on our inventory for estimated excess or obsolescence. The amount of the reserve is equal to the difference between the cost of the inventory and the estimated market value based upon assumptions about future demand and market conditions. On a quarterly basis, management performs an analysis of the underlying inventory to identify reserves needed for excess and obsolescence. We use our best judgment to estimate appropriate reserves based on this analysis. In addition, we adjust the carrying value of inventory if the current market value of that inventory is below our cost.

At December 31, 2012 and 2011 , Inventories consisted of the following:

December 31	***2012***	*2011*
Finished goods	**$ 244**	$ 319
Work-in-process and production materials	**432**	363
	676	682
Less inventory reserves	**(163)**	(170)
	$ 513	$ 512

We balance the need to maintain strategic inventory levels to ensure competitive delivery performance to our customers against the risk of inventory obsolescence due to rapidly changing technology and customer requirements. As reflected above, our inventory reserves represented 24% of the gross inventory balance at December 31, 2012 , compared to 25% of the gross inventory balance at December 31, 2011 . We have inventory reserves for excess inventory, pending cancellations of product lines due to technology changes, long-life cycle products, lifetime buys at the end of supplier production runs, business exits, and a shift of production to outsourced manufacturing.

If future demand or market conditions are less favorable than those projected by management, additional inventory writedowns may be required.

Income Taxes

Our effective tax rate is based on pre-tax income and the tax rates applicable to that income in the various jurisdictions in which we operate. An estimated effective tax rate for a year is applied to our quarterly operating results. In the event that there is a significant unusual or discrete item recognized, or expected to be recognized, in our quarterly operating results, the tax attributable to that item would be separately calculated and recorded at the same time as the unusual or discrete item. We consider the resolution of prior-year tax matters to be such items. Significant judgment is required in determining our effective tax rate and in evaluating our tax positions. We establish reserves when it is not more-likely-than-not that we will realize the full tax benefit of the position. We adjust these reserves in light of changing facts and circumstances.

Tax regulations may require items of income and expense to be included in a tax return in different periods than the items are reflected in the consolidated financial statements. As a result, the effective tax rate reflected in the consolidated financial statements may be different than the tax rate reported in the income tax return. Some of these differences are permanent, such as expenses that are not deductible on the tax return, and some are temporary differences, such as depreciation expense. Temporary differences create deferred tax assets and liabilities. Deferred tax assets generally represent items that can be used as a tax deduction or credit in the tax return in future years for which we have already recorded the tax benefit in the consolidated financial statements. Deferred tax liabilities generally represent tax expense recognized in the consolidated financial statements for which the tax payment has been deferred or expense for which we have already taken a deduction on an income tax return, but has not yet been recognized in the consolidated financial statements.

We account for income taxes by recognizing deferred tax assets and liabilities using enacted tax rates for the effect of the temporary differences between the book and tax basis of recorded assets and liabilities. We make estimates and judgments with regard to the calculation of certain income tax assets and liabilities. Deferred tax assets are reduced by valuation allowances if, based on the consideration of all available evidence, it is more-likely-than-not that some portion of the deferred tax asset will not be realized. Significant weight is given to evidence that can be objectively verified.

We evaluate deferred income taxes on a quarterly basis to determine if valuation allowances are required by considering available evidence, including historical and projected taxable income and tax planning strategies that are both prudent and feasible. During 2012, we recorded $60 million of tax benefits related to the reversal of a significant portion of the valuation allowance established on certain foreign deferred tax assets.

During 2011, we reassessed our valuation allowance requirements taking into consideration the distribution of Motorola Mobility. We evaluated all available evidence in our analysis, including the historical and projected pre-tax profits generated by our U.S. operations. We also considered tax planning strategies that are prudent and can be reasonably implemented. Based on our assessment, we recorded $274 million of tax benefits related to the reversal of a valuation allowance established on U.S. deferred tax assets. During 2010, the U.S. valuation allowance was reduced by $39 million, primarily for certain of our state tax carryforwards that we expect to utilize. The U.S. valuation allowance as of December 31, 2012 relates to state tax carryforwards and deferred tax assets of a U.S. subsidiary that we expect to expire unutilized.

We have a total deferred tax asset valuation allowance of approximately $308 million against gross deferred tax assets of approximately $4.7 billion as of December 31, 2012 , compared to total deferred tax asset valuation allowance of approximately $366 million against net deferred tax assets of approximately $5.1 billion as of December 31, 2011 .

Valuation of Sigma Fund and Investment Portfolios

Investments in Sigma Fund primarily consist of fixed income securities with an average maturity of less than one month at both December 31, 2012 and 2011 . These securities are carried at fair value. Investments not held in Sigma Fund generally consist of equity and fixed income securities, which are classified as available-for-sale and are carried at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. Fair value is determined in accordance with the authoritative guidance for fair value measurements and disclosures using the prescribed fair value hierarchy.

Publicly traded common stock and equivalents within our investment portfolios where quoted market prices in active markets are available are classified as Level 1 fair value measurements within the prescribed fair value hierarchy.

The securities classified as Level 2 are primarily those that are professionally managed within the Sigma Fund. Level 2 securities are priced using pricing services, bid/offer, and last trade. Prices may also be obtained from brokers, counterparties, fund administrators, online securities data services, or investment managers. Fixed income securities, including short-term instruments, may be priced using pricing models comprised of observable inputs which include, but are not limited to, market quotations, yields, maturities, call features, and the security's terms and conditions. We review these prices and pricing procedures as well as amounts realized as a basis for validating our fair value price estimates.

As of December 31, 2012 and December 31, 2011, there are no Level 3 securities within the Sigma Fund or our investment portfolio.

We cannot predict the occurrence of future events that might have an impact on the fair values of our investments in Sigma Fund or other investments carried at fair value.

Restructuring Activities

We maintain a formal Involuntary Severance Plan (the “Severance Plan”), which permits us to offer eligible employees severance benefits based on years of service and employment grade level in the event that employment is involuntarily terminated as a result of a reduction-in-force or restructuring. We recognize termination benefits based on formulas per the Severance Plan at the point in time that future settlement is probable and can be reasonably estimated based on estimates prepared at the time a restructuring plan is approved by management. Exit costs consist of future minimum lease payments on vacated facilities and other contractual terminations. At each reporting date, we evaluate our accruals for employee separation and exit costs to ensure the accruals are still appropriate. In certain circumstances, accruals are no longer needed because of efficiencies in carrying out the plans or because employees previously identified for separation resigned from the Company and did not receive severance or were redeployed due to circumstances not foreseen when the original plans were approved. In these cases, we reverse accruals through the consolidated statements of operations where the original charges were recorded when it is determined they are no longer needed.

Retirement Benefits

Our noncontributory pension plan (the “Regular Pension Plan”) covers U.S. employees who became eligible after one year of service. The benefit formula is dependent upon employee earnings and years of service. Effective January 1, 2005, newly-hired employees are not eligible to participate in the Regular Pension Plan. We also provide defined benefit plans which cover non-U.S. employees in certain jurisdictions, principally the United Kingdom, Germany and Japan (the “Non-U.S. Plans”). Other pension plans are not material to us either individually or in the aggregate.

We also have a noncontributory supplemental retirement benefit plan (the “Officers’ Plan”) for our elected officers. The Officers’ Plan contains provisions for vesting and funding the participants’ expected retirement benefits when the participants meet the minimum age and years of service requirements. Elected officers who were not yet vested in the Officers’ Plan as of December 31, 1999 had the option to remain in the Officers’ Plan or elect to have their benefit bought out in restricted stock units. Effective December 31, 1999, newly elected officers are not eligible to participate in the Officers’ Plan. Effective June 30, 2005, salaries were frozen for this plan.

We have an additional noncontributory supplemental retirement benefit plan, the Motorola Supplemental Pension Plan (“MSPP”), which provides supplemental benefits to individuals by replacing the Regular Pension Plan benefits that are lost by such individuals under the retirement formula due to application of the limitations imposed by the Internal Revenue Code. However, elected officers who are covered under the Officers’ Plan or who participated in the restricted stock buy-out are not eligible to participate in the MSPP. Effective January 1, 2007, eligible compensation was capped at the IRS limit plus $175,000 (the “Cap”) or, for those already in excess of the Cap as of January 1, 2007, the eligible compensation used to compute such employee’s MSPP benefit for all future years will be the greater of: (i) such employee’s eligible compensation as of January 1, 2007 (frozen at that amount), or (ii) the relevant Cap for the given year. Additionally, effective January 1, 2009, the MSPP was frozen to new participants unless such participation was due to a prior contractual entitlement.

In February 2007, we amended the Regular Pension Plan and the MSPP, modifying the definition of average earnings. For years ended prior to December 31, 2007, benefits were calculated using the rolling average of the highest annual earnings in any five years within the previous ten calendar year period. Beginning in January 2008, the benefit calculation was based on the set of the five highest years of earnings within the ten calendar years prior to December 31, 2007, averaged with earnings from each year after 2007. Also effective January 2008, we amended the Regular Pension Plan, modifying the vesting period from five years to three years.

In December 2008, we amended the Regular Pension Plan, the Officers' Plan and the MSPP (collectively, the "2008 Amended Pension Plans") such that, effective March 1, 2009: (i) no participant shall accrue any benefit or additional benefit on or after March 1, 2009, and (ii) no compensation increases earned by a participant on or after March 1, 2009 shall be used to compute any accrued benefit.

Certain healthcare benefits are available to eligible domestic employees meeting certain age and service requirements upon termination of employment (the "Postretirement Health Care Benefits Plan"). For eligible employees hired prior to January 1, 2002, we offset a portion of the postretirement medical costs to the retired participant. As of January 1, 2005, the Postretirement Health Care Benefits Plan has been closed to new participants.

During the year ended December 31, 2012 , the Company announced an amendment to the Postretirement Health Care Benefits Plan. Starting January 1, 2013, benefits under the plan to participants over age 65 will be paid to a retiree health reimbursement account instead of directly providing health insurance coverage to the participants. Covered retirees will be able to use the annual subsidy they receive through this account toward the purchase of their own health care coverage from private insurance companies and for reimbursement of eligible health care expenses. This change has resulted in a remeasurement of the plan where $139 million of the net liability was reduced through a decrease in accumulated other comprehensive loss of $87 million , net of taxes. The majority of the reduced liability will be recognized over approximately three years, which is the period in which the remaining employees eligible for the plan will qualify for benefits under the plan.

Accounting methodologies use an attribution approach that generally spreads the effects of individual events over the service lives of the participants in the plan, or estimated average lifetime when almost all of the plan participants are considered "inactive." Examples of "events" are plan amendments and changes in actuarial assumptions such as discount rate, expected long-term rate of return on plan assets, and rate of compensation increases.

There are various assumptions used in calculating the net periodic benefit expense and related benefit obligations. One of these assumptions is the expected long-term rate of return on plan assets. The required use of the expected long-term rate of return on plan assets may result in recognized pension income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns and therefore result in a pattern of income and expense recognition that more closely matches the pattern either of the service life or average lifetime of the employees. Differences between actual and expected returns are recognized in the net periodic pension calculation over five years.

We use long-term historical actual return experience with consideration of the expected investment mix of the plans' assets, as well as future estimates of long-term investment returns, to develop our expected rate of return assumption used in calculating the net periodic pension cost and the net retirement healthcare expense. Our investment return assumption for the Regular Pension Plan and Postretirement Healthcare Benefits Plan was 8.25% in both 2012 and 2011 . At December 31, 2012 , the Regular Pension Plan and the Postretirement Health Care Benefits Plan investment portfolios were predominantly equity investments and the Officers' Plan investment portfolio was predominantly fixed-income securities.

A second key assumption is the discount rate. The discount rate assumptions used for pension benefits and postretirement health care benefits reflect, at December 31 of each year, the prevailing market rates for high-quality, fixed-income debt instruments that, if the obligation was settled at the measurement date, would provide the necessary future cash flows to pay the benefit obligation when due. Our discount rates for measuring our U.S. pension obligations were 4.35% and 5.10% at December 2012 and 2011 , respectively. Our discount rates for measuring the Postretirement Health Care Benefits Plan obligation were 3.80% and 4.75% at December 31, 2012 and 2011 , respectively.

A final set of assumptions involves the cost drivers of the underlying benefits. The rate of compensation increase is a key assumption used in the actuarial model for pension accounting and is determined by us based upon our long-term plans for such increases. Our 2012 and 2011 rate for future compensation increase for the Regular Pension Plan and Officers' Plan was 0%, as the salaries to be utilized for calculation of benefits under these plans have been frozen. For the Postretirement Health Care Benefits Plan, we review external data and our own historical trends for health care costs to determine the health care cost trend rates. The health care cost trend rate used to determine the December 31, 2012 , accumulated postretirement benefit obligation is 8.50% for 2013 , then grading down to a rate of 5% in 2020 . The health care cost trend rate used to determine the December 31, 2011 accumulated postretirement benefit obligation was 7.25% for 2012 , remaining flat at 7.25% through 2015, then grading down to a rate of 5% in 2019.

For the year ended December 31, 2012 , we recognized net periodic pension expense of $188 million related to our U.S. pension plans, compared to $151 million for the year ended December 31, 2011. Cash contributions of $340 million were made to the U.S. pension plans during 2012 as compared to $489 million in 2011. In January 2011, the Pension Benefit Guaranty Corporation ("PBGC") announced an agreement with Motorola Solutions under which we would contribute $100 million above and beyond our legal requirement to our U.S. pension plans over the next five years. The Company and the PBGC entered into the agreement as the Company was in the process of separating Motorola Mobility and pursuing the sale of certain assets of the Networks business. The Company made $250 million of pension contributions to our U.S. pension plans over the amounts required in the fourth quarter 2011, of which $100 million fulfilled the PBGC financial obligation. As a result, the Company has no further financial obligations under this agreement with the PBGC. We maintained all of the U.S. pension liabilities and the majority of the non-U.S. pension liabilities following the distribution of Motorola Mobility on January 4, 2011, and following the sale of certain assets and liabilities of the Networks business to NSN on April 29, 2011.

We recognized net postretirement health care expense of $3 million and $20 million for the years ended December 31, 2012 and 2011 , respectively. No cash contributions were made to this plan in 2012 . We expect to make no cash contributions to the Postretirement Health Care Benefits Plan in 2013 .

The measurement date of all of our retirement plans assets and obligations is December 31 .

Valuation and Recoverability of Goodwill

We assess the recorded amount of goodwill for recovery on an annual basis in the fourth quarter of each fiscal year. Goodwill is assessed more frequently if an event occurs or circumstances change that would indicate it is more-likely-than-not that the fair value of a reporting unit is below its carrying amount. We continually assess whether any such events and circumstances have occurred, which requires a significant amount of judgment. Such events and circumstances may include: adverse changes in macroeconomic conditions, adverse changes in the entity's industry or market, changes in cost factors negatively impacting earnings and cash flows, negative or declining overall financial performance, events affecting the carrying value or composition of a reporting unit, or a sustained decrease in share price, among others. Any such adverse event or change in circumstances could have a significant impact on the recoverability of goodwill and could have a material impact on our combined financial statements.

The goodwill impairment assessment is performed at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment (referred to as a "component"). A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and segment management regularly reviews the operating results of that component. When two or more components of an operating segment have similar economic characteristics, the components are aggregated and deemed a single reporting unit. An operating segment is deemed to be a reporting unit if all of its components are similar, if none of its components is a reporting unit, or if the segment comprises only a single component. Based on this guidance, we have determined that our Government and Enterprise segments each meet the definition of a reporting unit.

In September 2011, the Financial Accounting Standards Board (the "FASB") issued guidance which provides an entity with the option to first perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. If an entity determines this is the case, it is required to perform the two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment loss to be recognized. If an entity determines that it is more-likely-than-not that the fair value of a reporting is greater than its carrying amount, the two-step goodwill impairment test is not required. We adopted this guidance as of the fourth quarter of 2011.

2012 &2011

We performed a qualitative assessment to determine whether it was more-likely-than-not that the fair value of each reporting unit was less than its carrying amount for fiscal year 2012 and fiscal year 2011. In performing this qualitative assessment, we assessed relevant events and circumstances including macroeconomic conditions, industry and market conditions, cost factors, overall financial performance, changes in share price, and entity-specific events. In addition, we considered the fair value derived for each reporting unit in conjunction with the 2010 goodwill impairment test. We compared this prior fair value against the current carrying value of each reporting unit noting fair value significantly exceeded carrying value for both reporting units. We performed a sensitivity analysis on the fair value determined for each reporting unit in conjunction with the 2010 goodwill impairment test for changes in significant assumptions including the weighted average cost of capital used in the income approach and changes in expected cash flows. For fiscal year 2012, these changes in assumptions and estimated cash flows resulted in an increase in fair value for the Government reporting unit and a slight decrease in fair value for the Enterprise reporting unit. In spite of this small decrease in estimated fair value of the Enterprise reporting unit, the reporting unit's fair value significantly exceeds its carrying value. For fiscal year 2011, these changes in assumptions and estimated cash flows resulted in an increase in fair value for each reporting unit from the 2010 fair values. As such, for fiscal years 2012 and 2011, we concluded it is more-likely-than-not that the fair value of each reporting unit exceeds its carrying value. Therefore, the two-step goodwill impairment test was not required for fiscal year 2012 or fiscal year 2011.

2010

The goodwill impairment test for fiscal 2010 was performed using the two step goodwill impairment analysis. In step one, the fair value of each reporting unit was compared to its book value. Fair value was determined using a combination of present value techniques and quoted market prices of comparable businesses. If the fair value of the reporting unit exceeds its book value, goodwill is not deemed to be impaired for that reporting unit, and no further testing would be necessary. If the fair value of the reporting unit is less than its book value, we perform step two. Step two uses the calculated fair value of the reporting unit to perform a hypothetical purchase price allocation to the fair value of the assets and liabilities of the reporting unit. The difference between the fair value of the reporting unit calculated in step one and the fair value of the underlying assets and liabilities of the reporting unit was the implied fair value of the reporting unit's goodwill. A charge is recorded in the financial statements if the carrying value of the reporting unit's goodwill is greater than its implied fair value.

The following describes the valuation methodologies used to derive the fair value of the reporting units:

- *Income Approach:* To determine fair value, we discounted the expected future cash flows of the reporting units. The discount rate used represents the estimated weighted average cost of capital, which reflects the overall level of inherent risk involved in our operations and the rate of return a market participant would expect to earn. To estimate cash flows beyond the final year of our model, we used a terminal value approach. Under this approach, we used estimated operating income before interest, taxes, depreciation and amortization in the final year of the model, adjusted it to estimate a normalized cash flow, applied a perpetuity growth assumption and discounted it by a perpetuity discount factor to determine the terminal value. We incorporated the present value of the resulting terminal value into the estimate of fair value.
- *Market-Based Approach:* To corroborate the results of the income approach described above, we estimated the fair value of our reporting units using several market-based approaches, including the value that is derived based on Motorola Solutions' consolidated stock price as described above. We also used the guideline company method, which focuses on comparing our risk profile and growth prospects to select reasonably similar/guideline publicly traded companies.

The determination of fair value of the reporting units and assets and liabilities within the reporting units requires us to make significant estimates and assumptions. These estimates and assumptions primarily included, the discount rate, terminal growth rates, earnings before depreciation and amortization, and capital expenditures forecasts.

We evaluated the merits of each significant assumption, both individually and in the aggregate, used to determine the fair value of each reporting unit, as well as the fair values of the corresponding assets and liabilities within the reporting unit, and concluded they are reasonable. We weighted the valuation of our reporting units at 75% based on the income approach and 25% based on the market-based approach, consistent with prior periods.

The accounting principles regarding goodwill acknowledge that the observed market prices of individual trades of a company's stock (and thus its computed market capitalization) may not be representative of the fair value of the company as a whole. Additional value may arise from the ability to take advantage of synergies and other benefits that flow from control over another entity. Consequently, measuring the fair value of a collection of assets and liabilities that operate together in a controlled entity is different from measuring the fair value of that entity's individual common stock. In most industries, including ours, an acquiring entity typically is willing to pay more for equity securities that give it a controlling interest than an investor would pay for a number of equity securities representing less than a controlling interest.

For the purpose of determining the implied control premium calculation in the overall goodwill analysis, we applied assumptions for determining the fair value of corporate assets. Corporate assets primarily consisted of cash and cash equivalents, Sigma Fund balances, short-term investments, investments, deferred tax assets and corporate facilities. Judgments about the fair value of corporate assets include, among others, an assumption that deferred tax assets should be discounted to reflect their economic lives, that a significant portion of the corporate assets are required to pay off debt, fund our retirement obligations, and market participants' perceptions of the likely restructuring costs, including severance and exit costs, that might be incurred if our strategy is not successful. The results of our impairment analysis resulted in an implied control premium commensurate with historical transactions observed in our industry.

Based on the results of our 2012 , 2011 , and 2010 annual assessments of the recoverability of goodwill, there were no goodwill impairments.

Differences in our actual future cash flows, operating results, growth rates, capital expenditures, cost of capital and discount rates as compared to the estimates utilized for the purpose of calculating the fair value of each reporting unit, as well as a decline in macroeconomic conditions, the industry, the market, overall financial performance or our stock price and related market capitalization, could affect the results of our annual goodwill assessment and, accordingly, potentially lead to future goodwill impairment charges.

Recent Accounting Pronouncements

In December 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-11 " *Disclosures about Offsetting Assets and Liabilities."* The standard requires additional disclosure to enhance the comparability of U.S. GAAP and International Financial Reporting Standards financial statements. In January 2013, the FASB issued Accounting Standards Update 2013-01 " *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*. " This standard provided additional guidance on the scope of ASU 2011-11. The new standards are effective for annual and interim periods beginning January 1, 2013. Retrospective application is required. The guidance concerns disclosure only and will not have an impact on our consolidated financial position or results of operations.

In February 2013, the FASB issued ASU No. 2013-02, " *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* ." Under ASU 2013-02, an entity is required to provide information about the amounts reclassified out of Accumulated Other Comprehensive Income ("AOCI") by component. In addition, an entity is required to present, either on the face of the financial statements or in the notes, significant amounts reclassified out of AOCI by the respective line items of net income, but only if the amount reclassified is required to be reclassified in its entirety in the same reporting period. For amounts that are not required to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures that provide additional details about those amounts. ASU 2013-02 does not change the current requirements for reporting net income or other comprehensive income in the financial statements. ASU 2013-02 is effective for us on January 1, 2013.

Forward-Looking Statements

Except for historical matters, the matters discussed in this Form 10-K are forward-looking statements that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements under the following headings: (1) “Business,” about: (a) industry growth and demand, including opportunities resulting from such growth, (b) customer spending, (c) the impact of each segment's strategy, (d) the impact from the loss of key customers, (e) competitive position, (f) increased competition, (g) the impact of regulatory matters, (h) the impact from the allocation and regulation of spectrum, (i) the availability of materials and components, energy supplies and labor, (j) the seasonality of the business, (k) the firmness of each segment's backlog, (l) the competitiveness of the patent portfolio, and (m) the impact of research and development; (2) “Properties,” about the consequences of a disruption in manufacturing; (3) “Legal Proceedings,” about the ultimate disposition of pending legal matters and timing; (4) “Management's Discussion and Analysis,” about: (a) market growth/contraction, demand, spending and resulting opportunities, (b) the financial results of Psion and the impact to earnings in 2014, (c) the decline in the iDEN infrastructure portfolio, (d) the return of capital to shareholders through dividends and/or repurchasing shares, (e) the success of our business strategy and portfolio, (f) future payments, charges, use of accruals and expected cost-saving and profitability benefits associated with our reorganization of business programs and employee separation costs, (g) our ability and cost to repatriate funds, (h) the impact of the timing and level of sales and the geographic location of such sales, (i) the impact of maintaining inventory, (j) future cash contributions to pension plans or retiree health benefit plans, (k) our ability to collect on our Sigma Fund and other investments, (l) our ability and cost to access the capital markets, (m) our ability to borrow and the amount available under our credit facilities, (n) our ability to retire outstanding debt, (o) our ability and cost to obtain performance related bonds, (p) adequacy of resources to fund expected working capital and capital expenditure measurements, (q) expected payments pursuant to commitments under long-term agreements, (r) the ability to meet minimum purchase obligations, (s) our ability to sell accounts receivable and the terms and amounts of such sales, (t) the outcome and effect of ongoing and future legal proceedings, (u) the impact of recent accounting pronouncements on our financial statements, (v) the impact of the loss of key customers, and (w) the expected effective tax rate and deductibility of certain items; and (5) “Quantitative and Qualitative Disclosures about Market Risk,” about: (a) the impact of foreign currency exchange risks, (b) future hedging activity and expectations of the Company, and (c) the ability of counterparties to financial instruments to perform their obligations.

Some of the risk factors that affect the Company’s business and financial results are discussed in “Item 1A: Risk Factors.” We wish to caution the reader that the risk factors discussed in “Item 1A: Risk Factors,” and those described elsewhere in this report or in our other Securities and Exchange Commission filings, could cause our actual results to differ materially from those stated in the forward-looking statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

As of December 31, 2012 , we have $1.9 billion of long-term debt, including the current portion of long-term debt, which is primarily priced at long-term, fixed interest rates. Of this total long-term debt amount, a $36 million Euro-denominated variable interest loan has a hedge that changes the interest rate characteristics from variable to fixed-rate. A hypothetical unfavorable movement of 10% in the interest rates would have an immaterial impact on the hedge’s fair value.

Foreign Currency Risk

We use financial instruments to reduce our overall exposure to the effects of currency fluctuations on cash flows. Our policy prohibits speculation in financial instruments for profit on exchange rate price fluctuations, trading in currencies for which there are no underlying exposures, or entering into transactions for any currency to intentionally increase the underlying exposure. Instruments that are designated as part of a hedging relationship must be effective at reducing the risk associated with the exposure being hedged and are designated as part of a hedging relationship at the inception of the contract. Accordingly, changes in the market values of hedge instruments must be highly correlated with changes in market values of the underlying hedged items both at the inception of the hedge and over the life of the hedge contract.

Our strategy related to foreign exchange exposure management is to offset the gains or losses on the financial instruments against losses or gains on the underlying operational cash flows or investments based on our operating assessment of risk. We enter into derivative contracts for some of our non-functional currency cash, receivables, and payables, which are primarily denominated in major currencies that can be traded on open markets. We typically use forward contracts and options to hedge these currency exposures. In addition, we enter into derivative contracts for some forecasted transactions, which are designated as part of a hedging relationship if it is determined that the transaction qualifies for hedge accounting under the provisions of the authoritative accounting guidance for derivative instruments and hedging activities. A portion of our exposure is from currencies that are not traded in liquid markets and these are addressed, to the extent reasonably possible, by managing net asset positions, product pricing and component sourcing.

At December 31, 2012 , we had outstanding foreign exchange contracts totaling $523 million , compared to $524 million outstanding at December 31, 2011 . Management believes that these financial instruments should not subject us to undue risk due to foreign exchange movements because gains and losses on these contracts should generally offset losses and gains on the underlying assets, liabilities and transactions, except for the ineffective portion of the instruments, which are charged to Other within Other income (expense) in our consolidated statements of operations.

The following table shows the five largest net notional amounts of the positions to buy or sell foreign currency as of December 31, 2012 and the corresponding positions as of December 31, 2011 :

	Notional Amount	
Net Buy (Sell) by Currency	***December 31, 2012***	*December 31, 2011*
British Pound	**$ 225**	$ 55
Chinese Renminbi	**(99)**	(283)
Norwegian Krone	**(48)**	—
Israeli Shekel	**(35)**	8
Japanese Yen	**32**	46

Foreign exchange financial instruments that are subject to the effects of currency fluctuations, which may affect reported earnings, include derivative financial instruments and other monetary assets and liabilities denominated in a currency other than the functional currency of the legal entity holding the instrument. Derivative financial instruments consist primarily of currency forward contracts and options. Other monetary assets and liabilities denominated in a currency other than the functional currency of the legal entity consist primarily of cash, cash equivalents, Sigma Fund investments and short-term investments, as well as accounts payable and receivable. Accounts payable and receivable are reflected at fair value in the financial statements. Assuming the amounts of the outstanding foreign exchange contracts represent our underlying foreign exchange risk related to monetary assets and liabilities, a hypothetical unfavorable 10% movement in the foreign exchange rates, from current levels, would reduce the value of those monetary assets and liabilities by approximately $54 million. Our market risk calculation represents an estimate of reasonably possible net losses that would be recognized assuming hypothetical 10% movements in future currency market pricing and is not necessarily indicative of actual results, which may or may not occur. It does not represent the maximum possible loss or any expected loss that may occur, since actual future gains and losses will differ from those estimated, based upon, among other things, actual fluctuation in market rates, operating exposures, and the timing thereof. We believe, however, that any such loss incurred would be offset by the effects of market rate movements on the respective underlying derivative financial instruments transactions. The foreign exchange financial instruments are held for purposes other than trading.

At December 31, 2012 , the maximum term of derivative instruments that hedge forecasted transactions was seven months. The weighted average duration of our derivative instruments that hedge forecasted transactions was three months.

Item 8: Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Motorola Solutions, Inc.:

We have audited the accompanying consolidated balance sheets of Motorola Solutions, Inc. and Subsidiaries as of December 31, 2012 and 2011 , and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2012 . These consolidated financial statements are the responsibility of Motorola Solutions, Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Motorola Solutions, Inc. and Subsidiaries as of December 31, 2012 and 2011 , and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2012 , in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Motorola Solutions, Inc.'s internal control over financial reporting as of December 31, 2012 , based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 12, 2013 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG LLP

Chicago, Illinois
February 12, 2013

Motorola Solutions, Inc. and Subsidiaries

Consolidated Statements of Operations

(In millions, except per share amounts)	*Years ended December 31*		
	2012	*2011*	*2010*
Net sales from products	**$ 6,363**	$ 6,068	$ 5,616
Net sales from services	**2,335**	2,135	2,001
Net sales	**8,698**	8,203	7,617
Cost of product sales	**2,844**	2,723	2,523
Cost of service sales	**1,506**	1,334	1,282
Costs of sales	**4,350**	4,057	3,805
Gross margin	**4,348**	4,146	3,812
Selling, general and administrative expenses	**1,963**	1,912	1,874
Research and development expenditures	**1,075**	1,035	1,037
Other charges	**54**	341	150
Operating earnings	**1,256**	858	751
Other income (expense):			
Interest expense, net	**(66)**	(74)	(129)
Gain on sales of investments and businesses, net	**39**	23	49
Other	**(14)**	(69)	(7)
Total other expense	**(41)**	(120)	(87)
Earnings from continuing operations before income taxes	**1,215**	738	664
Income tax expense (benefit)	**337**	(3)	403
Earnings from continuing operations	**878**	741	261
Earnings from discontinued operations, net of tax	**3**	411	389
Net earnings	**881**	1,152	650
Less: Earnings (loss) attributable to noncontrolling interests	**—**	(6)	17
Net earnings attributable to Motorola Solutions, Inc.	**$ 881**	$ 1,158	$ 633
Amounts attributable to Motorola Solutions, Inc. common shareholders:			
Earnings from continuing operations, net of tax	**878**	747	244
Earnings from discontinued operations, net of tax	**3**	411	389
Net earnings	**881**	1,158	633
Earnings per common share:			
Basic:			
Continuing operations	**$ 3.01**	$ 2.24	$ 0.73
Discontinued operations	**—**	1.23	1.17
	$ 3.01	$ 3.47	$ 1.90
Diluted:			
Continuing operations	**$ 2.95**	$ 2.20	$ 0.72
Discontinued operations	**0.01**	1.21	1.15
	$ 2.96	$ 3.41	$ 1.87
Weighted average common shares outstanding:			
Basic	**292.1**	333.8	333.3
Diluted	**297.4**	339.7	338.1
Dividends declared per share	**0.96**	0.22	—

See accompanying notes to consolidated financial statements.

Motorola Solutions, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income

(In millions)	*Years ended December 31*		
	2012	*2011*	*2010*
Net earnings	**$ 881**	$ 1,152	$ 650
Other comprehensive income (loss):			
Amortization of retirement benefit adjustments, net of tax of $99, $73 and $57	**177**	132	112
Mid-year remeasurement of retirement benefits and other amendment, net of tax of $52, $9 and $(13)	**87**	(77)	(6)
Year-end and other retirement adjustments, net of tax of $(419), $(332), and $(14)	**(707)**	(723)	81
Foreign currency translation adjustment, net of tax of $(4), $(8) and $46	**14**	19	(63)
Net gain (loss) on derivative hedging instruments, net of tax of $(1), $0 and $(1)	**4**	(3)	(2)
Net unrealized gain (loss) on securities, net of tax of $1, $(1) and $(34)	**1**	(2)	(58)
Total other comprehensive income (loss)	**(424)**	(654)	64
Comprehensive income	**457**	498	714
Less: Earnings (loss) attributable to noncontrolling interest	**—**	(6)	17
Comprehensive income attributable to Motorola Solutions, Inc. common shareholders	**$ 457**	$ 504	$ 697

See accompanying notes to consolidated financial statements.

Motorola Solutions, Inc. and Subsidiaries

Consolidated Balance Sheets

(In millions, except per share amounts)	*December 31*	
	2012	*2011*
ASSETS		
Cash and cash equivalents	**$ 1,468**	$ 1,881
Sigma Fund and short-term investments	**2,135**	3,210
Accounts receivable, net	**1,881**	1,866
Inventories, net	**513**	512
Deferred income taxes	**604**	613
Other current assets	**800**	686
Total current assets	**7,401**	8,768
Property, plant and equipment, net	**839**	896
Investments	**144**	166
Deferred income taxes	**2,416**	2,375
Goodwill	**1,510**	1,428
Other assets	**369**	296
Total assets	**$ 12,679**	$ 13,929
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	**$ 4**	$ 405
Accounts payable	**705**	677
Accrued liabilities	**2,626**	2,733
Total current liabilities	**3,335**	3,815
Long-term debt	**1,859**	1,130
Other liabilities	**4,195**	3,710
Stockholders' Equity		
Preferred stock, $100 par value	**—**	—
Common stock: 12/31/12—$.01 par value; 12/31/11—$.01 par value	**3**	3
Authorized shares: 12/31/12—600.0; 12/31/11—600.0		
Issued shares: 12/31/12—277.3; 12/31/11—320.0		
Outstanding shares: 12/31/12—276.1; 12/31/11—318.8		
Additional paid-in capital	**4,937**	7,071
Retained earnings	**1,625**	1,016
Accumulated other comprehensive loss	**(3,300)**	(2,876)
Total Motorola Solutions, Inc. stockholders' equity	**3,265**	5,214
Noncontrolling interests	**25**	60
Total stockholders' equity	**3,290**	5,274
Total liabilities and stockholders' equity	**$ 12,679**	$ 13,929

See accompanying notes to consolidated financial statements.

Motorola Solutions, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity

(In millions, except per share amounts)	*Shares*	*Common Stock and Additional Paid-In Capital*	*Accumulated Other Comprehensive Income (Loss), Net of Tax*	*Retained Earnings*	*Noncontrolling Interests*
Balance at January 1, 2010:	**330.6**	**$ 8,234**	**$ (2,286)**	**$ 3,827**	**$ 108**
Net earnings				633	17
Net unrealized loss on securities, net of tax of $(34)			(58)		
Foreign currency translation adjustments, net of tax of $46			(63)		
Amortization of retirement benefit adjustments, net of tax of $57			112		
Mid-year remeasurement of retirement benefits, net of tax of $(13)			(28)		
Plan amendment, net of tax of $0			22		
Year-end and other retirement adjustments, net of tax of $(14)			81		
Issuance of common stock and stock options exercised	6.6	144			
Tax shortfalls from stock-based compensation		(63)			
Share-based compensation expense		308			
Net loss on derivative instruments, net of tax of $(1)			(2)		
Dividends paid to noncontrolling interest on subsidiary common stock					(23)
Reclassification of share-based awards from liability to equity		24			
Balance at December 31, 2010:	**337.2**	**$ 8,647**	**$ (2,222)**	**$ 4,460**	**$ 102**
Net earnings (loss)				1,158	(6)
Net unrealized loss on securities; net of tax of $(1)			(2)		
Foreign currency translation adjustments, net of tax of $(8)			19		
Amortization of retirement benefit adjustments, net of tax of $73			132		
Mid-year remeasurement of retirement benefits, net of tax of $9			(77)		
Year-end and other retirement adjustments, net of tax of $(332)			(723)		
Issuance of common stock and stock options exercised	9.4	152			
Share repurchase program	(26.6)	(1,110)			
Excess tax benefit from stock-based compensation		42			
Share-based compensation expense		181			
Net loss on derivative instruments, net of tax of $(0)			(3)		
Distribution of Motorola Mobility		(836)		(4,460)	
Dividends paid to noncontrolling interest on subsidiary common stock					(8)
Sale of noncontrolling interest in subsidiary common stock					(27)
Purchase of noncontrolling interest in subsidiary					(1)
Reclassification of share-based awards from liability to equity		(2)			
Dividends declared				(142)	
Balance at December 31, 2011:	**320.0**	**$ 7,074**	**$ (2,876)**	**$ 1,016**	**$ 60**
Net earnings				881	—
Net unrealized gain on securities, net of tax of $1			1		
Foreign currency translation adjustments, net of tax of $(4)			14		
Amortization of retirement benefit adjustments, net of tax of $99			177		
Mid-year remeasurement of retirement benefits, net of tax of $52			87		
Year-end and other retirement adjustments, net of tax of $(419)			(707)		
Issuance of common stock and stock options exercised	6.9	80			
Share repurchase program	(49.6)	(2,438)			
Excess tax benefit from share-based compensation		20			
Share-based compensation expense		184			
Net gain on derivative hedging instruments, net of tax of $(1)			4		
Acquisition of noncontrolling interest from Japanese subsidiary		20			(35)
Dividends declared				(272)	
Balance at December 31, 2012:	**277.3**	**$ 4,940**	**$ (3,300)**	**$ 1,625**	**$ 25**

See accompanying notes to consolidated financial statements.

Motorola Solutions, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(In millions)	*Years ended December 31*		
	2012	*2011*	*2010*
Operating			
Net earnings attributable to Motorola Solutions, Inc.	**$ 881**	$ 1,158	$ 633
Earnings (loss) attributable to noncontrolling interests	**—**	(6)	17
Net earnings	**881**	1,152	650
Earnings from discontinued operations	**3**	411	389
Earnings from continuing operations	**878**	741	261
Adjustments to reconcile earnings from continuing operations to net cash provided by (used for) operating activities:			
Depreciation and amortization	**208**	366	353
Non-cash other charges (income)	**11**	34	(74)
Share-based compensation expense	**184**	168	144
Gain on sales of investments and businesses, net	**(39)**	(23)	(49)
Loss from extinguishment of long-term debt	**6**	81	12
Deferred income taxes	**242**	63	384
Changes in assets and liabilities, net of effects of acquisitions and dispositions:			
Accounts receivable	**81**	(250)	(83)
Inventories	**(3)**	(14)	(111)
Other current assets	**(118)**	61	(48)
Accounts payable and accrued liabilities	**(162)**	(191)	333
Other assets and liabilities	**(220)**	(188)	(319)
Net cash provided by operating activities	**1,068**	848	803
Investing			
Acquisitions and investments, net	**(109)**	(32)	(23)
Proceeds from (used for) sales of investments and businesses, net	**(38)**	1,124	264
Capital expenditures	**(187)**	(186)	(192)
Proceeds from sales of property, plant and equipment	**56**	6	27
Proceeds from sales of Sigma Fund investments, net	**1,075**	1,508	453
Proceeds from sales (purchases) of short-term investments, net	**—**	6	(6)
Net cash provided by investing activities	**797**	2,426	523
Financing			
Repayment of short-term borrowings, net	**—**	—	(5)
Repayment of debt	**(413)**	(1,219)	(1,011)
Proceeds from issuance of debt	**747**	—	—
Contributions to Motorola Mobility	**(73)**	(3,425)	—
Issuance of common stock	**133**	192	179
Repurchase of common stock	**(2,438)**	(1,110)	—
Excess tax benefits from share-based compensation	**20**	42	—
Payment of dividends	**(270)**	(72)	—
Distributions (to) from discontinued operations	**(11)**	64	797
Net cash used for financing activities	**(2,305)**	(5,528)	(40)
Net cash provided by operating activities from discontinued operations	**2**	26	1,169
Net cash used for investing activities from discontinued operations	**—**	(8)	(343)
Net cash provided by (used for) financing activities from discontinued operations	**11**	(64)	(797)
Effect of exchange rate changes on cash and cash equivalents from discontinued operations	**(13)**	46	(29)
Net cash provided by (used for) discontinued operations	**—**	—	—
Effect of exchange rate changes on cash and cash equivalents from continuing operations	**27**	(73)	53
Net increase (decrease) in cash and cash equivalents	**(413)**	(2,327)	1,339
Cash and cash equivalents, beginning of year	**1,881**	4,208	2,869
Cash and cash equivalents, end of year	**$ 1,468**	$ 1,881	$ 4,208

Cash Flow Information			
Cash paid during the year for:			
Interest expense	**$ 109**	$ 166	$ 240
Income taxes, net of refunds	**127**	107	259

See accompanying notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of Motorola Solutions, Inc. (the “Company” or “Motorola Solutions”) and all controlled subsidiaries. All intercompany transactions and balances have been eliminated.

The consolidated financial statements as of December 31, 2012 and 2011 and for the years ended December 31, 2012 , 2011 and 2010 , include, in the opinion of management, all adjustments (consisting of normal recurring adjustments and reclassifications) necessary to present fairly the Company's consolidated financial position, results of operations, statements of comprehensive income, statement of stockholder's equity, and cash flows for all periods presented.

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Changes in Presentation

Reverse Stock Split and Name Change

On November 30, 2010, Motorola Solutions announced the timing and details regarding the distribution of Motorola Mobility Holdings, Inc. ("Motorola Mobility") and the approval of a reverse stock split at a ratio of 1-for-7 (“the Reverse Stock Split”). On January 4, 2011, immediately following the distribution of Motorola Mobility common stock, the Company completed a the Reverse Stock Split and changed its name to Motorola Solutions, Inc. All consolidated share and per share information presented gives effect to the distribution of Motorola Mobility and Reverse Stock Split.

Revenue Recognition: Net sales consist of a wide range of activities including the delivery of stand-alone equipment or services, custom design and installation over a period of time, and bundled sales of equipment, software and services. The Company enters into revenue arrangements that may consist of multiple deliverables of its product and service offerings due to the needs of its customers. The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability of the sales price is reasonably assured. The Company recognizes revenue from the sale of equipment, software bundled with equipment that is essential to the functionality of the equipment, and most services in accordance with general revenue recognition accounting principles. The Company recognizes revenue in accordance with software accounting guidance for the following types of sales transactions: (i) standalone sales of software products or software upgrades, (ii) standalone sales of software maintenance agreements, and (iii) sales of software bundled with hardware not essential to the functionality of that hardware.

Products —For product sales, revenue recognition occurs when products have been shipped, risk of loss has transferred to the customer, objective evidence exists that customer acceptance provisions have been met, no significant obligations remain and allowances for discounts, price protection, returns and customer incentives can be reliably estimated. Recorded revenues are reduced by these allowances. The Company bases its estimates of these allowances on historical experience taking into consideration the type of products sold, the type of customer, and the specific type of transaction in each arrangement. Where customer incentives cannot be reliably estimated, the Company defers revenue until the incentive has been finalized with the customer.

The Company sells software and equipment obtained from other companies. The Company establishes its own pricing and retains related inventory risk, is the primary obligor in sales transactions with customers, and assumes the credit risk for amounts billed to customers. Accordingly, the Company generally recognizes revenue for the sale of products obtained from other companies based on the gross amount billed.

Within the Enterprise segment, products are primarily sold through distributors and value-added resellers (collectively “channel partners”). Channel partners may provide a service or add componentry in order to resell the Company's products to end customers. For sales to channel partners where the Company cannot reliably estimate the final sales price or when a channel partner is unable to pay for the Company's products without reselling them to their customers, revenue is not recognized until the products are resold by the channel partner to the end customer.

Long-Term Contracts —For long-term contracts that involve customization of equipment and/or software, the Company generally recognizes revenue using the percentage of completion method based on the percentage of costs incurred to date compared to the total estimated costs to complete the contract. In certain instances, when revenues or costs associated with long-term contracts cannot be reliably estimated or the contract contains other inherent uncertainties, revenues and costs are

deferred until the project is complete and customer acceptance is obtained. When current estimates of total contract revenue and contract costs indicate a contract loss, the loss is recognized in the period it becomes evident.

Services —Revenue for services is generally recognized ratably over the contract term as services are performed.

Software and Licenses —Revenue from pre-paid perpetual licenses is recognized at the inception of the arrangement, presuming all other relevant revenue recognition criteria are met. Revenue from non-perpetual licenses or term licenses is recognized ratably over the period that the licensee uses the license. Revenues from software maintenance, technical support and unspecified upgrades are recognized over the period that these services are delivered.

Multiple-Element Arrangements —Arrangements with customers may include multiple deliverables, including any combination of products, services and software. These multiple element arrangements could also include an element accounted for as a long-term contract coupled with other products, services and software. For multiple-element arrangements that include products containing software essential to the equipment's functionality, undelivered software elements that relate to the product's essential software, and undelivered non-software services, deliverables are separated into more than one unit of accounting when (i) the delivered element(s) have value to the customer on a stand-alone basis, and (ii) delivery of the undelivered element(s) is probable and substantially in the control of the Company. In these arrangements, the Company allocates revenue to all deliverables based on their relative selling prices. The Company uses the following hierarchy to determine the selling price to be used for allocating revenue to deliverables: (i) vendor-specific objective evidence of fair value (“VSOE”), (ii) third-party evidence of selling price (“TPE”), and (iii) best estimate of selling price (“ESP”).

- VSOE—In many instances, products are sold separately in stand-alone arrangements as customers may support the products themselves or purchase support on a time and materials basis. Additionally, advanced services such as general consulting, network management or advisory projects are often sold in stand-alone engagements. Technical support services are also often sold separately through renewals of annual contracts. The Company determines VSOE based on its normal pricing and discounting practices for the specific product or service when sold separately. In determining VSOE, the Company requires that a substantial majority of the selling prices for a product or service fall within a reasonably narrow pricing range, generally evidenced by the pricing rates of approximately 80% of such historical stand-alone transactions falling within plus or minus 15% of the median rate. In addition, the Company considers the geographies in which the products or services are sold, major product and service groups, customer classification, and other environmental or marketing variables in determining VSOE.
- TPE—VSOE exists only when the Company sells the deliverable separately. When VSOE does not exist, the Company attempts to determine TPE based on competitor prices for similar deliverables when sold separately. Generally, the Company's go-to-market strategy for many of its products differs from that of its peers and its offerings contain a significant level of customization and differentiation such that the comparable pricing of products with similar functionality sold by other companies cannot be obtained. Furthermore, the Company is unable to reliably determine what similar competitor products’ selling prices are on a stand-alone basis. Therefore, the Company is typically not able to determine TPE.
- ESP—The objective of ESP is to determine the price at which the Company would transact a sale if the product or service were sold on a stand-alone basis. When both VSOE and TPE do not exist, the Company determines ESP by first collecting all reasonably available data points including sales, cost and margin analysis of the product, and other inputs based on its normal pricing practices. Second, the Company makes any reasonably required adjustments to the data based on market and Company-specific factors. Third, the Company stratifies the data points, when appropriate, based on customer, magnitude of the transaction and sales volume.

Once elements of an arrangement are separated into more than one unit of accounting, revenue is recognized for each separate unit of accounting based on the nature of the revenue as described above.

The Company's arrangements with multiple deliverables may also contain a stand-alone software deliverable that is subject to software revenue recognition guidance. The revenue for these multiple-element arrangements is allocated to the software deliverable and the non-software deliverable(s) based on the relative selling prices of all of the deliverables in the arrangement using the fair value hierarchy outlined above. In circumstances where the Company cannot determine VSOE or TPE of the selling price for any of the deliverables in the arrangement, ESP is used for the purpose of allocating the arrangement consideration between software and non software deliverables.

The Company accounts for multiple-element arrangements that consist entirely of software or software-related products, including the sale of software upgrades or software support agreements to previously sold software, in accordance with software accounting guidance. For such arrangements, revenue is allocated to the deliverables based on the relative fair value of each element, and fair value is determined using VSOE. Where VSOE does not exist for the undelivered software element, revenue is deferred until either the undelivered element is delivered or VSOE is established, whichever occurs first. When VSOE of a delivered element has not been established, but VSOE exists for the undelivered elements, the Company uses the residual method to recognize revenue when the fair value of all undelivered elements is determinable. Under the residual

method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement consideration is allocated to the delivered elements and is recognized as revenue.

Cash Equivalents: The Company considers all highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents. At both December 31, 2012 and December 31, 2011 , restricted cash was $63 million .

Sigma Fund: The Company and its wholly-owned subsidiaries invest a significant portion of their U.S. dollar-denominated cash in a fund (the "Sigma Fund") that allows the Company to efficiently manage its cash around the world. The Sigma Fund portfolio is managed by four independent investment management firms. The investment guidelines of the Sigma Fund require that purchased investments must be in high-quality, investment grade (rated at least A/A-1 by Standard & Poor's or A2/P-1 by Moody's Investors Service), U.S. dollar-denominated fixed income obligations, including certificates of deposit, commercial paper, government bonds, corporate bonds and asset- and mortgage-backed securities. Under the Sigma Fund's investment policies, except for obligations of the U.S. government, agencies and government-sponsored enterprises, no more than 5% of the Sigma Fund portfolio is to consist of securities of any one issuer. The Sigma Fund's investment policies further require that floating rate investments must have a maturity at purchase date that does not exceed thirty-six months with an interest rate that is reset at least annually. The average interest rate reset of the investments held by the funds must be one hundred twenty days or less. The actual average maturity of the portfolio (excluding cash) was less than one month at both December 31, 2012 and December 31, 2011 .

Investments in the Sigma Fund are carried at fair value. The Company primarily relies on valuation pricing models and broker quotes to determine the fair value of investments in the Sigma Fund. These pricing models utilize observable inputs which include, but are not limited to: market quotations, yields, maturities, call features, and the security's terms and conditions.

Investments: Investments in equity and debt securities classified as available-for-sale are carried at fair value. Debt securities classified as held-to-maturity are carried at amortized cost. Equity securities that are restricted for more than one year or that are not publicly traded are carried at cost. Certain investments are accounted for using the equity method if the Company has significant influence over the issuing entity.

The Company assesses declines in the fair value of investments to determine whether such declines are other-than-temporary. This assessment is made considering all available evidence, including changes in general market conditions, specific industry and individual company data, the length of time and the extent to which the fair value has been less than cost, the financial condition and the near-term prospects of the entity issuing the security, and the Company's ability and intent to hold the investment until recovery. Other-than-temporary impairments of investments are recorded to Other within Other income (expense) in the Company's consolidated statements of operations in the period in which they become impaired.

Inventories: Inventories are valued at the lower of average cost (which approximates cost on a first-in, first-out basis) or market (net realizable value or replacement cost).

Property, Plant and Equipment: Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is recorded using straight-line, based on the estimated useful lives of the assets (buildings and building equipment, five to forty years; machinery and equipment, two to ten years) and commences once the assets are ready for their intended use.

Goodwill and Intangible Assets: Goodwill is assessed for impairment at least annually at the reporting unit level. In September 2011, the FASB issued guidance which provides an entity the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount prior to performing the two-step goodwill impairment test. If this is the case, the two-step goodwill impairment test is required. If it is more-likely-than-not that the fair value of a reporting unit is greater than its carrying amount, the two-step goodwill impairment test is not required. The Company adopted this guidance as of the fourth quarter of 2011.

If the two-step goodwill impairment test is required, first, the fair value of each reporting unit is compared to its book value. If the fair value of the reporting unit is less than its book value, the Company performs a hypothetical purchase price allocation based on the reporting unit's fair value to determine the fair value of the reporting unit's goodwill. Fair value is determined using a combination of present value techniques and market prices of comparable businesses.

Intangible assets are generally amortized on a straight line basis over their respective estimated useful lives ranging from one to ten years. The Company has no intangible assets with indefinite useful lives.

Impairment of Long-Lived Assets: Long-lived assets, which include intangible assets, held and used by the Company, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. The Company evaluates recoverability of assets to be held and used by comparing the carrying amount of an asset (group) to future net undiscounted cash flows to be generated by the asset (group). If an asset (group) is considered to be impaired, the impairment to be recognized is equal to the amount by which the carrying amount of the asset (group) exceeds the asset's (group's) fair value calculated using a discounted future cash flows analysis or market comparables. Assets held for sale, if any, are reported at the lower of the carrying amount or fair value less cost to sell.

Income Taxes: Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in the period that includes the enactment date.

Deferred tax assets are reduced by valuation allowances if, based on the consideration of all available evidence, it is more-likely-than-not that some portion of the deferred tax asset will not be realized. Significant weight is given to evidence that can be objectively verified. The Company evaluates deferred tax assets on a quarterly basis to determine if valuation allowances are required by considering available evidence. Deferred tax assets are realized by having sufficient future taxable income to allow the related tax benefits to reduce taxes otherwise payable. The sources of taxable income that may be available to realize the benefit of deferred tax assets are future reversals of existing taxable temporary differences, future taxable income, exclusive of reversing temporary differences and carryforwards, taxable income in carry-back years and tax planning strategies that are both prudent and feasible.

The Company recognizes the effect of income tax positions only if sustaining those positions is more-likely-than-not. Changes in recognition or measurement are reflected in the period in which a change in judgment occurs. The Company records interest related to unrecognized tax benefits in Interest expense and penalties in Selling, general and administrative expenses in the Company's consolidated statements of operations.

Sales and Use Taxes: The Company records taxes imposed on revenue-producing transactions, including sales, use, value added and excise taxes, on a net basis with such taxes excluded from revenue.

Long-term Receivables: Long-term receivables include trade receivables where contractual terms of the note agreement are greater than one year. Long-term receivables are considered impaired when management determines collection of all amounts due according to the contractual terms of the note agreement, including principal and interest, is no longer probable. Impaired long-term receivables are valued based on the present value of expected future cash flows discounted at the receivable's effective interest rate, or the fair value of the collateral if the receivable is collateral dependent. Interest income and late fees on impaired long-term receivables are recognized only when payments are received. Previously impaired long-term receivables are no longer considered impaired and are reclassified to performing when they have performed under a workout or restructuring for four consecutive quarters.

Foreign Currency: Certain of the Company's non-U.S. operations use their respective local currency as their functional currency. Those operations that do not have the U.S. dollar as their functional currency translate assets and liabilities at current rates of exchange in effect at the balance sheet date and revenues and expenses using rates that approximate those in effect during the period. The resulting translation adjustments are included as a component of Accumulated other comprehensive income (loss) in the Company's consolidated balance sheets. For those operations that have the U.S. dollar as their functional currency, transactions denominated in the local currency are measured in U.S. dollars using the current rates of exchange for monetary assets and liabilities and historical rates of exchange for nonmonetary assets. Gains and losses from remeasurement of monetary assets and liabilities are included in Other within Other income (expense) within the Company's consolidated statements of operations.

Derivative Instruments: Gains and losses on hedges of existing assets or liabilities are marked-to-market and the result is included in Other within Other income (expense) within the Company's consolidated statements of operations. Certain financial instruments are used to hedge firm future commitments or forecasted transactions. Gains and losses pertaining to those instruments that qualify for hedge accounting are deferred until such time as the underlying transactions are recognized and subsequently recognized in the same line within the consolidated statements of operations of the hedged item. Gains and losses pertaining to those instruments that do not qualify for hedge accounting are recorded immediately in Other income (expense) within the consolidated statements of operations.

Earnings Per Share: The Company calculates its basic earnings per share based on the weighted-average effect of all common shares issued and outstanding. Net earnings attributable to Motorola Solutions, Inc. is divided by the weighted average common shares outstanding during the period to arrive at the basic earnings per share. Diluted earnings per share is calculated by dividing net earnings attributable to Motorola Solutions, Inc. by the sum of the weighted average number of common shares used in the basic earnings per share calculation and the weighted average number of common shares that would be issued assuming exercise or conversion of all potentially dilutive securities, excluding those securities that would be anti-dilutive to the earnings per share calculation. Both basic and diluted earnings per share amounts are calculated for earnings from continuing operations and net earnings attributable to Motorola Solutions, Inc. for all periods presented. All earnings per share information presented gives effect to the distribution of Motorola Mobility and Reverse Stock Split, which occurred on January 4, 2011.

Share-Based Compensation Costs: The Company has incentive plans that reward employees with stock options, stock appreciation rights, restricted stock and restricted stock units, as well as an employee stock purchase plan. The amount of

compensation cost for these share-based awards is generally measured based on the fair value of the awards, as of the date that the share-based awards are issued and adjusted to the estimated number of awards that are expected to vest. The fair values of stock options and stock appreciation rights are generally determined using a Black-Scholes option pricing model which incorporates assumptions about expected volatility, risk free rate, dividend yield, and expected life. Compensation cost for share-based awards is recognized on a straight-line basis over the vesting period.

Retirement Benefits: The Company records annual expenses relating to its pension benefit and postretirement plans based on calculations which include various actuarial assumptions, including discount rates, assumed asset rates of return, compensation increases, turnover rates and health care cost trend rates. The Company reviews its actuarial assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends. The effects of the gains, losses, and prior service costs and credits are amortized either over the average service life or over the average remaining lifetime of the participant, depending on the number of active employees in the plan. The funding status, or projected benefit obligation less plan assets, for each plan, is reflected in the Company's consolidated balance sheets using a December 31 measurement date.

Advertising Expense: Advertising expenses, which are the external costs of marketing the Company's products, are expensed as incurred. Advertising expenses were $95 million , $98 million and $109 million for the years ended December 31, 2012 , 2011 and 2010 , respectively.

Use of Estimates: The preparation of the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include the valuation of accounts receivable and long term receivables, inventories, Sigma Fund, investments, goodwill, intangible and other long-lived assets, legal contingencies, guarantee obligations, indemnifications, and assumptions used in the calculation of income taxes, retirement and other post-employment benefits and allowances for discounts, price protection, product returns, and customer incentives, among others. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity, foreign currency, energy markets and declines in consumer spending have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

2. Discontinued Operations

On January 1, 2012, the Company completed a series of transactions which resulted in exiting the amateur, marine and airband radio businesses. The operating results of the amateur, marine and airband radio businesses, formerly included as part of the Government segment, are reported as discontinued operations in the consolidated statements of operations for all periods presented.

On October 28, 2011, the Company completed the sale of its wireless broadband businesses. During the year ended December 31, 2011, the Company recorded a pre-tax gain related to the sale of the wireless broadband businesses of $40 million , net of closing costs, in its results from discontinued operations. The operating results of the wireless broadband businesses, formerly included as part of the Enterprise segment, are reported as discontinued operations in the statements of operations for all periods presented.

On April 29, 2011, the Company completed the sale of certain assets and liabilities of its Networks business to Nokia Siemens Networks ("NSN"). The results of operations of the portions of the Networks business sold are reported as discontinued operations for all periods presented. Based on the terms and conditions of the Networks business divestiture, the sale was subject to a purchase price adjustment that was contingent upon the review of final assets and liabilities transferred to NSN and was based on the change in net assets from the original agreed upon sale date. During the year ended December 31, 2011, the Company received approximately $1.0 billion of net proceeds and recorded a pre-tax gain related to the completion of this sale of $434 million , net of closing costs, and an agreed upon purchase price adjustment of $120 million in its results from discontinued operations.

On January 4, 2011, the distribution of Motorola Mobility was completed. The stockholders of record as of the close of business on December 21, 2010 received one (1) share of Motorola Mobility common stock for each eight (8) shares of the Company's common stock held as of the record date. Immediately following the distribution, the Company changed its name to Motorola Solutions, Inc. The distribution was structured to be tax-free to Motorola Solutions and its stockholders for U.S. tax purposes (other than with respect to any cash received in lieu of fractional shares). The historical financial results of Motorola Mobility are reflected in the Company's consolidated financial statements and footnotes as discontinued operations for all periods presented.

On May 27, 2010, the Company completed the sale of its Israel-based wireless network operator business formerly included as part of the Government segment. The Company received $170 million in net cash and recorded a gain on sale of the business of $20 million before income taxes, which is included in Earnings from discontinued operations, net of tax, in the Company's consolidated statements of operations.

The following table displays summarized activity in the Company's consolidated statements of operations for discontinued operations during the years ended December 31, 2012 , 2011 and 2010 .

Years ended December 31	**2012**	2011	2010
Net sales	**$ —**	$ 1,346	$ 15,256
Operating earnings	**11**	201	601
Gains (loss) on sales of investments and businesses, net	**(7)**	474	20
Earnings before income taxes	**8**	667	600
Income tax expense	**5**	256	211
Earnings from discontinued operations, net of tax	**3**	411	389

3. Other Financial Data

Statement of Operations Information

Other Charges

Other charges included in Operating earnings consist of the following:

Years ended December 31	**2012**	2011	2010
Other charges (income):			
Intangibles amortization	**$ 29**	$ 200	$ 203
Reorganization of businesses	**41**	52	54
Intellectual property settlements and reserve adjustment	**—**	—	(78)
Legal and related insurance matters, net	**(16)**	88	(29)
Pension plan adjustments, net	**—**	(9)	—
Long-term financing receivable reserve	**—**	10	—
	$ 54	$ 341	$ 150

During 2012, the Company recorded a $16 million gain in connection with the settlement of a legal matter involving the legacy paging business.

During 2011, the Company recorded $88 million of net charges for legal matters. These charges primarily relate to the *Silverman* litigation and legal matters related to the legacy paging business.

During 2010, the Company entered into a settlement agreement with another company to resolve certain intellectual property disputes between the two companies. As a result of the settlement agreement, the Company received $65 million in cash and was assigned certain patent properties. As a result of this agreement, the Company recorded a pre-tax gain of $39 million (and $55 million was recorded in discontinued operations) during the year ended December 31, 2010, related to the settlement of the outstanding litigation between the parties.

Other Income (Expense)

Interest expense, net, and Other both included in Other income (expense) consist of the following:

Years ended December 31	***2012***	*2011*	*2010*
Interest expense, net:			
Interest expense	**$ (108)**	$ (132)	$ (217)
Interest income	**42**	58	88
	$ (66)	$ (74)	$ (129)
Other:			
Investment impairments	**$ (8)**	$ (4)	$ (21)
Loss from the extinguishment of the Company's outstanding long-term debt	**(6)**	(81)	(12)
Foreign currency gain (loss)	**(13)**	8	12
Gain on Sigma Fund investments	**—**	—	11
Other	**13**	8	3
	$ (14)	$ (69)	$ (7)

Earnings Per Common Share

Basic and diluted earnings per common share from both continuing operations and net earnings attributable to Motorola Solutions, Inc., including discontinued operations, is computed as follows:

	Continuing Operations			*Net Earnings attributable to Motorola Solutions, Inc.*		
Years ended December 31	***2012***	*2011*	*2010*	***2012***	*2011*	*2010*
Basic earnings per common share:						
Earnings	**$ 878**	$ 747	$ 244	**$ 881**	$ 1,158	$ 633
Weighted average common shares outstanding	**292.1**	333.8	333.3	**292.1**	333.8	333.3
Per share amount	**$ 3.01**	$ 2.24	$ 0.73	**$ 3.01**	$ 3.47	$ 1.90
Diluted earnings per common share:						
Earnings	**$ 878**	$ 747	$ 244	**$ 881**	$ 1,158	$ 633
Weighted average common shares outstanding	**292.1**	333.8	333.3	**292.1**	333.8	333.3
Add effect of dilutive securities: Share-based awards and other	**5.3**	5.9	4.8	**5.3**	5.9	4.8
Diluted weighted average common shares outstanding	**297.4**	339.7	338.1	**297.4**	339.7	338.1
Per share amount	**$ 2.95**	$ 2.20	$ 0.72	**$ 2.96**	$ 3.41	$ 1.87

In the computation of diluted earnings per common share from both continuing operation and on a net earnings basis for the year ended December 31, 2012 , the assumed exercise of 5.9 million stock options was excluded because their inclusion would have been antidilutive. For the year ended December 31, 2011 , the assumed exercise of 8.6 million stock options and vesting of 0.2 million restricted stock units were excluded because their inclusion would have been antidilutive. For the year ended December 31, 2010 , the assumed exercise of 14.6 million stock options and vesting of 0.7 million restricted stock units were excluded because their inclusion would have been antidilutive.

During 2012 , the Company paid an aggregate of $2.4 billion , including transaction costs, to repurchase 49.6 million shares. The share repurchase program is discussed in further detail in the "Stockholders' Equity Information" section.

Balance Sheet Information

Sigma Fund

Sigma Fund consists of the following:

	December 31	***2012***	*2011*
Cash	**$**	**149**	$ 264
Securities:			
U.S. government, agency and government-sponsored enterprise obligations		**1,984**	2,944
	$	**2,133**	$ 3,208

Investments

Investments consist of the following:

	Recorded Value		*Less*		
December 31, 2012	*Short-term Investments*	*Investments*	*Unrealized Gains*	*Unrealized Losses*	*Cost Basis*
Available-for-sale securities:					
U.S. government, agency and government-sponsored enterprise obligations	$ —	$ 15	$ —	$ —	$ 15
Corporate bonds	2	11	—	—	13
Mortgage-backed securities	—	2	—	—	2
Common stock and equivalents	—	10	3	—	7
	2	38	3	—	37
Other securities, at cost	—	93	—	—	93
Equity method investments	—	13	—	—	13
	$ 2	$ 144	$ 3	$ —	$ 143

	Recorded Value		*Less*		
December 31, 2011	*Short-term Investments*	*Investments*	*Unrealized Gains*	*Unrealized Losses*	*Cost Basis*
Available-for-sale securities:					
U.S. government, agency and government-sponsored enterprise obligations	$ —	$ 16	$ —	$ —	$ 16
Corporate bonds	2	10	—	—	12
Mortgage-backed securities	—	2	—	—	2
Common stock and equivalents	—	11	2	(1)	10
	2	39	2	(1)	40
Other securities, at cost	—	106	—	—	106
Equity method investments	—	21	—	—	21
	$ 2	$ 166	$ 2	$ (1)	$ 167

During the years ended December 31, 2012 , 2011 and 2010 , the Company recorded investment impairment charges of $8 million , $4 million and $21 million , respectively, representing other-than-temporary declines in the value of the Company’s available-for-sale investment portfolio. Investment impairment charges are included in Other within Other income (expense) in the Company’s consolidated statements of operations.

Gains on sales of investments and businesses, net, consists of the following:

Years Ended December 31	***2012***	*2011*	*2010*
Gains on sales of investments, net	**$ 39**	$ 17	$ 49
Gains on sales of businesses, net	**—**	6	—
	$ 39	$ 23	$ 49

During the year ended December 31, 2010 , the $49 million of net gains primarily relate to sales of a number of the Company's equity investments, of which $31 million of gain was attributable to a single investment.

Accounts Receivable, Net

Accounts receivable, net, consist of the following:

December 31	**2012**	2011
Accounts receivable	**$ 1,932**	$ 1,911
Less allowance for doubtful accounts	**(51)**	(45)
	$ 1,881	$ 1,866

Inventories, Net

Inventories, net, consist of the following:

December 31	**2012**	2011
Finished goods	**$ 244**	$ 319
Work-in-process and production materials	**432**	363
	676	682
Less inventory reserves	**(163)**	(170)
	$ 513	$ 512

Other Current Assets

Other current assets consist of the following:

December 31	***2012***	*2011*
Costs and earnings in excess of billings	**$ 416**	$ 302
Contract-related deferred costs	**141**	142
Tax-related refunds receivable	**95**	85
Other	**148**	157
	$ 800	$ 686

Property, Plant and Equipment, Net

Property, plant and equipment, net, consist of the following:

December 31	**2012**	2011
Land	**$ 38**	$ 69
Building	**739**	774
Machinery and equipment	**1,932**	2,052
	2,709	2,895
Less accumulated depreciation	**(1,870)**	(1,999)
	$ 839	$ 896

Depreciation expense for the years ended December 31, 2012 , 2011 and 2010 was $179 million , $165 million and $150 million , respectively.

Other Assets

Other assets consist of the following:

December 31	**2012**	2011
Intangible assets, net of accumulated amortization	**$ 109**	$ 48
Long-term receivables, net of allowances	**60**	37
Other	**200**	211
	$ 369	$ 296

Accrued Liabilities

Accrued liabilities consist of the following:

December 31	**2012**	2011
Deferred revenue	**$ 820**	$ 774
Compensation	**424**	471
Billings in excess of costs and earnings	**387**	250
Tax liabilities	**95**	126
Customer reserves	**144**	125
Networks purchase price adjustment	**—**	96
Dividend payable	**72**	70
Other	**684**	821
	$ 2,626	$ 2,733

Other Liabilities

Other liabilities consist of the following:

December 31	**2012**	2011
Defined benefit plans, including split dollar life insurance policies	**$ 3,389**	$ 2,675
Postretirement health care benefits plan	**167**	295
Deferred revenue	**304**	275
Unrecognized tax benefits	**98**	112
Other	**237**	353
	$ 4,195	$ 3,710

Stockholders' Equity Information

Share Repurchase Program: On July 28, 2011 , the Company announced that its Board of Directors approved a share repurchase program that allowed the Company to purchase up to $2.0 billion of its outstanding common stock through December 31, 2012. On January 30, 2012 , the Company announced that its Board of Directors authorized up to $1.0 billion in additional funds for use in the existing stock repurchase program through the end of 2012. On February 26, 2012, the Company purchased 23,739,362 shares of its common stock for approximately $1.2 billion from Carl C. Icahn and certain of his affiliates. On July 25, 2012, the Company announced that its Board of Directors authorized up to $2.0 billion in additional funds for share repurchase, bringing the aggregate amount of the share repurchase program to $5.0 billion , and extended the entire share repurchase program indefinitely with no expiration date. During 2012 , the Company paid an aggregate of $2.4 billion , including transaction costs, to repurchase 49.6 million shares at an average price of $49.14 per share. During 2011, the Company paid an aggregate of $1.1 billion , including transaction costs to repurchase 26.6 million shares at an average price of $41.77 . As of December 31, 2012 , the Company has used approximately $3.5 billion of the share repurchase authority, including transaction costs, to repurchase shares, leaving approximately $1.5 billion of authority available for repurchases. All repurchased shares have been retired. During the year ended December 31 2010 , the Company did not repurchase any of its common shares.

Payment of Dividends: During the year ended December 31, 2012 , the Company paid $270 million in cash dividends to holders of its common stock. During the year ended December 31, 2011 , the Company paid $72 million in cash dividends to holders of its common stock. During the year ended December 31, 2010 , the Company did not pay cash dividends to holders of its common stock.

During the years ended December 31, 2011 , and 2010, the Company paid $8 million and $23 million , respectively, of dividends to minority shareholders in connection with subsidiary common stock.

Motorola Mobility Distribution: On January 4, 2011, the distribution of Motorola Mobility from Motorola Solutions was completed. On January 4, 2011, the stockholders of record as of the close of business on December 21, 2010 (the "Record Date") received one (1) share of Motorola Mobility common stock for each eight (8) shares of the Company's common stock held as of the Record Date. The distribution was completed pursuant to an Amended and Restated Master Separation and Distribution Agreement, effective as of July 31, 2010, among the Company, Motorola Mobility and Motorola Mobility, Inc.

As a result of the distribution on January 4, 2011, certain equity balances were transferred by the Company to Motorola Mobility including: (i) $1 million in foreign currency translation adjustments, (ii) $9 million in fair value adjustments to available for sale securities, net of tax of $5 million , and (iii) $8 million in retirement benefit adjustments, net of tax of $4 million . The distribution of net assets and these equity balances were effected by way of a pro rata dividend to Motorola Solutions stockholders, which reduced Retained earnings and Additional paid in capital by $5.3 billion .

Reverse Stock Split: On January 4, 2011, immediately foll owing the distribution of Motorola Mobility common stock, the Company completed the Reverse Stock Split. All consolidated per share information presented gives effect to the distribution of Motorola Mobility and the Reverse Stock Split.

4. Debt and Credit Facilities

Long-Term Debt

December 31	**2012**	2011
5.375% senior notes due 2012	**—**	400
6.0% senior notes due 2017	**399**	399
3.75% senior notes due 2022	**747**	—
6.5% debentures due 2025	**118**	118
7.5% debentures due 2025	**346**	346
6.5% debentures due 2028	**36**	36
6.625% senior notes due 2037	**54**	54
5.22% debentures due 2097	**89**	89
Other long-term debt	**45**	50
	1,834	1,492
Adjustments, primarily unamortized gains on interest rate swap terminations	**29**	43
Less: current portion	**(4)**	(405)
Long-term debt	**$ 1,859**	$ 1,130

During the year ended December 31, 2012, the Company issued an aggregate face principal amount of $750 million of 3.750% Senior Notes due May 15, 2022 (the “2022 Senior Notes”). The Company also redeemed $400 million aggregate principal amount outstanding of its 5.375% Senior Notes due November 2012 for an aggregate purchase price of approximately $408 million . After accelerating the amortization of debt issuance costs and debt discounts, the Company recognized a loss of approximately $6 million related to this redemption within Other income (expense) in the consolidated statements of operations. This debt was repurchased with a portion of the proceeds from the issuance of the 2022 Senior Notes.

During the year ended December 31, 2011, the Company repurchased $540 million of its outstanding long-term debt for a purchase price of $615 million , excluding approximately $6 million of accrued interest, all of which occurred during the three months ended July 2, 2011. The $540 million of long-term debt repurchased included principal amounts of: (i) $196 million of the $314 million then outstanding of the 6.50% Debentures due 2025 , (ii) $174 million of the $210 million then outstanding of the 6.50% Debentures due 2028 , and (iii) $170 million of the $225 million then outstanding of the 6.625% Senior Notes due 2037 . After accelerating the amortization of debt issuance costs and debt discounts, the Company recognized a loss of approximately $81 million related to this debt tender in Other within Other income (expense) in the consolidated statements of operations.

Also, during the year ended December 31, 2011, the Company repaid, at maturity, the entire $600 million aggregate principal amount outstanding of its 8.0% Notes due November 1, 2011.

Aggregate requirements for long-term debt maturities during the next five years are as follows: 2013 — $4 million ; 2014 — $4 million ; 2015 — $4 million ; 2016 — $5 million ; and 2017 — $405 million .

Credit Facilities

As of December 31, 2012 , the Company had a $1.5 billion unsecured syndicated revolving credit facility (the “2011 Motorola Solutions Credit Agreement”) that is scheduled to expire on June 30, 2014 . The 2011 Motorola Solutions Credit Agreement includes a provision pursuant to which the Company can increase the aggregate credit facility size up to a maximum of $2.0 billion by adding lenders or having existing lenders increase their commitments. The Company must comply with certain customary covenants, including maintaining maximum leverage and minimum interest coverage ratios as defined in the 2011 Motorola Solutions Credit Agreement. The Company was in compliance with its financial covenants as of December 31, 2012 . The Company has never borrowed under the 2011 Motorola Solutions Credit Agreement.

At December 31, 2012 , the commitment fee assessed against the daily average unused amount was 25 basis points.

5. Risk Management

Derivative Financial Instruments

Foreign Currency Risk

The Company uses financial instruments to reduce its overall exposure to the effects of currency fluctuations on cash flows. The Company’s policy prohibits speculation in financial instruments for profit on exchange rate price fluctuations, trading in currencies for which there are no underlying exposures, or entering into transactions for any currency to intentionally increase the underlying exposure. Instruments that are designated as part of a hedging relationship must be effective at reducing the risk associated with the exposure being hedged and are designated as part of a hedging relationship at the inception of the contract. Accordingly, changes in the market values of hedge instruments must be highly correlated with changes in market values of the underlying hedged items both at the inception of the hedge and over the life of the hedge contract.

The Company’s strategy related to foreign exchange exposure management is to offset the gains or losses on the financial instruments against losses or gains on the underlying operational cash flows or investments based on the Company's assessment of risk. The Company enters into derivative contracts for some of the Company’s non-functional currency cash, receivables, and payables, which are primarily denominated in major currencies that can be traded on open markets. The Company typically uses forward contracts and options to hedge these currency exposures. In addition, the Company enters into derivative contracts for some forecasted transactions, which are designated as part of a hedging relationship if it is determined that the transaction qualifies for hedge accounting under the provisions of the authoritative accounting guidance for derivative instruments and hedging activities. A portion of the Company’s exposure is from currencies that are not traded in liquid markets and these are addressed, to the extent reasonably possible, by managing net asset positions, product pricing and component sourcing.

At December 31, 2012 , the Company had outstanding foreign exchange contracts totaling $523 million , compared to $524 million outstanding at December 31, 2011 . Management believes that these financial instruments should not subject the Company to undue risk due to foreign exchange movements because gains and losses on these contracts should generally offset losses and gains on the underlying assets, liabilities and transactions, except for the ineffective portion of the instruments, which is charged to Other within Other income (expense) in the Company’s consolidated statements of operations.

The following table shows the five largest net notional amounts of the positions to buy or sell foreign currency as of December 31, 2012 and the corresponding positions as of December 31, 2011 :

	Notional Amount	
Net Buy (Sell) by Currency	***December 31, 2012***	*December 31, 2011*
British Pound	**$ 225**	$ 55
Chinese Renminbi	**(99)**	(283)
Norwegian Krone	**(48)**	—
Israeli Shekel	**(35)**	8
Japanese Yen	**32**	46

At December 31, 2012 , the maximum term of derivative instruments that hedge forecasted transactions was seven months. The weighted average duration of the Company’s derivative instruments that hedge forecasted transactions was three months.

Interest Rate Risk

At December 31, 2012 , the Company has $1.9 billion of long-term debt, including the current portion of long-term debt, which is primarily priced at long-term, fixed interest rates.

As part of its liability management program, one of the Company's European subsidiaries has outstanding interest rate agreements (“Interest Agreements”) relating to Euro-denominated loans. The interest on the Euro-denominated loans is variable. The Interest Agreements change the characteristics of interest rate payments from variable to maximum fixed-rate payments. The Interest Agreements are not accounted for as a part of a hedging relationship and, accordingly, the changes in the fair value of the Interest Agreements are included in Other income (expense) in the Company's consolidated statements of operations. The weighted average fixed rate payment on the Interest Agreement for the year ended December 31, 2012 was 4.92% . The fair value of the Interest Agreements resulted in a liability position of $4 million at December 31, 2012 , compared to a liability position of $3 million at December 31, 2011 .

Counterparty Risk

The use of derivative financial instruments exposes the Company to counterparty credit risk in the event of nonperformance by counterparties. However, the Company’s risk is limited to the fair value of the instruments when the derivative is in an asset position. The Company actively monitors its exposure to credit risk. At present time, all of the counterparties have investment grade credit ratings. The Company is not exposed to material credit risk with any single counterparty. As of December 31, 2012 , the Company was exposed to an aggregate net credit risk of approximately $3 million with all counterparties.

The following tables summarize the fair values and location in the consolidated balance sheets of all derivative financial instruments held by the Company, at December 31, 2012 and 2011 :

	Fair Values of Derivative Instruments			
	Assets		*Liabilities*	
December 31, 2012	*Fair Value*	*Balance Sheet Location*	*Fair Value*	*Balance Sheet Location*
Derivatives designated as hedging instruments:				
Foreign exchange contracts	$ 1	Other assets	$ —	Other liabilities
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	2	Other assets	3	Other liabilities
Interest agreement contracts	—	Other assets	4	Other liabilities
Total derivatives not designated as hedging instruments	2		7	
Total derivatives	$ 3		$ 7	

	Fair Values of Derivative Instruments			
	Assets		*Liabilities*	
December 31, 2011	*Fair Value*	*Balance Sheet Location*	*Fair Value*	*Balance Sheet Location*
Derivatives designated as hedging instruments:				
Foreign exchange contracts	$ —	Other assets	$ 2	Other liabilities
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	1	Other assets	3	Other liabilities
Interest agreement contracts	—	Other assets	3	Other liabilities
Total derivatives not designated as hedging instruments	1		6	
Total derivatives	$ 1		$ 8	

The following table summarizes the effect of derivative instruments in the Company's consolidated statements of operations, including immaterial amounts related to discontinued operations, for the years ended December 31, 2012 , 2011 , and 2010 :

Loss on Derivative Instruments	*December 31,* **2012**	2011	2010	*Statement of Operations Location*
Derivatives not designated as hedging instruments:				
Interest rate contracts	**$ (16)**	$ (11)	$ (16)	Other income (expense)
Foreign exchange contracts	**(13)**	(17)	(33)	Other income (expense)
Total derivatives not designated as hedging instruments	**$ (29)**	$ (28)	$ (49)	

The following table summarizes the gains and losses recognized in the consolidated financial statements, including immaterial amounts related to discontinued operations, for the years ended December 31, 2012 , 2011 , and 2010 :

Foreign Exchange Contracts	*December 31,* **2012**	2011	2010	*Financial Statement Location*
Derivatives in cash flow hedging relationships:				
Gain (loss) recognized in Accumulated other comprehensive loss (effective portion)	**$ 2**	$ (1)	$ (9)	Accumulated other comprehensive loss
Gain (loss) reclassified from Accumulated other comprehensive loss into Net earnings (effective portion)	**(1)**	2	(6)	Cost of sales
Gain recognized in Net earnings on derivative (ineffective portion and amount excluded from effectiveness testing)	**—**	1	1	Other income (expense)

Stockholders' Equity

Derivative instruments activity, net of tax, included in Accumulated other comprehensive income (loss) within the consolidated statements of stockholders' equity for the years ended December 31, 2012 , 2011 and 2010 is as follows:

	2012	2011	2010
Balance at January 1	**$ (3)**	$ —	$ 2
Increase (decrease) in fair value	**5**	(5)	3
Reclassifications to earnings, net of tax	**(1)**	2	(5)
Balance at December 31	**$ 1**	$ (3)	$ —

6. Income Taxes

Components of earnings from continuing operations before income taxes are as follows:

Years ended December 31	**2012**	2011	2010
United States	**$ 851**	$ 462	$ 368
Other nations	**364**	276	296
	$ 1,215	$ 738	$ 664

Components of income tax expense (benefit) are as follows:

Years ended December 31	**2012**	2011	2010
United States	**$ 5**	$ 2	$ (45)
Other nations	**89**	30	183
States (U.S.)	**1**	3	74
Current income tax expense	**95**	35	212
United States	**296**	(118)	373
Other nations	**(12)**	111	(54)
States (U.S.)	**(42)**	(31)	(128)
Deferred income tax expense (benefit)	**242**	(38)	191
Total income tax expense (benefit)	**$ 337**	$ (3)	$ 403

Deferred tax charges that were recorded within Accumulated other comprehensive loss in the Company's consolidated balance sheets resulted from retirement benefit adjustments, currency translation adjustments, net gains (losses) on derivative instruments and fair value adjustments to available-for-sale securities. The adjustments were $(272) million , $(259) million and $41 million for the years ended December 31, 2012 , 2011 and 2010 , respectively.

The Company evaluates its permanent reinvestment assertions with respect to foreign earnings at each reporting period and, except for certain earnings that the Company intends to reinvest indefinitely due to the capital requirements of the foreign subsidiaries or due to local country restrictions, accrues for the U.S. federal and foreign income tax applicable to the earnings. Undistributed earnings that the Company intends to reinvest indefinitely, and for which no income taxes have been provided, aggregate to $1.0 billion , $1.0 billion and $1.3 billion at December 31, 2012 , 2011 and 2010 , respectively. The Company currently has no plans to repatriate the foreign earnings permanently reinvested and therefore, the time and manner of repatriation is uncertain. If circumstances change and it becomes apparent that some or all of the permanently reinvested earnings will be remitted to the U.S. in the foreseeable future, an additional income tax charge may be necessary. On a cash basis, these repatriations from the Company's non-U.S. subsidiaries could require the payment of additional taxes. The portion of earnings not reinvested indefinitely may be distributed without an additional income tax charge given the U.S. federal and foreign income tax accrued on undistributed earnings and the utilization of available foreign tax credits.

Differences between income tax expense computed at the U.S. federal statutory tax rate of 35% and income tax expense (benefit) as reflected in the consolidated statements of operations are as follows:

Years ended December 31	**2012**	2011	2010
Income tax expense at statutory rate	**$ 425**	$ 258	$ 232
Taxes on non-U.S. earnings	**(10)**	(23)	(10)
State income taxes	**(27)**	(2)	(35)
Valuation allowances	**(60)**	(237)	(18)
Tax on undistributed non-U.S. earnings	**30**	51	287
Other provisions	**(7)**	(17)	(45)
Research credits	**—**	(11)	(6)
Tax law changes	**—**	—	18
Section 199 deduction	**(14)**	(22)	(20)
	$ 337	$ (3)	$ 403

Gross deferred tax assets were $4.7 billion and $5.1 billion at December 31, 2012 and 2011 , respectively. Deferred tax assets, net of valuation allowances, were $4.4 billion and $4.7 billion at December 31, 2012 and 2011 , respectively. Gross deferred tax liabilities were $1.4 billion and $1.7 billion at December 31, 2012 and 2011 , respectively.

Significant components of deferred tax assets (liabilities) are as follows:

December 31	**2012**	2011
Inventory	**$ 1**	$ 38
Accrued liabilities and allowances	**134**	254
Employee benefits	**1,544**	1,279
Capitalized items	**254**	290
Tax basis differences on investments	**28**	44
Depreciation tax basis differences on fixed assets	**19**	13
Undistributed non-U.S. earnings	**(150)**	(275)
Tax carryforwards	**1,155**	1,438
Business reorganization	**12**	13
Warranty and customer reserves	**45**	44
Deferred revenue and costs	**310**	218
Valuation allowances	**(308)**	(366)
Deferred charges	**36**	39
Other	**(63)**	(46)
	$ 3,017	$ 2,983

At December 31, 2012 and 2011 , the Company had valuation allowances of $308 million and $366 million , respectively, against its deferred tax assets, including $272 million and $336 million , respectively, relating to deferred tax assets for non-U.S. subsidiaries. The Company’s valuation allowances for its non-U.S. subsidiaries had a net decrease of $64 million during 2012. The decrease in the valuation allowance relating to deferred tax assets of non-U.S. subsidiaries includes a $60 million reduction for loss carryforwards the Company now expects to utilize, decreases related to current year activity and exchange rate variances, offset by an increase related to foreign subsidiaries acquired during 2012.

In the first quarter of 2011, the Company reassessed its valuation allowance requirements taking into consideration the distribution of Motorola Mobility. The Company evaluated all available evidence in its analysis, including the historical and projected pre-tax profits generated by the Company's U.S. operations. The Company also considered tax planning strategies that are prudent and can be reasonably implemented. During 2011, the Company recorded $274 million of tax benefits related to the reversal of a significant portion of the valuation allowance established on U.S. deferred tax assets. The U.S. valuation allowance as of December 31, 2012 relates to state tax carryforwards and deferred tax assets of a U.S. subsidiary the Company expects to expire unutilized. The Company believes that the remaining deferred tax assets are more-likely-than-not to be realizable based on estimates of future taxable income and the implementation of tax planning strategies.

Tax carryforwards are as follows:

December 31, 2012	*Gross Tax Loss*	*Tax Effected*	*Expiration Period*
United States:			
U.S. tax losses	$ 94	$ 33	2018-2032
Foreign tax credits	n/a	400	2017-2019
General business credits	n/a	214	2024-2032
Minimum tax credits	n/a	104	Unlimited
State tax losses	2,245	54	2013-2031
State tax credits	n/a	27	2013-2026
Non-U.S. Subsidiaries:			
Canada tax losses	35	9	Unlimited
China tax losses	429	107	2013-2017
Japan tax losses	128	47	2017-2021
United Kingdom tax losses	93	21	Unlimited
Germany tax losses	177	53	Unlimited
Singapore tax losses	80	14	Unlimited
Other subsidiaries tax losses	62	15	Various
Canada tax credits	n/a	23	2024-2032
Spain tax credits	n/a	29	2017-2021
Other subsidiaries tax credits	n/a	5	Various
		$ 1,155	

The Company had unrecognized tax benefits of $161 million and $191 million at December 31, 2012 and December 31, 2011 , respectively, of which approximately $138 million and $150 million , respectively, if recognized, would affect the effective tax rate, net of resulting changes to valuation allowances.

A roll-forward of unrecognized tax benefits is as follows:

	2012	2011
Balance at January 1	**$ 191**	$ 198
Additions based on tax positions related to current year	**11**	45
Additions for tax positions of prior years	**11**	38
Reductions for tax positions of prior years	**(24)**	(63)
Settlements and agreements	**(24)**	(22)
Lapse of statute of limitations	**(4)**	(5)
Balance at December 31	**$ 161**	$ 191

During 2012 , the Company reduced its prior year unrecognized tax benefits by $24 million and increased its prior year unrecognized tax benefits by $11 million for facts that indicate the extent to which certain tax positions are more-likely-than-not of being sustained. The net reduction resulted in the recording of an income tax benefit of $13 million . Additionally, the Company reduced its unrecognized tax benefits by $24 million for settlements and agreements with tax authorities, the majority of which reduced tax carryforwards and prepaid tax assets.

The IRS is currently examining the Company's 2010 and 2011 tax years. The Company also has several state and non-U.S. audits pending. A summary of open tax years by major jurisdiction is presented below:

Jurisdiction	*Tax Years*
United States	2008—2012
China	2002—2012
France	2009—2012
Germany	2008—2012
India	1997—2012
Israel	2007—2012
Japan	2009—2012
Malaysia	2007—2012
Singapore	2007—2012
United Kingdom	2005—2012

Although the final resolution of the Company’s global tax disputes is uncertain, based on current information, in the opinion of the Company’s management, the ultimate disposition of these matters will not have a material adverse effect on the Company’s consolidated financial position, liquidity or results of operations. However, an unfavorable resolution of the Company’s global tax disputes could have a material adverse effect on the Company’s consolidated financial position, liquidity or results of operations in the periods in which the matters are ultimately resolved.

Based on the potential outcome of the Company’s global tax examinations, the expiration of the statute of limitations for specific jurisdictions, or the continued ability to satisfy tax incentive obligations, it is reasonably possible that the unrecognized tax benefits will change within the next twelve months. The associated net tax impact on the effective tax rate, exclusive of valuation allowance changes, is estimated to be in the range of a $50 million tax charge to a $50 million tax benefit, with cash payments not to exceed $25 million .

At December 31, 2012 , the Company had $24 million and $31 million accrued for interest and penalties, respectively, on unrecognized tax benefits. At December 31, 2011 , the Company had $17 million and $32 million accrued for interest and penalties, respectively, on unrecognized tax benefits.

7. Retirement Benefits

Pension Benefit Plans

The Company’s noncontributory pension plan (the “Regular Pension Plan”) covers U.S. employees who became eligible after one year of service. The benefit formula is dependent upon employee earnings and years of service. Effective January 1, 2005, newly-hired employees were not eligible to participate in the Regular Pension Plan. The Company also provides defined benefit plans which cover non-U.S. employees in certain jurisdictions, principally the United Kingdom, Germany, and Japan (the “Non-U.S. plans”). Other pension plans are not material to the Company either individually or in the aggregate.

The Company has a noncontributory supplemental retirement benefit plan (the “Officers’ Plan”) for its officers elected prior to December 31, 1999. The Officers’ Plan contains provisions for vesting and funding the participants’ expected retirement benefits when the participants meet the minimum age and years of service requirements. Elected officers who were not yet vested in the Officers’ Plan as of December 31, 1999 had the option to remain in the Officers’ Plan or elect to have their benefit bought out in restricted stock units. Effective December 31, 1999, newly elected officers were not eligible to participate in the Officers’ Plan. Effective June 30, 2005, salaries were frozen for this plan.

The Company has an additional noncontributory supplemental retirement benefit plan, the Motorola Supplemental Pension Plan (“MSPP”), which provides supplemental benefits to individuals by replacing the Regular Pension Plan benefits that are lost by such individuals under the retirement formula due to application of the limitations imposed by the Internal Revenue Code. However, elected officers who are covered under the Officers’ Plan or who participated in the restricted stock buy-out are not eligible to participate in MSPP. Effective January 1, 2007, eligible compensation was capped at the IRS limit plus $175,000 (the “Cap”) or, for those already in excess of the Cap as of January 1, 2007, the eligible compensation used to compute such employee’s MSPP benefit for all future years will be the greater of: (i) such employee’s eligible compensation as of January 1, 2007 (frozen at that amount), or (ii) the relevant Cap for the given year. Additionally, effective January 1, 2009, the MSPP was closed to new participants unless such participation was required under a prior contractual entitlement.

In February 2007, the Company amended the Regular Pension Plan and the MSPP, modifying the definition of average earnings. For the years ended prior to December 31, 2007, benefits were calculated using the rolling average of the highest annual earnings in any five years within the previous ten calendar year period. Beginning in January 2008, the benefit calculation was based on the set of the five highest years of earnings within the ten calendar years prior to December 31, 2007,

averaged with earnings from each year after 2007. In addition, effective January 2008, the Company amended the Regular Pension Plan, modifying the vesting period from five years to three years.

In December 2008, the Company amended the Regular Pension Plan, the Officers' Plan and the MSPP. Effective March 1, 2009: (i) no participant shall accrue any benefit or additional benefit on and after March 1, 2009, and (ii) no compensation increases earned by a participant on and after March 1, 2009 shall be used to compute any accrued benefit.

Beginning in 2012, for disclosure purposes, the Company has changed its presentation to include the Regular Pension Plan, the Officers' Plan and the MSPP as "U.S. plans."

The net periodic pension cost for U.S. and Non-U.S. plans was as follows:

U.S. plans

Years ended December 31	**2012**	2011	2010
Interest cost	**$ 349**	$ 344	$ 344
Expected return on plan assets	**(421)**	(390)	(378)
Amortization of unrecognized net loss	**260**	189	151
Settlement/curtailment loss	**—**	8	2
Net periodic pension cost	**$ 188**	$ 151	$ 119

Non-U.S. plans

Years ended December 31	**2012**	2011	2010
Service cost	**$ 10**	$ 17	$ 24
Interest cost	**75**	72	84
Expected return on plan assets	**(78)**	(77)	(81)
Amortization of:			
Unrecognized net loss	**22**	17	19
Unrecognized prior service cost	**(3)**	(9)	(4)
Settlement/curtailment gain	**—**	(9)	(4)
Net periodic pension cost	**$ 26**	$ 11	**$ 38**

The status of the Company's plans are as follows:

	2012		2011	
	U.S	***Non U.S.***	*U.S.*	*Non U.S.*
Change in benefit obligation:				
Benefit obligation at January 1	**$ 6,986**	**$ 1,588**	$ 6,173	$ 1,423
Service cost	**—**	**10**	—	17
Interest cost	**349**	**75**	344	72
Plan amendments	**—**	**—**	—	20
Settlement/curtailment	**—**	**—**	—	(19)
Actuarial loss	**1,277**	**103**	714	123
Foreign exchange valuation adjustment	**—**	**48**	—	(10)
Employee contributions	**—**	**2**	—	—
Tax payments	**—**	**—**	(5)	—
Benefit payments	**(324)**	**(39)**	(240)	(38)
Benefit obligation at December 31	**8,288**	**1,787**	6,986	1,588
Change in plan assets:				
Fair value at January 1	**4,747**	**1,219**	4,320	1,214
Return on plan assets	**660**	**111**	178	23
Company contributions	**340**	**31**	489	38
Settlements/curtailments	**—**	**—**	—	(19)
Employee contributions	**—**	**2**	—	—
Foreign exchange valuation adjustment	**—**	**38**	—	1
Benefit payments from plan assets	**(321)**	**(39)**	(240)	(38)
Fair value at December 31	**5,426**	**1,362**	4,747	1,219
Funded status of the plan	**(2,862)**	**(425)**	(2,238)	(369)
Unrecognized net loss	**4,313**	**520**	3,536	462
Unrecognized prior service cost	**—**	**(51)**	—	(55)
Prepaid pension cost	**$ 1,451**	**$ 44**	$ 1,298	$ 38
Components of prepaid (accrued) pension cost:				
Non-current benefit liability	**$ (2,862)**	**$ (425)**	$ (2,238)	$ (369)
Deferred income taxes	**1,592**	**41**	1,295	26
Accumulated other comprehensive income	**2,721**	**428**	2,241	381
Prepaid pension cost	**$ 1,451**	**$ 44**	$ 1,298	$ 38

It is estimated that the net periodic cost for 2013 will include amortization of the unrecognized net loss and prior service costs for the U.S. and Non-U.S. plans, currently included in Accumulated other comprehensive loss, of $131 million , and $8 million , respectively. For 2013, it was determined that the majority of the Company's plan participants in its Regular and United Kingdom pension plans are no longer actively employed by the Company due to significant employee exits as a result of the Company's recent divestitures. Under relevant accounting rules, when almost all of the plan participants are considered inactive, the amortization period for unrecognized losses changes from the average remaining service period to the average remaining lifetime of the participant.

The Company has utilized a five-year, market-related asset value method of recognizing asset-related gains and losses. Unrecognized gains and losses have been amortized over periods ranging from three to thirteen years. For 2013, depending on the plan, the Company will amortize gains and losses over periods ranging from five to 28 years. Prior service costs are being amortized over periods ranging from ten to twelve years. Benefits under all pension plans are valued based on the projected unit credit cost method.

In April 2011, the Company recognized a curtailment gain in its United Kingdom defined benefit plan, and a settlement loss in its Japanese defined benefit plan, due to the sale of certain assets of the Networks business. As a result, the Company recorded a net gain to its consolidated statement of operations of $9 million .

Certain actuarial assumptions such as the discount rate and the long-term rate of return on plan assets have a significant effect on the amounts reported for net periodic cost and benefit obligation. The assumed discount rates reflect the prevailing market rates of a universe of high-quality, non-callable, corporate bonds currently available that, if the obligation were settled at the measurement date, would provide the necessary future cash flows to pay the benefit obligation when due. The long-term rates of return on plan assets represents an estimate of long-term returns on an investment portfolio consisting of a mixture of equities, fixed income, cash and other investments similar to the actual investment mix. In determining the long-term return on plan assets, the Company considers long-term rates of return on the asset classes (both historical and forecasted) in which the Company expects the plan funds to be invested.

Weighted average actuarial assumptions used to determine costs for the plans were as follows:

	2012		2011	
December 31	**U.S.**	**Non U.S.**	*U.S.*	*Non U.S.*
Discount rate	**5.10%**	**4.61%**	5.75%	5.01%
Investment return assumption	**8.25%**	**6.24%**	8.25%	6.50%

Weighted average actuarial assumptions used to determine benefit obligations for the plans were as follows:

	2012		2011	
December 31	**U.S.**	**Non U.S.**	*U.S.*	*Non U.S.*
Discount rate	**4.35%**	**4.11%**	5.10%	4.58%
Future compensation increase rate	**0.00%**	**2.58%**	0.00%	2.56%

The accumulated benefit obligations for the plans were as follows:

	2012		2011	
December 31	***U.S.***	***Non U.S.***	*U.S.*	*Non U.S.*
Accumulated benefit obligation	**$ 8,288**	**$ 1,770**	$ 6,986	$ 1,588

The Company has adopted a pension investment policy designed to meet or exceed the expected rate of return on plan assets assumption. To achieve this, the pension plans retain professional investment managers that invest plan assets in equity, fixed income securities, and cash. In addition, some plans invest in insurance contracts. The Company's measurement date of its plan assets and obligations is December 31 . The Company has the following target mixes for these asset classes for all plans, which are readjusted periodically, when an asset class weighting deviates from the target mix, with the goal of achieving the required return at a reasonable risk level:

	Target Mix	
Asset Category	**2012**	2011
Equity securities	**64%**	63%
Fixed income securities	**35%**	35%
Cash and other investments	**1%**	2%

The weighted-average pension plan asset allocation by asset categories:

	Actual Mix	
December 31	**2012**	2011
Equity securities	**64%**	60%
Fixed income securities	**34%**	35%
Cash and other investments	**2%**	5%

Within the equity securities asset class, the investment policy provides for investments in a broad range of publicly-traded securities including both domestic and foreign stocks. Within the fixed income securities asset class, the investment policy provides for investments in a broad range of publicly-traded debt securities including U.S. Treasury issues, corporate debt securities, mortgage and asset-backed securities, as well as foreign debt securities. In the cash and other investments asset class, investments may be in cash, cash equivalents or insurance contracts.

The Company contributed $340 million to its U.S. pension plans during 2012 , compared to $489 million contributed in 2011 . In January 2011, the Pension Benefit Guaranty Corporation ("PBGC") announced an agreement with the Company under which it would contribute $100 million above and beyond its legal requirement to its U.S. pension plans over the next five years. The Company and the PBGC entered into the agreement as the Company was in the process of separating Motorola Mobility and pursuing the sale of certain assets of the Networks business. The Company made a $250 million pension contribution to its U.S. pension plans over the amounts required in the fourth quarter 2011, of which $100 million fulfilled the PBGC financial obligation. As a result, the Company has no further financial obligations under this agreement with the PBGC.

The Company currently expects to make cash contributions of approximately $300 million to its U.S. pension plans and approximately $30 million to its non-U.S. pension plans in 2013 .

The following benefit payments are expected to be paid:

Year	*U.S.*	*Non U.S.*
2013	$ 276	$ 39
2014	284	40
2015	297	41
2016	313	42
2017	333	43
2018-2022	2,008	233

Postretirement Health Care Benefits Plan

Certain health care benefits are available to eligible domestic employees meeting certain age and service requirements upon termination of employment (the "Postretirement Health Care Benefits Plan"). For eligible employees hired prior to January 1, 2002, the Company offsets a portion of the postretirement medical costs to the retired participant. As of January 1, 2005, the Postretirement Health Care Benefits Plan was closed to new participants. The benefit obligation and plan assets for the Postretirement Health Care Benefits Plan have been measured as of December 31, 2012.

The assumptions used were as follows:

December 31	**2012**	2011
Discount rate for obligations	**3.80%**	4.75%
Investment return assumptions	**8.25%**	8.25%

Net Postretirement Health Care Benefits Plan expenses were as follows:

Years ended December 31	**2012**	2011	2010
Service cost	**$ 3**	$ 4	$ 6
Interest cost	**16**	22	23
Expected return on plan assets	**(12)**	(16)	(16)
Amortization of:			
Unrecognized net loss	**12**	10	7
Unrecognized prior service cost	**(16)**	—	(2)
Net Postretirement Health Care Benefit Plan expenses	**$ 3**	$ 20	$ 18

During the year ended December 31, 2012 , the Company announced an amendment to the Postretirement Health Care Benefits Plan. Starting January 1, 2013, benefits under the plan to participants over age 65 will be paid to a retiree health reimbursement account instead of directly providing health insurance coverage to the participants. Covered retirees will be able to use the annual subsidy they receive through this account toward the purchase of their own health care coverage from private insurance companies and for reimbursement of eligible health care expenses. This change has resulted in a remeasurement of the plan where $139 million of the net liability was reduced through a decrease in accumulated other comprehensive loss of $87 million , net of taxes. The majority of the reduced liability will be recognized over approximately three years, which is the period in which the remaining employees eligible for the plan will qualify for benefits under the plan.

It is estimated that the 2013 net periodic expense for the Postretirement Health Care Benefits Plan will include amortization of a net credit of $28 million , comprised of the unrecognized prior service gain and unrecognized actuarial loss, currently included in Accumulated other comprehensive loss.

The funded status of the plan is as follows:

	2012	2011
Change in benefit obligation:		
Benefit obligation at January 1	**$ 450**	$ 447
Service cost	**3**	4
Interest cost	**16**	22
Plan amendments	**(151)**	—
Actuarial gain	**24**	—
Benefit payments	**(20)**	(23)
Benefit obligation at December 31	**322**	450
Change in plan assets:		
Fair value at January 1	**155**	170
Return on plan assets	**20**	7
Benefit payments made with plan assets	**(20)**	(22)
Fair value at December 31	**155**	155
Funded status of the plan	**(167)**	(295)
Unrecognized net loss	**206**	202
Unrecognized prior service cost	**(135)**	—
Accrued postretirement health care costs	**$ (96)**	$ (93)

Components of accrued postretirement health care cost:

Years ended December 31	2012	2011
Non-current liability	**$ (167)**	$ (295)
Deferred income taxes	**26**	92
Accumulated other comprehensive income	**45**	110
Accrued postretirement health care cost	**$ (96)**	$ (93)

During the first quarter of 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 were signed into law, which eliminated the favorable income tax treatment of Medicare Part D Subsidy receipts effective for tax years starting in 2013. As a result of the tax law change, the Company recorded an $18 million non-cash tax charge in 2010 to reduce its deferred tax asset associated with Medicare Part D subsidies estimated to be received after 2012.

The Company has adopted an investment policy for plan assets designed to meet or exceed the expected rate of return on plan assets assumption. To achieve this, the plan retains professional investment managers that invest plan assets in equity and fixed income securities and cash. The Company uses long-term historical actual return experience with consideration of the expected investment mix of the plans' assets, as well as future estimates of long-term investment returns, to develop its expected rate of return assumption used in calculating the net periodic cost and the net retirement healthcare expense. The Company has the following target mixes for these asset classes, which are readjusted periodically, when an asset class weighting deviates from the target mix, with the goal of achieving the required return at a reasonable risk level:

	Target Mix	
Asset Category	**2012**	2011
Equity securities	**65%**	65%
Fixed income securities	**34%**	34%
Cash and other investments	**1%**	1%

The weighted-average asset allocation for plan assets by asset categories:

	Actual Mix	
December 31	**2012**	2011
Equity securities	**64%**	59%
Fixed income securities	**32%**	36%
Cash and other investments	**4%**	5%

Within the equity securities asset class, the investment policy provides for investments in a broad range of publicly-traded securities including both domestic and foreign stocks. Within the fixed income securities asset class, the investment policy provides for investments in a broad range of publicly-traded debt securities including U.S. Treasury issues, corporate debt securities, mortgages and asset-backed issues, as well as foreign debt securities. In the cash asset class, investments may be in cash and cash equivalents.

The Company expects to make no cash contributions to the Postretirement Health Care Benefits Plan in 2013. The following benefit payments are expected to be paid:

Year		
	2013 $	28
2014		26
	2015	25
2016		24
	2017	23
	2018-2022	101

The health care cost trend rate used to determine the December 31, 2012 accumulated postretirement benefit obligation is 8.50% for 2013 , then grading down to a rate of 5% in 2020 . The health care cost trend rate used to determine the December 31, 2011 accumulated postretirement benefit obligation was 7.25% for 2012 , remaining flat at 7.25% through 2015, then grading down to a rate of 5% in 2019.

Changing the health care trend rate by one percentage point would change the accumulated postretirement benefit obligation and the net Postretirement Health Care Benefits Plan expenses as follows:

	1% Point Increase	*1% Point Decrease*
Increase (decrease) in:		
Accumulated postretirement benefit obligation	$ 2	$ (2)
Net Postretirement Health Care Benefit Plan expenses	—	—

The Company maintains a lifetime cap on postretirement health care costs, which reduces the liability duration of the plan. A result of this lower duration is a decreased sensitivity to a change in the discount rate trend assumption with respect to the liability and related expense.

The Company has no significant Postretirement Health Care Benefit Plans outside the United States.

Other Benefit Plans

The Company maintains a number of endorsement split-dollar life insurance policies that were taken out on now-retired officers under a plan that was frozen prior to December 31, 2004. The Company had purchased the life insurance policies to insure the lives of employees and then entered into a separate agreement with the employees that split the policy benefits between the Company and the employee. Motorola Solutions owns the policies, controls all rights of ownership, and may terminate the insurance policies. To effect the split-dollar arrangement, Motorola Solutions endorsed a portion of the death benefits to the employee and upon the death of the employee, the employee's beneficiary typically receives the designated portion of the death benefits directly from the insurance company and the Company receives the remainder of the death benefits. It is currently expected that minimal cash payments will be required to fund these policies.

The net periodic pension cost for these split-dollar life insurance arrangements was $5 million for the years ended December 31, 2012 , 2011 , and 2010. The Company has recorded a liability representing the actuarial present value of the future death benefits as of the employees' expected retirement date of $58 million and $56 million as of December 31, 2012 and December 31, 2011 , respectively.

Defined Contribution Plan

The Company and certain subsidiaries have various defined contribution plans, in which all eligible employees may participate. In the U.S., the 401(k) plan is a contributory plan. Matching contributions are based upon the amount of the employees' contributions. After temporarily suspending all matching contributions, eff ective July 1, 2010, the Company reinstated matching contributions and provides a dollar for dollar (100%) match on the first 4% of employee contributions. The maximum matching contribution for 2010 was pro-rated to account for the number of months remaining after the reinstatement. The Company's expenses for material defined contribution plans for the years ended December 31, 2012 , 2011 and 2010 were $42 million , $48 million and $23 million , respectively.

Beginning January 1, 2012, the Company may make an additional discretionary 401(k) plan matching contribution to eligible employees. For the year ended December 31, 2012 , the Company made no discretionary matching contributions.

8. Share-Based Compensation Plans and Other Incentive Plans

Stock Options, Stock Appreciation Rights and Employee Stock Purchase Plan

The Company grants options to acquire shares of common stock to certain employees and to existing option holders of acquired companies in connection with the merging of option plans following an acquisition. Each option granted and stock appreciation right has an exercise price of no less than 100% of the fair market value of the common stock on the date of the grant. The awards have a contractual life of five to ten years and vest over two to four years. Stock options and stock appreciation rights assumed or replaced with comparable stock options or stock appreciation rights in conjunction with a change in control of the Company only become exercisable if the holder is also involuntarily terminated (for a reason other than cause) or quits for good reason within 24 months of a change in control.

The employee stock purchase plan allows eligible participants to purchase shares of the Company's common stock through payroll deductions of up to 20% of eligible compensation on an after-tax basis. Plan participants cannot purchase more than $25,000 of stock in any calendar year. The price an employee pays per share is 85% of the lower of the fair market value of the Company's stock on the close of the first trading day or last trading day of the purchase period. The plan has two purchase periods, the first one from October 1 through March 31 and the second one from April 1 through September 30. For the years ended December 31, 2012 , 2011 and 2010 , employees purchased 1.4 million , 2.2 million and 2.7 million shares, respectively, at purchase prices of $34.52 and $42.96 , $30.56 and $35.61 , and $41.79 and $42.00 , respectively.

The Company calculates the value of each employee stock option, estimated on the date of grant, using the Black-Scholes option pricing model. The weighted-average estimated fair value of employee stock options granted during 2012 , 2011 and 2010 was $9.60 , $13.25 and $21.43 , respectively, using the following weighted-average assumptions:

	2012	2011	2010
Expected volatility	**24.0%**	28.8%	41.7%
Risk-free interest rate	**0.8%**	2.1%	2.1%
Dividend yield	**2.2%**	0.0%	0.0%
Expected life (years)	**6.1**	6.0	6.1

The Company uses the implied volatility for traded options on the Company's stock as the expected volatility assumption required in the Black-Scholes model. The selection of the implied volatility approach was based upon the availability of actively traded options on the Company's stock and the Company's assessment that implied volatility is more representative of future stock price trends than historical volatility.

The risk-free interest rate assumption is based upon the average daily closing rates during the year for U.S. Treasury notes that have a life which approximates the expected life of the option. The dividend yield assumption is based on the Company's future expectation of dividend payouts. The expected life of employee stock options represents the average of the contractual term of the options and the weighted-average vesting period for all option tranches.

The Company has applied forfeiture rates, estimated based on historical data, of 13% - 50% to the option fair values calculated by the Black-Scholes option pricing model. These estimated forfeiture rates are applied to grants based on their remaining vesting term and may be revised in subsequent periods if actual forfeitures differ from these estimates.

Stock option activity was as follows (in thousands, except exercise price and employee data):

	2012		2011		2010	
Years ended December 31	***Shares Subject to Options***	***Wtd. Avg. Exercise Price***	*Shares Subject to Options*	*Wtd. Avg. Exercise Price*	*Shares Subject to Options*	*Wtd. Avg. Exercise Price*
Options outstanding at January 1	**15,729**	**$ 63**	19,614	$ 81	23,061	$ 84
Options granted	**1,286**	**51**	3,155	39	1,630	50
Options exercised	**(2,831)**	**29**	(4,475)	27	(1,559)	42
Adjustments to options outstanding to reflect Motorola Mobility distribution	**—**	**—**	7,756	39	—	—
Options terminated, cancelled or expired	**(1,052)**	**60**	(10,321)	59	(3,518)	104
Options outstanding at December 31	**13,132**	**70**	15,729	63	19,614	81
Options exercisable at December 31	**9,242**	**81**	11,184	74	12,429	99
Approx. number of employees granted options	**115**		270		529	

At December 31, 2012 , the Company had $30 million of total unrecognized compensation expense, net of estimated forfeitures, related to stock option plans and the employee stock purchase plan that will be recognized over the weighted average period of approximately two years. Cash received from stock option exercises and the employee stock purchase plan was $133 million , $192 million and $179 million for the years ended December 31, 2012 , 2011 and 2010 , respectively. The total intrinsic value of options exercised during the years ended December 31, 2012 , 2011 and 2010 was $59 million , $73 million and $17 million , respectively. The aggregate intrinsic value for options outstanding and exercisable as of December 31, 2012 was $170 million and $118 million , respectively, based on a December 31, 2012 stock price of $55.68 per share.

The following table summarizes information about stock options outstanding and exercisable at December 31, 2012 (in thousands, except exercise price and years):

	Options Outstanding			*Options Exercisable*	
Exercise price range	*No. of options*	*Wtd. avg. Exercise Price*	*Wtd. avg. contractual life (in yrs.)*	*No. of options*	*Wtd. avg. Exercise Price*
Under $30	3,099	$ 26	7	2,617	$ 26
$30-$40	3,728	38	7	2,064	37
$41-$50	620	45	8	246	44
$51-$60	1,377	52	9	7	54
$61-$70	836	67	2	836	67
$71-$80	255	74	4	255	74
$81 and over	3,217	161	2	3,217	161
	13,132			9,242	

As of December 31, 2012 , the weighted average contractual life for options outstanding and exercisable was five and four years, respectively.

Restricted Stock and Restricted Stock Units

Restricted stock (“RS”) and restricted stock unit (“RSU”) grants consist of shares or the rights to shares of the Company’s common stock which are awarded to employees and non-employee directors. The grants are restricted such that they are subject to substantial risk of forfeiture and to restrictions on their sale or other transfer by the employee. Shares of RS and RSUs assumed or replaced with comparable shares of RS or RSUs in conjunction with a change in control will only have the restrictions lapse if the holder is also involuntarily terminated (for a reason other than cause) or quits for good reason within 24 months of a change in control.

Restricted stock and restricted stock unit activity was as follows (in thousands, except fair value and employee data):

	2012		2011		2010	
Years ended December 31	***RS and RSU***	***Wtd. Avg. Grant Date Fair Value***	*RS and RSU*	*Wtd Avg. Grant Date Fair Value*	*RS and RSU*	*Wtd Avg. Grant Date Fair Value*
RS and RSU outstanding at January 1	**8,990**	**$ 40**	9,559	$ 51	8,061	$ 55
Granted	**1,657**	**49**	5,150	44	4,772	49
Adjustments to RSUs outstanding to reflect Motorola Mobility distribution	**—**	**—**	3,638	20	—	—
Vested	**(3,845)**	**41**	(3,230)	31	(2,407)	58
Terminated or canceled	**(503)**	**33**	(6,127)	44	(867)	56
RS and RSU outstanding at December 31	**6,299**	**41**	8,990	40	9,559	51
Approx. number of employees granted RSUs	**2,355**		12,351		29,973	

At December 31, 2012 , the Company had unrecognized compensation expense related to RS and RSUs of $144 million , net of estimated forfeitures, expected to be recognized over the weighted average period of approximately two years. The total fair value of RS and RSU shares vested during the years ended December 31, 2012 , 2011 and 2010 was $144 million , $146 million and $114 million , respectively. The aggregate fair value of outstanding RSUs as of December 31, 2012 was $351 million . Pursuant to the completion of the distribution of Motorola Mobility on January 4, 2011, approximately 3.8 million unvested RSUs held by the employees of Motorola Mobility were cancelled. Upon the completed divestiture of certain assets of the Networks business on April 29, 2011, approximately 1.4 million unvested RSUs were cancelled.

Total Share-Based Compensation Expense

Compensation expense for the Company's employee stock options, stock appreciation rights, employee stock purchase plans, RS and RSUs was as follows:

Years ended December 31	**2012**	2011	2010
Share-based compensation expense included in:			
Costs of sales	**$ 25**	$ 20	$ 19
Selling, general and administrative expenses	**112**	112	82
Research and development expenditures	**47**	36	43
Share-based compensation expense included in Operating earnings	**184**	168	144
Tax benefit	**62**	51	43
Share-based compensation expense, net of tax	**$ 122**	$ 117	$ 101
Decrease in basic earnings per share	**$ (0.42)**	$ (0.34)	$ (0.30)
Decrease in diluted earnings per share	**$ (0.41)**	$ (0.34)	$ (0.30)
Share-based compensation expense in discontinued operations	**$ —**	$ 13	$ 164

At December 31, 2012 and 2011 , 22.2 million shares and 23.7 million shares, respectively, were available for future share-based award grants under the current share-based compensation plan, covering all equity awards to employees and non-employee directors.

Motorola Solutions Incentive Plans

The Company's incentive plans provide eligible employees with an annual payment, calculated as a percentage of an employee's eligible earnings, in the year after the close of the current calendar year if specified business goals and individual performance targets are met. The expense for awards under this incentive plan for the years ended December 31, 2012 , 2011 and 2010 was $201 million , $203 million and $201 million , respectively.

Long-Range Incentive Plan

The Long-Range Incentive Plan ("LRIP") rewards participating elected officers for the Company's achievement of specified business goals during the period, based on two performance objectives measured over three-year cycles. The expense for LRIP (net of the reversals of previously recognized reserves) for the years ended December 31, 2012 , 2011 and 2010 was $12 million , $3 million and $11 million , respectively.

9. Fair Value Measurements

The Company holds certain fixed income securities, equity securities and derivatives, which are recognized and disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. Fair value is measured using the fair value hierarchy and related valuation methodologies as defined in the authoritative literature. This guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1-Quoted prices for identical instruments in active markets.

Level 2-Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are observable in active markets.

Level 3-Valuations derived from valuation techniques, in which one or more significant inputs are unobservable.

The fair values of the Company's financial assets and liabilities by level in the fair value hierarchy as of December 31, 2012 and 2011 were as follows:

December 31, 2012	*Level 1*	*Level 2*	*Total*
Assets:			
Sigma Fund securities:			
U.S. government, agency and government-sponsored enterprise obligations	$ —	$ 1,984	$ 1,984
Foreign exchange derivative contracts	—	3	3
Available-for-sale securities:			
U.S. government, agency and government-sponsored enterprise obligations	—	15	15
Corporate bonds	—	11	11
Mortgage-backed securities	—	2	2
Common stock and equivalents	3	7	10
Liabilities:			
Foreign exchange derivative contracts	$ —	$ 3	$ 3
Interest agreement derivative contracts	—	4	4

December 31, 2011	*Level 1*	*Level 2*	*Total*
Assets:			
Sigma Fund securities:			
U.S. government, agency and government-sponsored enterprise obligations	$ —	$ 2,944	$ 2,944
Foreign exchange derivative contracts	—	1	1
Available-for-sale securities:			
U.S. government, agency and government-sponsored enterprise obligations	—	16	16
Corporate bonds	—	10	10
Mortgage-backed securities	—	2	2
Common stock and equivalents	3	8	11
Liabilities:			
Foreign exchange derivative contracts	$ —	$ 5	$ 5
Interest agreement derivative contracts	—	3	3

The Company had no Level 3 holdings as of December 31, 2012 and December 31, 2011 .

The following table summarizes the changes in fair value of the Company's Level 3 assets for 2011:

	2011
Balance at January 1	$ 15
Transfers to Level 3	21
Payments received for securities sold	(39)
Gain on Sigma Fund investments included in Other income (expense)	3
Balance at December 31	$ —

There were no significant transfers between Level 1 and Level 2 during 2012 or 2011.

Pension and Postretirement Health Care Benefits Plan Assets

The fair values of the various pension and postretirement health care benefits plans' assets by level in the fair value hierarchy as of December 31, 2012 and 2011 were as follows:

U.S. Plans

December 31, 2012	*Level 1*	*Level 2*	*Total*
Common stock and equivalents	$ 1,592	$ 3	$ 1,595
Commingled equity funds	—	1,965	1,965
Preferred stock	9	—	9
U.S. government and agency obligations	—	317	317
Other government bonds	—	49	49
Corporate bonds	—	327	327
Mortgage-backed bonds	—	14	14
Commingled bond funds	—	1,082	1,082
Commingled short-term investment funds	—	58	58
Total investment securities	$ 1,601	$ 3,815	$ 5,416
Accrued income receivable			10
Fair value plan assets			$ 5,426

The table above includes securities on loan as part of a securities lending arrangement of $117 million of common stock and equivalents, $260 million of U.S. government and agency obligations, and $17 million of corporate bonds. All securities on loan are fully cash collateralized.

December 31, 2011	*Level 1*	*Level 2*	*Total*
Common stock and equivalents	$ 1,128	$ 3	$ 1,131
Commingled equity funds	—	1,705	1,705
Preferred stock	9	—	9
U.S. government and agency obligations	—	261	261
Other government bonds	—	40	40
Corporate bonds	—	322	322
Mortgage-backed bonds	—	18	18
Commingled bond funds	—	1,018	1,018
Commingled short-term investment funds	—	232	232
Total investment securities	$ 1,137	$ 3,599	$ 4,736
Accrued income receivable			11
Fair value plan assets			$ 4,747

The table above includes securities on loan as part of a securities lending arrangement of $173 million of common stock and equivalents, $182 million of U.S. government and agency obligations, and $39 million of corporate bonds. All securities on loan are fully cash collateralized.

There were no significant transfers between Level 1 and Level 2 during 2012 or 2011.

Non-U.S. Plans

December 31, 2012	*Level 1*	*Level 2*	*Total*
Common stock and equivalents	$ 346	$ —	$ 346
Commingled equity funds	—	434	434
Corporate bonds	—	18	18
Government and agency obligations	—	233	233
Commingled bond funds	—	257	257
Commingled short-term investment funds	—	7	7
Total investment securities	$ 346	$ 949	$ 1,295
Cash			8
Insurance contracts*			59
Fair value plan assets			$ 1,362

** Comprised of annuity contracts issued by life insurance companies for one of the Company's non-U.S. pension plans*

The table above includes securities on loan as part of a securities lending arrangement of $29 million of common stock and equivalents, $2 million of U.S. government and agency obligations, and $27 million of corporate bonds. All securities on loan are fully cash collateralized.

There were no significant transfers between Level 1 and Level 2 during 2012 or 2011.

December 31, 2011	*Level 1*	*Level 2*	*Total*
Common stock and equivalents	$ 312	$ —	$ 312
Commingled equity funds	—	375	375
Corporate bonds	—	206	206
Government and agency obligations	—	10	10
Commingled bond funds	—	248	248
Commingled short-term investment funds	—	2	2
Total investment securities	$ 312	$ 841	$ 1,153
Cash			7
Accrued income receivable			3
Insurance contracts*			56
Fair value plan assets			$ 1,219

** Comprised of annuity contracts issued by life insurance companies for one of the Company's non-U.S. pension plans*

Postretirement Health Care Benefits Plan

December 31, 2012	*Level 1*	*Level 2*	*Total*
Common stock and equivalents	$ 44	$ —	$ 44
Commingled equity funds	—	56	56
U.S. government and agency obligations	—	9	9
Corporate bonds	—	9	9
Mortgage-backed bonds	—	1	1
Commingled bond funds	—	30	30
Commingled short-term investment funds	—	6	6
Fair value plan assets	$ 44	$ 111	$ 155

The table above includes securities on loan as part of a securities lending arrangement of $4 million of common stock and equivalents and $7 million of U.S. government and agency obligations. All securities on loan are fully cash collateralized.

December 31, 2011	*Level 1*	*Level 2*	*Total*
Common stock and equivalents	$ 38	$ —	$ 38
Commingled equity funds	—	54	54
U.S. government and agency obligations	—	10	10
Corporate bonds	—	11	11
Mortgage-backed bonds	—	1	1
Commingled bond funds	—	34	34
Commingled short-term investment funds	—	7	7
Fair value plan assets	$ 38	$ 117	$ 155

The table above includes securities on loan as part of a securities lending arrangement of $6 million of common stock and equivalents, $6 million of U.S. government and agency obligations, and $1 million of corporate bonds. All securities on loan are fully cash collateralized.

There were no significant transfers between Level 1 and Level 2 during 2012 or 2011.

Valuation Methodologies

Level 1- Quoted market prices in active markets are available for investments in common and preferred stock and common stock equivalents. As such, these investments are classified within Level 1.

Level 2- The securities classified as Level 2 are comprised primarily of corporate, government, agency and government sponsored enterprise fixed income securities. These securities are priced using pricing services, bid/offer, and last trade. Prices may also be obtained from brokers, counterparties, fund administrators, online securities data services, or investment managers. Fixed income securities, including short-term instruments, may be priced using pricing models comprised of observable inputs which include, but are not limited to, market quotations, yields, maturities, call features, and the security's terms and conditions.

In determining the fair value of the Company's foreign currency derivatives, the Company uses forward contract and option valuation models employing market observable inputs, such as spot currency rates, time value and option volatilities. Since the Company primarily uses observable inputs in its valuation of its derivative assets and liabilities, they are classified as Level 2 assets.

Level 3- Securities that do not have actively traded quotes as of the financial statement date. Determining the fair value of these securities requires the use of unobservable inputs, such as indicative quotes from dealers, extrapolated data, proprietary models and qualitative input from investment advisors. The Company had no Level 3 assets at December 31, 2012 and 2011.

At December 31, 2012 , the Company has $422 million of investments in money market mutual funds classified as Cash and cash equivalents in its consolidated balance sheet. The money market funds have quoted market prices that are generally equivalent to par.

Using quoted market prices and market interest rates, the Company determined that the fair value of long-term debt at December 31, 2012 was $2.1 billion (Level 2), compared to a face value of $1.9 billion . Since considerable judgment is required in interpreting market information, the fair value of the long-term debt is not necessarily indicative of the amount which could be realized in a current market exchange.

All other financial instruments are carried at cost, which is not materially different than the instruments’ fair values.

10. Long-term Customer Financing and Sales of Receivables

Long-term Customer Financing

Long-term receivables consist of trade receivables with payment terms greater than twelve months, long-term loans and lease receivables under sales-type leases. Long-term receivables consist of the following:

December 31	**2012**	2011
Long-term receivables	**$ 101**	$ 177
Less allowance for losses	**—**	(10)
	101	167
Less current portion	**(41)**	(130)
Non-current long-term receivables, net	**$ 60**	$ 37

The current portion of long-term receivables is included in Accounts receivable and the non-current portion of long-term receivables is included in Other assets in the Company’s consolidated balance sheets. Interest income recognized on long-term receivables for the years ended December 31, 2012 , 2011 and 2010 was $7 million , $15 million and $14 million , respectively.

Certain purchasers of the Company's infrastructure equipment may request that the Company provide long-term financing (defined as financing with a term of greater than one year) in connection with the sale of equipment. These requests may include all or a portion of the purchase price of the equipment. The Company's obligation to provide long-term financing may be conditioned on the issuance of a letter of credit in favor of the Company by a reputable bank to support the purchaser's credit or a pre-existing commitment from a reputable bank to purchase the long-term receivables from the Company. The Company had outstanding commitments to provide long-term financing to third-parties totaling $84 million at December 31, 2012 , compared to $138 million at December 31, 2011 .

As of December 31, 2012 , $60 million of net long-term receivables are classified as non-current. The remainder of the long-term receivables are current and included in Accounts receivable, net.

Sales of Receivables

From time to time, the Company sells accounts receivable and long-term receivables on a non-recourse basis to third-parties under one-time arrangements while others are sold to third-parties under committed facilities. The Company may or may not retain the obligation to service the sold accounts receivable and long-term receivables.

The Company had no sales facilities and no significant committed facilities for the sale of long-term receivables at December 31, 2012 or at December 31, 2011 .

The following table summarizes the proceeds received from non-recourse sales of accounts receivable and long-term receivables for the years ended December 31, 2012 , 2011 , and 2010 .

Years ended December 31	**2012**	2011	2010
Cumulative annual proceeds received from one-time sales:			
Accounts receivable sales proceeds	**$ 12**	$ 8	$ 30
Long-term receivables sales proceeds	**178**	224	67
Total proceeds from one-time sales	**190**	232	97
Cumulative annual proceeds received from sales under committed facilities	**—**	—	70
Total proceeds from receivables sales	**$ 190**	$ 232	$ 167

At December 31, 2012 , the Company had retained servicing obligations for $375 million of long-term receivables, compared to $263 million of long-term receivables at December 31, 2011 . Servicing obligations are limited to collection activities of the non-recourse sales of accounts receivables and long-term receivables.

Credit Quality of Customer Financing Receivables and Allowance for Credit Losses

An aging analysis of financing receivables at December 31, 2012 and December 31, 2011 is as follows:

December 31, 2012	*Total Long-term Receivable*	*Current Billed Due*	*Past Due Under 90 Days*	*Past Due Over 90 Days*
Municipal leases secured tax exempt	$ 23	$ —	$ —	$ —
Commercial loans and leases secured	$ 78	$ 1	$ 2	$ 4
Total gross long-term receivables, including current portion	$ 101	$ 1	$ 2	$ 4

December 31, 2011	*Total Long-term Receivable*	*Current Billed Due*	*Past Due Under 90 Days*	*Past Due Over 90 Days*
Municipal leases secured tax exempt	$ 14	$ —	$ —	$ —
Commercial loans and leases secured	$ 61	$ 1	$ 2	$ —
Commercial loans unsecured	$ 102	$ —	$ —	$ —
Total gross long-term receivables, including current portion	$ 177	$ 1	$ 2	$ —

The Company uses an internally developed credit risk rating system for establishing customer credit limits. This system is aligned and comparable to the rating systems utilized by independent rating agencies.

The Company’s policy for valuing the allowance for credit losses is to review for collectability on an individual receivable basis. All customer financing receivables are reviewed for collectability. For those receivables where collection risk is probable, the Company calculates the value of impairment based on the net present value of expected future cash flows from the customer.

The Company did have financing receivables past due over 90 days as of December 31, 2012 in relation to a single loan. The Company is no longer accruing interest on this loan as of December 31, 2011 . A $10 million reserve was established for this loan due to collectability issues at December 31, 2011 , all of which is classified as current as of December 31, 2012.

11. Commitments and Contingencies

Legal

The Company is a defendant in various suits, claims and investigations that arise in the normal course of business. In the opinion of management, based on the current facts and circumstances, the ultimate disposition of these matters will not have a material adverse effect on the Company’s consolidated financial position, liquidity or results of operations.

Other

Leases: The Company leases certain office, factory and warehouse space, land, and information technology and other equipment under principally non-cancelable operating leases. Rental expense, net of sublease income, for the years ended December 31, 2012 , 2011 and 2010 was $65 million , $92 million , and $123 million , respectively. At December 31, 2012 , future minimum lease obligations, net of minimum sublease rentals, for the next five years and beyond are as follows: 2013 — $69 million ; 2014 — $54 million ; 2015 — $36 million ; 2016 — $28 million ; 2017 — $20 million and beyond— $149 million .

Indemnifications: The Company is a party to a variety of agreements pursuant to which it is obligated to indemnify the other party with respect to certain matters. In indemnification cases, payment by the Company is conditioned on the other party making a claim pursuant to the procedures specified in the particular contract, which procedures typically allow the Company to challenge the other party's claims. In some instances, the Company may have recourse against third-parties for certain payments made by the Company.

Some of these obligations arise as a result of divestitures of the Company's assets or businesses and require the Company to indemnify the other party against losses arising from breaches of representations and warranties and covenants and, in some cases, the settlement of pending obligations. The Company's obligations under divestiture agreements for indemnification based on breaches of representations and warranties are generally limited in terms of duration, and for amounts for breaches of such representation and warranties in connection with prior divestitures not in excess of a percentage of the contract value. The total amount of potential claims is approximately $14 million , of which the Company had no accruals at December 31, 2012 .

In addition, the Company may provide indemnifications for losses that result from the breach of general warranties contained in certain commercial and intellectual property agreements. Historically, the Company has not made significant

payments under these agreements. However, there is an increasing risk in relation to patent indemnities given the current legal climate.

In addition, pursuant to the Master Separation and Distribution Agreement and certain other agreements with Motorola Mobility, Motorola Mobility agreed to indemnify the Company for certain liabilities, and the Company agreed to indemnify Motorola Mobility for certain liabilities, in each case for uncapped amounts.

Intellectual Property Matters: During 2010, the Company entered into a settlement agreement with another company to resolve certain intellectual property disputes between the two companies. As a result of the settlement agreement, the Company received $65 million in cash and was assigned certain patent assets. As a result of this agreement, the Company recorded a pre-tax gain of $39 million (and $55 million was allocated to discontinued operations) during the year ended December 31, 2010, related to the settlement of the outstanding litigation between the parties.

12. Information by Segment and Geographic Region

We report financial results for two segments, based on products and services provided:

Government: The Government segment includes sales of public safety communication systems, commercial two-way radio systems and devices, and software. Service revenues included in the Government segment are primarily those associated with the design, installation, maintenance and optimization of equipment for public safety networks.

Enterprise: The Enterprise segment includes sales of rugged and enterprise grade mobile computers and tablets, laser/imaging/RFID based data capture products, wireless local area network ("WLAN") and integrated digital enhanced networks ("iDEN") and software. Service revenues included in the Enterprise segment are primarily maintenance contracts associated with the above products.

For the years ended December 31, 2012 , 2011 and 2010 , no single customer accounted for more than 10% of net sales.

Segment information

	Net Sales			*Operating Earnings (Loss)*		
Years ended December 31	***2012***	*2011*	*2010*	***2012***	*2011*	*2010*
Government	**$ 5,989**	$ 5,358	$ 5,049	**$ 965**	$ 616	$ 534
Enterprise	**2,709**	2,845	2,568	**291**	242	217
	8,698	8,203	7,617			
Operating earnings				**1,256**	858	751
Total other expense				**(41)**	(120)	(87)
Earnings from continuing operations before income taxes				**$ 1,215**	$ 738	$ 664

	Assets			*Capital Expenditures*			*Depreciation Expense*		
Years ended December 31	***2012***	*2011*	*2010*	***2012***	*2011*	*2010*	***2012***	*2011*	*2010*
Government	**$ 3,095**	$ 2,892	$ 3,424	**$ 132**	$ 159	$ 172	**$ 143**	$ 128	$ 110
Enterprise	**2,552**	2,264	2,724	**55**	27	20	**36**	37	40
	5,647	5,156	6,148	**187**	186	192	**179**	165	150
Other	**7,032**	8,773	11,649						
	12,679	13,929	17,797						
Discontinued operations	**—**	—	7,780						
	$ 12,679	$ 13,929	$ 25,577						

Assets in Other include primarily cash and cash equivalents, Sigma Fund, deferred income taxes, short-term investments, property, plant and equipment, investments, and the administrative headquarters of the Company.

Geographic area information

	Net Sales			Assets			Property, Plant, and Equipment, net		
Years ended December 31	***2012***	*2011*	*2010*	***2012***	*2011*	*2010*	***2012***	*2011*	*2010*
United States	**$ 4,807**	$ 4,417	$ 4,161	**$ 8,743**	$ 8,888	$ 10,501	**$ 505**	$ 504	$ 484
China	**344**	322	307	**570**	860	1,823	**13**	14	9
United Kingdom	**263**	270	257	**1,393**	584	850	**19**	21	23
Israel	**119**	127	112	**823**	1,128	1,366	**22**	26	40
Malaysia	**92**	91	50	**448**	331	369	**54**	44	42
Japan	**88**	97	99	**127**	553	724	**5**	60	61
Denmark	**44**	46	46	**90**	93	101	**52**	62	72
Other, net of eliminations	**2,941**	2,966	2,734	**485**	1,492	2,063	**169**	165	191
	$ 8,698	$ 8,203	$ 7,617	**$ 12,679**	$ 13,929	$ 17,797	**$ 839**	$ 896	$ 922

Net sales are attributed to countries based on the shipping location of the ultimate destination with the exception of sales to the U.S. federal government. Sales to the U.S. federal government are included within the United States regardless of shipping location. For 2010 and 2011 certain sales have been reclassified between countries to conform to the current year's presentation, which primarily includes; (i) sales from the United Kingdom to "Other, net of eliminations" and (ii) sales from Israel to "Other, net of eliminations."

13. Reorganization of Businesses

The Company maintains a formal Involuntary Severance Plan (the “Severance Plan”), which permits the Company to offer eligible employees severance benefits based on years of service and employment grade level in the event that employment is involuntarily terminated as a result of a reduction-in-force or restructuring. The Company recognizes termination benefits based on formulas per the Severance Plan at the point in time that future settlement is probable and can be reasonably estimated based on estimates prepared at the time a restructuring plan is approved by management. Exit costs consist of future minimum lease payments on vacated facilities and other contractual terminations. At each reporting date, the Company evaluates its accruals for employee separation and exit costs to ensure the accruals are still appropriate. In certain circumstances, accruals are no longer needed because of efficiencies in carrying out the plans or because employees previously identified for separation resigned from the Company and did not receive severance, or were redeployed due to circumstances not foreseen when the original plans were approved. In these cases, the Company reverses accruals through the consolidated statements of operations where the original charges were recorded when it is determined they are no longer needed.

2012 Charges

During 2012 , the Company continued to implement various productivity improvement plans aimed at achieving long-term, sustainable profitability by driving efficiencies and reducing operating costs. Both of the Company’s segments were impacted by these plans. The employees affected were located in all geographic regions.

During 2012 , the Company recorded net reorganization of business charges of $50 million , including $9 million of charges in Costs of sales and $41 million of charges under Other charges in the Company’s consolidated statements of operations. Included in the aggregate $50 million are charges of $54 million for employee separation costs, and $7 million for building impairment, partially offset by $11 million of reversals for accruals no longer needed.

The following table displays the net charges incurred by segment:

Year ended December 31,	***2012***
Government	**$ 33**
Enterprise	**17**
	$ 50

The following table displays a rollforward of the reorganization of businesses accruals established for exit costs and employee separation costs from January 1, 2012 to December 31, 2012 :

	Accruals at January 1, 2012	*Additional Charges*	*Adjustments*	*Amount Used*	*Accruals at December 31, 2012*
Exit costs	$ 14	$ —	$ 1	$ (11)	$ 4
Employee separation costs	30	54	(9)	(44)	31
	$ 44	$ 54	$ (8)	$ (55)	$ 35

Exit Costs

At January 1, 2012 , the Company had an accrual of $14 million for exit costs attributable to lease terminations. There were no additional charges in 2012. The net adjustments of $1 million reflect $2 million of reversals of accruals no longer needed, offset by $3 million of other adjustments. The $11 million used in 2012 reflects cash payments. The remaining accrual of $4 million , which is included in Accrued liabilities in the Company's consolidated balance sheets at December 31, 2012 , primarily represents future cash payments for lease termination obligations that are expected to be paid over a number of years.

Employee Separation Costs

At January 1, 2012 , the Company had an accrual of $30 million for employee separation costs, representing the severance costs for: (i) severed employees who began receiving payments in 2011 , and (ii) approximately 700 employees who began receiving payments in 2012 . The 2012 additional charges of $54 million represent severance costs for approximately an additional 1,000 employees, of which 300 were direct employees and 700 were indirect employees. The adjustments of $9 million reflect reversals of accruals no longer needed.

During 2012 , approximately 1,000 employees, of which 700 were indirect employees and 300 were direct employees, were separated from the Company. The $44 million used in 2012 reflects cash payments to separated employees. The remaining accrual of $31 million , which is included in Accrued liabilities in the Company's consolidated balance sheet at December 31, 2012 , is expected to be paid, generally, within one year to: (i) severed employees who have already begun to receive payments, and (ii) approximately 700 employees to be separated in 2013 .

2011 Charges

During 2011 , the Company continued to implement various productivity improvement plans aimed at achieving long-term, sustainable profitability by driving efficiencies and reducing operating costs. Both of the Company's segments were impacted by these plans. The employees affected were located in all geographic regions.

During 2011 , the Company recorded net reorganization of business charges of $58 million , including $6 million of charges in Costs of sales and $52 million of charges under Other charges in the Company's consolidated statements of operations. Included in the aggregate $58 million are charges of $41 million for employee separation costs and $19 million for exit costs, partially offset by $2 million of reversals for accruals no longer needed.

The following table displays the net charges incurred by segment:

Year ended December 31,	*2011*
Government	$ 40
Enterprise	18
	$ 58

The following table displays a rollforward of the reorganization of businesses accruals established for exit costs and employee separation costs from January 1, 2011 to December 31, 2011 :

2011	*Accruals at January 1*	*Additional Charges*	*Adjustments*	*Amount Used*	*Accruals at December 31*
Exit costs	$ 17	$ 19	$ 1	$ (23)	$ 14
Employee separation costs	50	41	(3)	(58)	30
	$ 67	$ 60	$ (2)	$ (81)	$ 44

Exit Costs

At January 1, 2011 , the Company had an accrual of $ 17 million for exit costs attributable to lease terminations. The additional 2011 charges of $19 million are primarily related to the exit of leased facilities and contractual termination costs. The $23 million used in 2011 reflects cash payments. The remaining accrual of $14 million , which was included in Accrued liabilities in the Company's consolidated balance sheet at December 31, 2011 , represents future cash payments, primarily for lease termination obligations.

Employee Separation Costs

At January 1, 2011 , the Company had an accrual of $50 million for employee separation costs, representing the severance costs for approximately 1,000 employees. The additional 2011 charges of $41 million represent severance costs for approximately an additional 900 employees, of which 300 are direct employees and 600 are indirect employees. The adjustments of $3 million reflect accruals no longer required.

During 2011 , approximately 1,300 employees, of which 800 were direct employees and 500 were indirect employees, were separated from the Company. The $58 million used in 2011 reflects cash payments to these separated employees. The remaining accrual of $30 million was included in Accrued liabilities in the Company's consolidated balance sheet at December 31, 2011 .

2010 Charges

During 2010 , the Company continued to implement various productivity improvement plans aimed at achieving long-term, sustainable profitability by driving efficiencies and reducing operating costs. Both of the Company's segments were impacted by these plans. The employees affected were located in all geographic regions.

The Company recorded net reorganization of business charges of $73 million , including $19 million of charges in Costs of sales and $54 million of charges under Other charges in the Company's consolidated statements of operations. Included in the aggregate $73 million are charges of $73 million for employee separation costs and $16 million for exit costs, partially offset by $16 million of reversals for accruals no longer needed.

The following table displays the net charges incurred by segment:

Year ended December 31,	*2010*
Government	$ 57
Enterprise	16
	$ 73

The following table displays a rollforward of the reorganization of businesses accruals established for exit costs and employee separation costs from January 1, 2010 to December 31, 2010 :

2010	*Accruals at January 1*	*Additional Charges*	*Adjustments*	*Amount Used*	*Accruals at December 31*
Exit costs	$ 16	$ 16	$ (3)	$ (12)	$ 17
Employee separation costs	31	73	(13)	(41)	50
	$ 47	$ 89	$ (16)	$ (53)	$ 67

Exit Costs

At January 1, 2010 , the Company had an accrual of $16 million for exit costs attributable to lease terminations. The 2010 additional charges of $16 million were primarily related to the exit of leased facilities and contractual termination costs. The adjustments of $3 million reflect reversals of accruals no longer needed. The $12 million used in 2010 reflected cash payments. The remaining accrual of $17 million , which was included in Accrued liabilities in the Company's consolidated balance sheets at December 31, 2010 , represented future cash payments, primarily for lease termination obligations.

Employee Separation Costs

At January 1, 2010 , the Company had an accrual of $31 million for employee separation costs, representing the severance costs for approximately 1,400 employees. The additional 2010 charges of $73 million were severance costs for approximately an additional 1,600 employees, of which 800 were direct employees and 800 were indirect employees. The adjustments of $13 million reflect accruals no longer required.

During 2010 , approximately 1,000 employees, of which 700 were direct employees and 300 were indirect employees, were separated from the Company. The $41 million used in 2010 reflected cash payments to these separated employees. The remaining accrual of $50 million was included in Accrued liabilities in the Company's consolidated balance sheet at December 31, 2010 .

14. Intangible Assets and Goodwill

The Company accounts for acquisitions using purchase accounting with the results of operations for each acquiree included in the Company's consolidated financial statements for the period subsequent to the date of acquisition. The pro forma effects of the acquisitions completed in 2012, 2011, and 2010 were not significant individually or in the aggregate. The Company did not have any significant acquisitions during the years ended December 31, 2012 , 2011 and 2010 .

Intangible Assets

Amortized intangible assets were comprised of the following:

	2012		2011	
December 31,	***Gross Carrying Amount***	***Accumulated Amortization***	*Gross Carrying Amount*	*Accumulated Amortization*
Intangible assets:				
Completed technology	**$ 657**	**$ 632**	$ 635	$ 627
Patents	**276**	**276**	276	276
Customer-related	**201**	**125**	137	103
Licensed technology	**23**	**19**	23	18
Other intangibles	**94**	**90**	91	90
	$ 1,251	**$ 1,142**	$ 1,162	$ 1,114

Amortization expense on intangible assets, which is included within Other charges in the consolidated statements of operations, was $29 million , $200 million and $203 million for the years ended December 31, 2012 , 2011 and 2010 , respectively. The reduction in intangible amortization in 2012 is due to certain intangible assets that have fully amortized. As of December 31, 2012 , future amortization expense is estimated to be $25 million in 2013 , $23 million in 2014 , $18 million in 2015 , $18 million in 2016 and $15 million in 2017 .

Amortized intangible assets, excluding goodwill, by segment are as follows:

	2012		*2011*	
December 31,	***Gross Carrying Amount***	***Accumulated Amortization***	*Gross Carrying Amount*	*Accumulated Amortization*
Government	**$ 53**	**$ 48**	$ 53	$ 48
Enterprise	**1,198**	**1,094**	1,109	1,066
	$ 1,251	**$ 1,142**	$ 1,162	$ 1,114

Goodwill

The following table displays a rollforward of the carrying amount of goodwill by segment from January 1, 2010 to December 31, 2012 :

	Government	*Enterprise*	*Total Company*
Balances as of January 1, 2010:			
Aggregate goodwill acquired	$ 350	$ 2,643	$ 2,993
Accumulated impairment losses	—	(1,564)	(1,564)
Goodwill, net of impairment losses	350	1,079	1,429
Balance as of December 31, 2010:			
Aggregate goodwill acquired	350	2,643	2,993
Accumulated impairment losses	—	(1,564)	(1,564)
Goodwill, net of impairment losses	350	1,079	1,429
Goodwill acquired	—	20	20
Goodwill divested	—	(21)	(21)
Balance as of December 31, 2011:			
Aggregate goodwill acquired/divested	350	2,642	2,992
Accumulated impairment losses	—	(1,564)	(1,564)
Goodwill, net of impairment losses	350	1,078	1,428
Goodwill acquired	—	83	83
Goodwill divested	(1)	—	(1)
Balance as of December 31, 2012:			
Aggregate goodwill acquired/divested	349	2,725	3,074
Accumulated impairment losses	—	(1,564)	(1,564)
Goodwill, net of impairment losses	$ 349	$ 1,161	$ 1,510

The Company conducts its annual assessment of goodwill for impairment in the fourth quarter of each year. The goodwill impairment assessment is performed at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment. The Company has determined that the Government segment and Enterprise segment each meet the definition of a reporting unit.

The Company performed a qualitative assessment to determine whether it was more-likely-than-not that the fair value of each reporting unit was less than its carrying amount for fiscal year 2012 and fiscal year 2011. In performing this qualitative assessment the Company assessed relevant events and circumstances including macroeconomic conditions, industry and market conditions, cost factors, overall financial performance, changes in share price, and entity-specific events. In addition, the Company considered the fair value derived for each reporting unit in conjunction with the 2010 goodwill impairment test. The Company compared this prior fair value against the current carrying value of each reporting unit noting fair value significantly exceeded carrying value for both reporting units. The Company performed a sensitivity analysis on the fair value determined for each reporting unit in conjunction with the 2010 goodwill impairment test for changes in significant assumptions including the weighted average cost of capital used in the income approach and changes in expected cash flows. For fiscal 2012, these changes in assumptions and estimated cash flows resulted in an increase in fair value for the Government reporting unit and a slight decrease in fair value for the Enterprise reporting unit. In spite of this small decrease in estimated fair value of the Enterprise reporting unit, the reporting unit's fair value significantly exceeds its carrying value. For fiscal year 2011, these changes in assumptions and estimated cash flows resulted in an increase in fair value for each reporting unit from the 2010 fair values. As such, the Company concluded it is more-likely-than-not that the fair value of each reporting unit exceeds its carrying value. Therefore, the two-step goodwill impairment test was not required for fiscal 2012 or fiscal 2011.

2010

The goodwill impairment test for fiscal 2010 was performed using the two step goodwill impairment analysis. In step one, the fair value of each reporting unit is compared to its book value. Management must apply judgment in determining the estimated fair value of these reporting units. Fair value is determined using a combination of present value techniques and quoted market prices of comparable businesses. If the fair value of the reporting unit exceeds its book value, goodwill is not deemed to be impaired for that reporting unit, and no further testing would be necessary. If the fair value of the reporting unit is less than its book value, the Company performs step two. Step two uses the calculated fair value of the reporting unit to

perform a hypothetical purchase price allocation to the fair value of the assets and liabilities of the reporting unit. The difference between the fair value of the reporting unit calculated in Step One and the fair value of the underlying assets and liabilities of the reporting unit is the implied fair value of the reporting unit's goodwill. A charge is recorded in the financial statements if the carrying value of the reporting unit's goodwill is greater than its implied fair value.

The Company weighted the valuation of its reporting units at 75% based on the income approach and 25% based on the market-based approach consistent with prior periods. The Company believes that this weighting is appropriate because it is often difficult to find other appropriate market participants that are similar to its reporting units, and it is the Company's view that future discounted cash flows are more reflective of the value of the reporting units.

Based on the results of the 2010 annual assessment of the recoverability of goodwill, the fair values of both reporting units exceeded their book values, indicating that there was no impairment of goodwill.

15. Valuation and Qualifying Accounts

The following table presents the valuation and qualifying account activity for the years ended December 31, 2012 , 2011 and 2010 :

	Balance at January 1	*Charged to Earnings*	*Used*	*Adjustments**	*Balance at December 31*
2012					
Allowance for Doubtful Accounts**	$ 45	$ 8	$ (4)	$ 2	$ 51
Allowance for Losses on Long-term Receivables**	10	—	—	(10)	—
Inventory Reserves	170	67	(73)	(1)	163
Customer Reserves	125	456	(416)	(21)	144
2011					
Allowance for Doubtful Accounts	49	7	(4)	(7)	45
Allowance for Losses on Long-term Receivables	1	10	(1)	—	10
Inventory Reserves	157	37	(30)	6	170
Customer Reserves	117	580	(565)	(7)	125
2010					
Allowance for Doubtful Accounts	16	41	(2)	(6)	49
Allowance for Losses on Long-term Receivables	7	—	(6)	—	1
Inventory Reserves	140	67	(34)	(16)	157
Customer Reserves	97	427	(374)	(33)	117

**Adjustments include translation adjustments*

*** During 2012, the adjustment of $10 million within Allowance for Losses on Long-term Receivables relates to a reclass from non-current to current.*

16. Quarterly and Other Financial Data (unaudited)

	2012				2011			
	1st	***2nd***	***3rd***	***4th***	*1st*	*2nd*	*3rd*	*4th*
Operating Results								
Net sales	**$ 1,956**	**$ 2,148**	**$ 2,153**	**$ 2,441**	$ 1,834	$ 1,984	$ 2,085	$ 2,300
Costs of sales	**983**	**1,088**	**1,066**	**1,212**	910	977	1,030	1,140
Gross margin	**973**	**1,060**	**1,087**	**1,229**	924	1,007	1,055	1,160
Selling, general and administrative expenses	**472**	**496**	**485**	**510**	461	482	471	498
Research and development expenditures	**254**	**269**	**262**	**290**	239	260	270	266
Other charges	**15**	**17**	**16**	**6**	55	106	60	120
Operating earnings	**232**	**278**	**324**	**423**	169	159	254	276
Earnings from continuing operations*	**159**	**177**	**206**	**336**	367	50	153	177
Net earnings*	**157**	**182**	**206**	**336**	497	349	128	184
Per Share Data (in dollars)								
Continuing Operations:								
Basic earnings per common share	**$ 0.51**	**$ 0.61**	**$ 0.73**	**$ 1.20**	$ 1.09	$ 0.15	$ 0.46	$ 0.55
Diluted earnings per common share	**0.50**	**0.60**	**0.72**	**1.18**	1.07	0.14	0.45	0.54
Net Earnings:								
Basic earnings per common share	**0.50**	**0.63**	**0.73**	**1.20**	1.47	1.02	0.38	0.57
Diluted earnings per common share	**0.49**	**0.61**	**0.72**	**1.18**	1.44	1.00	0.38	0.56
Dividends declared	**0.22**	**0.22**	**0.26**	**0.26**	—	—	0.22	0.22
Dividends paid	**0.22**	**0.22**	**0.22**	**0.26**	—	—	—	0.22
Stock prices								
High	**51.76**	**51.46**	**51.79**	**55.68**	44.69	47.87	46.37	47.41
Low	**44.94**	**46.73**	**45.18**	**49.77**	37.04	43.42	38.71	40.62

** Amounts attributable to Motorola Solutions, Inc. common shareholders.*

Item 9: Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A: Controls and Procedures

Evaluation of Disclosure Controls and Procedures.

Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this annual report (the "Evaluation Date"). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to Motorola Solutions, including our consolidated subsidiaries, required to be disclosed in our Securities and Exchange Commission ("SEC") reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to Motorola Solutions' management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting.

Motorola Solutions' management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rule 13a-15(f) of the Exchange Act. Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we assessed the effectiveness of our internal control over financial reporting as of December 31, 2012 , using the criteria set forth in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that our internal control over financial reporting is effective as of December 31, 2012 . The Company's independent registered public accounting firm, KPMG LLP, has issued a report on the Company's internal control over financial reporting. The report on the audit of internal control over financial reporting appears in this Form 10-K.

Changes in Internal Control Over Financial Reporting.

There have been no changes in our internal control over financial reporting that occurred during the year ended December 31, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We are in the process of a multi-year phased upgrade and consolidation of our enterprise resource planning ("ERP") systems into a single global platform across our business. The first phase was successfully implemented during the third quarter of 2012 with no significant changes to our internal controls over financial reporting.

Continuing to implement the remaining phased approaches of our ERP system on a widespread basis involves significant changes in business processes and extensive organizational training. A phased approach reduces the risks associated with making these changes. We believe we are taking the necessary steps to monitor and maintain appropriate internal controls during these transition periods. Such steps include deploying resources to mitigate internal control risks and performing additional verifications and testing to ensure data integrity. In connection with the continued implementation of our global ERP system, we expect there will be certain redesigns of our business processes throughout the implementation, some of which may be related to internal control over financial reporting and disclosure controls and procedures.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Motorola Solutions, Inc.:

We have audited Motorola Solutions, Inc.'s internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Motorola Solutions, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting in Item 9A: Controls and Procedures.
Our responsibility is to express an opinion on Motorola Solutions Inc.'s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Motorola Solutions, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Motorola Solutions, Inc. and Subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2012, and our report dated February 12, 2013 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Chicago, Illinois
February 12, 2013

Item 9B: Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The response to this Item required by Item 401 of Regulation S-K, with respect to directors, incorporates by reference the information under the caption “Nominees” of Motorola Solutions’ Proxy Statement for the 2013 Annual Meeting of Stockholders (the “Proxy Statement”) and, with respect to executive officers, is contained in Part I hereof under the caption “Executive Officers of the Registrant” and, with respect to the audit committee, incorporates by reference the information under the caption “Board of Director Matters - What Are the Committees of the Board?” and “Audit Committee Matters - Report of Audit Committee” of the Proxy Statement.

The response to this Item required by Item 405 of Regulation S-K incorporates by reference the information under the caption “Other Matters—Section 16(a) Beneficial Ownership Reporting Compliance” of the Proxy Statement.

The response to this Item also incorporates by reference the information under the caption “Communications—How Can I Recommend a Director Candidate to the Governance and Nominating Committee?” of the Proxy Statement.

Motorola Solutions has adopted a code of ethics, the Motorola Solutions Code of Business Conduct (the “Code”), that applies to all employees, including the Company’s principal executive officer, principal financial officer and controller (principal accounting officer). The Code is posted on Motorola Solutions’ Internet website, www.motorolasolutions.com/investor, and is available free of charge, upon request to Investor Relations, Motorola Solutions, Inc., Corporate Offices, 1303 East Algonquin Road, Schaumburg, Illinois 60196, E-mail: investors@motorolasolutions.com. Any amendment to, or waiver from, the Code applicable to executive officers will be posted on our Internet website within four business days following the date of the amendment or waiver. Motorola Solutions’ Code of Business Conduct applies to all of the Company’s employees worldwide, without exception, and describes employee responsibilities to the various stakeholders involved in our business. The Code goes beyond the legal minimums by implementing the values we share as employees of Motorola Solutions—our key beliefs—uncompromising integrity and constant respect for people. The Code places special responsibility on managers and prohibits retaliation for reporting issues.

Item 11: Executive Compensation

The response to this Item incorporates by reference the information under the captions "Board of Director Matters - How Are the Directors Compensated?,” "Compensation Discussion and Analysis," "Compensation and Leadership Committee Report,” "Compensation and Leadership Committee Interlocks and Insider Participation," and under “Named Executive Officer Compensation," the following subsections: "2012 Summary Compensation Table,” "Grants of Plan-Based Awards in 2012," “Outstanding Equity Awards at 2012 Fiscal Year-End,” “Option Exercises and Stock Vested in 2012,” "Nonqualified Deferred Compensation in 2012,” "Retirement Plans," "Pension Benefits in 2012," "Employment Contracts," and "Termination of Employment and Change in Control Arrangements," of the Proxy Statement.

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The response to this Item incorporates by reference the information under the captions “Equity Compensation Plan Information” and “Ownership of Securities” of the Proxy Statement.

Item 13: Certain Relationships and Related Transactions, and Director Independence

The response to this Item incorporates by reference the relevant information under the caption “Board of Directors Matters - Related Person Transaction Policy and Procedures” and “Corporate Governance Matters - Which Directors Are Independent” of the Proxy Statement.

Item 14: Principal Accounting Fees and Services

The response to this Item incorporates by reference the information under the caption “Audit Committee Matters - Independent Registered Public Accounting Firm Fees” and “Audit Committee Matters - Audit Committee Pre-Approval Policies” of the Proxy Statement.

PART IV

Item 15: Exhibits, Financial Statement Schedules

(a) 1. Financial Statements

See Part II, Item 8 hereof.

2. Financial Statement Schedule and Independent Auditors' Report

All schedules omitted are inapplicable or the information required is shown in the consolidated financial statements or notes thereto.

3. Exhibits

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Exhibit Index attached hereto, which is incorporated herein by this reference. Exhibit numbers 10.10 through 10.70, listed in the attached Exhibit Index, are management contracts or compensatory plans or arrangements required to be filed as exhibits to this form by Item 15(b) hereof.

(b) Exhibits:

See Item 15(a)3 above.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Motorola Solutions, Inc.:

We consent to the incorporation by reference in the registration statements on Form S-8 (Nos. 033-59285, 333-51847, 333-88735, 333-36308, 333-37114, 333-53120, 333-60560, 333-60612, 333-60976, 333-87724, 333-87728, 333-87730, 333-104259, 333-105107, 333-123879, 333-133736, 333-142845, 333-155334 and 333-160137) and S-3 (Nos. 333-181223, 333-76637 and 333-36320) of Motorola Solutions, Inc. of our reports dated February 12, 2013, with respect to the consolidated balance sheets of Motorola Solutions, Inc. and Subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2012, and the effectiveness of internal control over financial reporting as of December 31, 2012, which reports appear in the December 31, 2012 annual report on Form 10-K of Motorola Solutions, Inc.

KPMG LLP

Chicago, Illinois
February 12, 2013

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Motorola Solutions, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MOTOROLA SOLUTIONS, INC.

By: /S/ GREGORY Q. BROWN
Gregory Q. Brown
Chairman and Chief Executive Officer

February 12, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Motorola Solutions, Inc. and in the capacities and on the dates indicated.

Signature	*Title*	*Date*
/S/ GREGORY Q. BROWN Gregory Q. Brown	Chairman and Chief Executive Officer and Director (Principal Executive Officer)	February 12, 2013
/S/ EDWARD J. FITZPATRICK Edward J. Fitzpatrick	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 12, 2013
/S/ JOHN K. WOZNIAK John K. Wozniak	Corporate Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 12, 2013
/S/ WILLIAM J. BRATTON William J. Bratton	Director	February 12, 2013
/S/ KENNETH C. DAHLBERG Kenneth C. Dahlberg	Director	February 12, 2013
/S/ DAVID W. DORMAN David W. Dorman	Director	February 12, 2013
/S/ MICHAEL V. HAYDEN Michael V. Hayden	Director	February 12, 2013
/S/ JUDY C. LEWENT Judy C. Lewent	Director	February 12, 2013
/S/ ANNE R. PRAMAGGIORE Anne R. Pramaggiore	Director	February 12, 2013
/S/ SAMUEL C. SCOTT III Samuel C. Scott III	Director	February 12, 2013
/S/ BRADLEY E. SINGER Bradley E. Singer	Director	February 12, 2013
/S/ DR. JOHN A. WHITE Dr. John A. White	Director	February 12, 2013

EXHIBIT INDEX

2.1 (a)	Master Acquisition Agreement dated as of July 16, 2010, by and between Motorola Solutions, Inc. (formerly Motorola, Inc.) and Nokia Siemens Networks B.V (incorporated by reference to Exhibit 2.1 to Motorola Solutions' Current Report on Form 8-K filed on July 19, 2010 (File No. 1-7221)).
2.1 (b)	Amendment No. 1 dated as of April 12, 2011 to the Master Acquisition Agreement dated as of July 16, 2010, by and between Motorola Solutions, Inc. (formerly Motorola, Inc.) and Nokia Siemens Networks B.V (incorporated by reference to Exhibit 2.1(b) to Motorola Solutions' Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2011 (File No. 1-7221)).
3.1 (a)	Restated Certificate of Incorporation of Motorola, Inc., as amended through May 5, 2009 (incorporated by reference to Exhibit 3(i)(b) to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 4, 2009 (File No. 1-7221)).
3.1 (b)	Certificate of Amendment to the Restated Certificate of Incorporation of Motorola, Inc., effective January 4, 2011, as filed with the Secretary of State of the State of Delaware (incorporated by reference to Exhibit 3.1 to Motorola Solutions' Current Report on Form 8-K filed on January 10, 2011 (File No. 1-7221)).
3.1 (c)	Certificate of Ownership and Merger merging Motorola Name Change Corporation into Motorola, Inc., effective January 4, 2011, as filed with the Secretary of State of the State of Delaware (incorporated by reference to Exhibit 3.2 to Motorola Solutions' Current Report on Form 8-K filed on January 10, 2011 (File No. 1-7221)).
3.2	Motorola Solutions, Inc. Amended and Restated Bylaws as of January 17, 2013 (incorporated by reference to Exhibit 3.1 to Motorola, Inc.'s Current Report on Form 8-K filed on January 17, 2013 (File No. 1-7221)).
4.1 (a)	Senior Indenture, dated as of May 1, 1995, between The Bank of New York Mellon Trust Company, N.A. (as successor Trustee to JPMorgan Chase Bank (as successor in interest to Bank One Trust Company) and BNY Midwest Trust Company (as successor in interest to Harris Trust and Savings Bank) and Motorola, Inc. (incorporated by reference to Exhibit 4(d) of the Registrant's Registration Statement on Form S-3 dated September 25, 1995 (Registration No. 33-62911)).
4.1 (b)	Instrument of Resignation, Appointment and Acceptance, dated as of January 22, 2001, among Motorola, Inc., Bank One Trust Company, N.A. and BNY Midwest Trust Company (as successor in interest to Harris Trust and Savings Bank) (incorporated by reference to Exhibit 4.2(b) to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (File No. 1-7221)).
	Certain instruments defining the rights of holders of long-term debt of Motorola, Inc. and of all its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed are being omitted pursuant to paragraph(4)(iii)(A) of Item 601 of Regulation S-K. Motorola Solutions agrees to furnish a copy of any such instrument to the Commission upon request.
10.1	Amended and Restated Master Separation and Distribution Agreement among Motorola Mobility Holdings, Inc. (f/k/a Motorola SpinCo Holdings Corporation), Motorola Mobility, Inc. and Motorola, Inc. effective as of July 31, 2010 (incorporated by reference to Exhibit 2.1 to Amendment No. 1 to the Form 10 Registration Statement filed on August 31, 2010 by Motorola Mobility Holdings, Inc. (formerly Motorola SpinCo Holdings Corporation) (File No. 1-34805)).
10.2	Amended and Restated Intellectual Property License Agreement between Motorola Mobility, Inc. and Motorola, Inc. effective as of July 31, 2010 (incorporated by reference to Exhibit 10.2 to Amendment No. 1 to the Form 10 Registration Statement filed on August 31, 2010 by Motorola Mobility Holdings, Inc. (formerly Motorola SpinCo Holdings Corporation (File No. 1-34805)).
10.3	Amended and Restated Exclusive License Agreement between Motorola Trademark Holdings, LLC and Motorola, Inc. effective as of July 30, 2010 (incorporated by reference to Exhibit 10.3 to Amendment No. 3 to the Form 10 Registration Statement filed on November 12, 2010 by Motorola Mobility Holdings, Inc. (File No. 1-34805)).
10.4	Tax Sharing Agreement among Motorola Mobility Holdings, Inc. (f/k/a Motorola SpinCo Holdings Corporation), Motorola Mobility, Inc. and Motorola, Inc. effective as of July 31, 2010 (incorporated by reference to Exhibit 10.4 to Amendment No. 1 to the Form 10 Registration Statement filed on August 31, 2010 by Motorola Mobility Holdings, Inc. (formerly Motorola SpinCo Holdings Corporation) (File No. 1-34805)).
10.5	Amended and Restated Employee Matters Agreement among Motorola Mobility Holdings, Inc. (f/k/a Motorola SpinCo Holdings Corporation), Motorola Mobility, Inc. and Motorola, Inc. effective as of July 31, 2010 (incorporated by reference to Exhibit 10.7 to Amendment No. 2 to the Form 10 Registration Statement filed on October 8, 2010 by Motorola Mobility Holdings, Inc. (formerly Motorola SpinCo Holdings Corporation (File No. 1-34805)).
10.6	Stock Purchase Agreement, dated as of February 26, 2012, by and between Motorola Solutions, Inc. and Carl C. Icahn and certain of his affiliates (incorporated by reference to Exhibit 10.1 to Motorola Solutions' Current Report on Form 8-K filed on February 27, 2012 (File No. 1-7221)).

10.7 Motorola Solutions Omnibus Incentive Plan of 2006, as amended and restated November 8, 2011 (incorporated by reference to Exhibit 10.10 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (File No. 1-34805)).

10.8 Form of Motorola Solutions Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants on or after January 4, 2011 (incorporated by reference to Exhibit 10.11 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-34805)).

10.9 Form of Motorola, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants from August 1, 2009 to January 3, 2011 (incorporated by reference to Exhibit 10.1 to Motorola Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 4, 2009 (File No. 1-7221)).

10.10 Form of Motorola, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants from May 6, 2008 to August 1, 2009 (incorporated by reference to Exhibit 10.54 to Motorola Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2008 (File No. 1-7221)).

10.11 Form of Motorola, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants from February 11, 2007 to May 4, 2008 (incorporated by reference to Exhibit 10.37 to Motorola Inc.'s Current Report on Form 8-K filed on February 15, 2007 (File No. 1-7221)).

10.12 Form of Motorola Solutions Stock Option Consideration Agreement for grants on or after January 4, 2011 (incorporated by reference to Exhibit 10.15 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-34805)).

10.13 Form of Motorola, Inc. Stock Option Consideration Agreement for grants from May 6, 2008 to January 3, 2011 (incorporated by reference to Exhibit 10.56 to Motorola Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2008 (File No. 1-7221)).

10.14 Form of Motorola, Inc. Stock Option Consideration Agreement for grants from February 27, 2007 to May 5, 2008 (incorporated by reference to Exhibit 10.4 to Motorola Inc.'s Annual Report on
Form 10-K for the fiscal year ended December 31, 2006 (File No. 1-27221)).

10.15 Form of Motorola Solutions, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants to Appointed Vice Presidents and Elected Officers on or after January 4, 2011 (incorporated by reference to Exhibit 10.18 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-34805)).

10.16 Form of Motorola, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants to Appointed Vice Presidents and Elected Officers, for grants from May 5, 2010 to January 3, 2011 (incorporated by reference to Exhibit 10.2 to Motorola Inc's Quarterly Report on Form 10-Q for the fiscal quarter ended April 3, 2010 (File No. 1-27221)).

10.17 Form of Motorola, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants to Appointed Vice Presidents and Elected Officers from August 1, 2009 to May 4, 2010 (incorporated by reference to Exhibit 10.2 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 4, 2009 (File No. 1-7221)).

10.18 Form of Motorola, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants to Appointed Vice Presidents and Elected Officers from January 1, 2009 to July 31, 2009 (incorporated by reference to Exhibit No. 10.4 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (File No. 1-7221)).

10.19 Form of Motorola, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants to Appointed Vice Presidents and Elected Officers from May 6, 2008 to January 1, 2009 (incorporated by reference to Exhibit 10.55 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2008 (File No. 1-7221)).

10.20 Form of Motorola, Inc. Restricted Stock Unit Agreement relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants from February 27, 2007 to May 5, 2008 (incorporated by reference to Exhibit 10.3 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2006 (File No. 1-27221)).

10.21 Motorola Solutions, Inc. Amended Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options and Addendum A Motorola Solutions, Inc. Award Document-Terms and Conditions Related to Employee Stock Appreciation Rights, relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for a grant on February 22, 2011 to Gregory Q. Brown. (incorporated by reference to Motorola Solutions' Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2011 (File No. 1-27221)).

10.22 Form of Motorola Solutions Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options for Gregory Q. Brown, relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grant on February 1, 2011 pursuant to the terms of the Employment Agreement dated August 27, 2008, as amended, by and between Motorola, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit 10.24 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-34805)).

10.23 Form of Motorola Solutions Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options for Gregory Q. Brown, relating to the Motorola Solutions Omnibus Incentive Plan of 2006 for grants on or after January 4, 2011 (incorporated by reference to Exhibit 10.25 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-34805)).

10.24 Form of Motorola, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options for Gregory Q. Brown, relating to the Motorola Omnibus Incentive Plan of 2006 for grants from May 7, 2009 to January 3, 2011 (incorporated by reference to Exhibit 10.13 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2009 (File No. 1-7221)).

10.25 Form of Motorola Solutions Stock Option Consideration Agreement for Gregory Q. Brown for grants on or after January 4, 2011 under the Motorola Solutions Omnibus Incentive Plan of 2006 (incorporated by reference to Exhibit 10.27 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010)(File No. 1-34805)).

10.26 Form of Motorola, Inc. Stock Option Consideration Agreement for Gregory Q. Brown for grants from May 7, 2009 to January 3, 2011 under the Motorola Solutions Omnibus Incentive Plan of 2006 (incorporated by reference to Exhibit 10.14 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2009 (File No. 1-7221)).

10.27 Motorola, Inc. Award Document for the Motorola Solutions Omnibus Incentive Plan of 2006, Terms and Conditions Related to Employee Nonqualified Stock Options granted to Gregory Q. Brown on January 31, 2008 (Market-based vesting) (incorporated by reference to Exhibit 10.9 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2007 (File No. 1-7221)).

10.28 Form of Motorola, Inc. Stock Option Consideration Agreement for Gregory Q. Brown for grants from January 31, 2008 to May 6, 2009 under the Motorola Solutions Omnibus Incentive Plan of 2006 (incorporated by reference to Exhibit 10.10 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2007 (File No. 1-7221)).

10.29 Form of Motorola Solutions, Inc. Restricted Stock Award Agreement for Gregory Q. Brown under the Motorola Solutions Omnibus Incentive Plan of 2006 for grant on February 1, 2011 pursuant to the terms of the Employment Agreement dated August 27, 2008, as amended, by and between Motorola, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit 10.31 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-34805)).

10.30 Form of Motorola Solutions, Inc. Restricted Stock Unit Award Agreement for Gregory Q. Brown under the Motorola Solutions Omnibus Incentive Plan of 2006 for grants on or after January 4, 2011 (incorporated by reference to Exhibit 10.32 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-34805)).

10.31 Form of Motorola, Inc. Restricted Stock Unit Award Agreement for Gregory Q. Brown relating to the Motorola Omnibus Incentive Plan of 2006, for grants from May 7, 2009 to January 3, 2011 (incorporated by reference to Exhibit 10.15 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2009 (File No. 1-7221)).

10.32 Form of Motorola, Inc. Restricted Stock Unit Award Agreement for Gregory Q. Brown relating to the Motorola Omnibus Incentive Plan of 2006 for grants from January 31, 2008 to May 7, 2009 (incorporated by reference to Exhibit No. 10.11 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2007 (File No. 1-7221)).

10.33 Amendment approved on November 10, 2009 to the form of Motorola, Inc. Restricted Stock Unit Award Agreements described herein as Exhibits 10.19, 10.20 and 10.32 (incorporated by reference to Exhibit 10.17 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (File No. 1-7221)).

10.34 Form of Motorola Solutions Deferred Stock Units Agreement between Motorola Solutions, Inc. and its non-employee directors, relating to the deferred stock units issued in lieu of cash compensation to directors under the Motorola Solutions Omnibus Incentive Plan of 2006, for acquisitions on or after January 1, 2012 (incorporated by reference to Exhibit 10.37 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (File No. 1-34805)).

10.35 Form of Motorola Solutions Deferred Stock Units Agreement between Motorola Solutions, Inc. and its non-employee directors, relating to the deferred stock units issued in lieu of cash compensation to directors under the Motorola Solutions Omnibus Incentive Plan of 2006, for acquisitions on or after January 4, 2011 (incorporated by reference to Exhibit 10.37 to Motorola Solutions' Annual Report on
Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-34805)).

10.36 Form of Deferred Stock Units Agreement between Motorola, Inc. and its non-employee directors, relating to the deferred stock units issued in lieu of cash compensation to directors under the Motorola Omnibus Incentive Plan of 2006 or any successor plan, for acquisitions from February 11, 2007 to January 3, 2011 (incorporated by reference to Exhibit 10.8 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2006 (File No. 1-27221)).

10.37 Form of Motorola Solutions Deferred Stock Units Award between Motorola Solutions, Inc. and its non-employee directors under the Motorola Solutions Omnibus Incentive Plan of 2006 or any successor plan for grants on or after January 1, 2012 (incorporated by reference to Exhibit 10.40 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (File No. 1-34805)).

10.38 Form of Motorola Solutions Deferred Stock Units Award between Motorola Solutions, Inc. and its non-employee directors under the Motorola Solutions Omnibus Incentive Plan of 2006 or any successor plan for grants on or after January 4, 2011 (incorporated by reference to Exhibit 10.39 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-34805)).

10.39 Form of Deferred Stock Units Award between Motorola, Inc. and its non-employee directors under the Motorola Omnibus Incentive Plan of 2006 or any successor plan for grants from February 11, 2007 to January 3, 2011(incorporated by reference to Exhibit 10.9 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2006 (File No. 1-27221)).

10.40 Motorola Omnibus Incentive Plan of 2003, as amended through May 4, 2009 (incorporated by reference to Exhibit 10.6 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2009 (File No. 1-7221)).

10.41 Motorola Omnibus Incentive Plan of 2002, as amended through May 4, 2009 (incorporated by reference to Exhibit 10.7 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2009 (File No. 1-7221)).

10.42 Motorola Omnibus Incentive Plan of 2000, as amended through May 4, 2009 (incorporated by reference to Exhibit 10.8 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2009 (File No. 1-7221)).

10.43 Motorola Compensation/Acquisition Plan of 2000, as amended through May 4, 2009 (incorporated by reference to Exhibit 10.10 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2009 (File No. 1-7221)).

10.44 Motorola Amended and Restated Incentive Plan of 1998, as amended through May 4, 2009 (incorporated by reference to Exhibit 10.9 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2009 (File No. 1-7221)).

10.45 Form of Motorola, Inc. Award Document-Terms and Conditions Related to Non-Employee Director Nonqualified Stock Options relating to the Motorola Omnibus Incentive Plan of 2002 (incorporated by reference to Exhibit 10.2 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2002 (File No. 1-7221)).

10.46 Form of Motorola, Inc. Award Document-Terms and Conditions Related to Employee Nonqualified Stock Options, relating to the Motorola Omnibus Incentive Plan of 2003, the Motorola Omnibus Incentive Plan of 2002, the Motorola Omnibus Incentive Plan of 2000, the Motorola Amended and Restated Incentive Plan of 1998 and the Motorola Compensation/Acquisition Plan of 2000 for grants on or after May 2, 2005 (incorporated by reference to Exhibit 10.46 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2005 (File No. 1-7221)).

10.47 Form of Deferred Stock Units Agreement between Motorola, Inc. and its non-employee directors, relating to the deferred stock units issued in lieu of cash compensation to directors under the Motorola Omnibus Incentive Plan of 2003 or any successor plan, for acquisitions from January 1, 2006 to February 11, 2007 (incorporated by reference to Exhibit No. 10.25 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2005 (File No. 1-7221)).

10.48 Motorola Non-Employee Directors Stock Plan, as amended and restated on May 6, 2003 (incorporated by reference to Exhibit 10.20 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2003 (File No. 1-7221)).

10.49 Motorola Solutions Annual Incentive Plan, as Amended and Restated January 26, 2012 (incorporated by reference to Exhibit 10.52 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (File No. 1-34805)).

*10.50 Motorola Solutions Executive Officer Short Term Incentive Plan (effective January 1, 2013).

*10.51 Motorola Solutions Executive Officer Short Term Incentive Plan Term Sheet.

10.52 Motorola Solutions Long Range Incentive Plan (LRIP), as Amended and Restated January 26, 2012(incorporated by reference to Exhibit 10.53 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (File No. 1-34805)).

10.53 2012-2014 Performance Measures under the Motorola Solutions Long Range Incentive Plan (LRIP), as Amended and Restated January 26, 2012(incorporated by reference to Exhibit 10.54 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (File No. 1-34805)).

10.54 2011-2013 Performance Measures under the Motorola Solutions Long Range Incentive Plan (LRIP) (incorporated by reference to Exhibit 10.3 to Motorola Solutions' Current Report on Form 8-K Report filed on March 17, 2011 (File No. 1-7221)).

10.55 Motorola Long Range Incentive Plan (LRIP) of 2009 (as amended and restated as of July 26, 2010) (incorporated by reference to Exhibit 10.1 to Motorola, Inc.'s Current Report on Form 8-K filed on July 30, 2010 (File No. 1-7221)).

10.56	Motorola Elected Officers Supplementary Retirement Plan, as amended through May 8, 2007 (incorporated by reference to Exhibit No. 10.29 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2007 (File No. 1-7221)).
10.57	First Amendment to the Motorola Elected Officers Supplementary Retirement Plan, adopted December 15, 2008 (incorporated by reference to Exhibit 10.1 to Motorola, Inc.'s Current Report on Form 8-K filed on December 17, 2008 (File No. 1-7221)).
10.58	Motorola Solutions Management Deferred Compensation Plan, as amended and restated effective as of December 1, 2010, as amended January 4, 2011 (incorporated by reference to Exhibit 10.57 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-34805)).
*10.59	Motorola Solutions, Inc. 2011 Senior Officer Change in Control Severance Plan, as amended and restated January 17, 2013.
10.60	Motorola Solutions, Inc. Legacy Senior Officer Amended and Restated Change in Control Severance Plan (incorporated by reference to Exhibit No. 10.2 to Motorola Solutions Current Report on Form 8-K filed on January 31, 2011 (File No. 1-7221)).
*10.61	Amendment No. 1 to the Motorola Solutions, Inc. Legacy Senior Officer Amended and Restated Change in Control Severance Plan.
*10.62	Motorola Solutions, Inc. 2011 Executive Severance Plan, as amended and restated January 16, 2013 (File No. 1-34805)).
10.63	Motorola Solutions, Inc. Legacy Amended and Restated Executive Severance Plan (incorporated by reference to Exhibit 10.61 to Motorola Solutions' Annual Report on Form 10-K for the fiscal year ended December 31, 2010).
*10.64	Amendment No. 1 to the Motorola Solutions, Inc. Legacy Amended and Restated Executive Severance Plan.
10.65	Arrangement for directors' fees and retirement plan for non-employee directors (description incorporated by reference from the information under the captions “How Are the Directors Compensated” and “Director Retirement Plan and Insurance Coverage” of Motorola Solutions' Proxy Statement for the Annual Meeting of Stockholders to be held on May 6, 2013 (“Motorola Solutions' Proxy Statement”)).
*10.66	Description of Insurance covering non-employee directors and their spouses (including a description incorporated by reference from the information under the caption “Director Retirement Plan and Insurance Coverage” of the Motorola Solutions' Proxy Statement.
10.67	Employment Agreement dated August 27, 2008 by and between Motorola, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit 10.1 to Motorola, Inc.'s Current Report on Form 8-K filed on August 29, 2008 (File No. 1-7221)).
10.68	Amendment made on December 15, 2008 to the Employment Agreement dated August 27, 2008 by and between Motorola, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit No. 10.50 to Motorola, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (File No. 1-7221)).
10.69	Second Amendment, dated May 28, 2010, to the Employment Agreement dated August 27, 2008, as amended, by and between Motorola, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit 10.1 to Motorola, Inc.'s Current Report on Form 8-K filed on May 28, 2010 (File No. 1-7221)).
10.70	Aircraft Time Sharing Agreement dated May 4, 2009, by and between Motorola, Inc. and Gregory Q. Brown (incorporated by reference to Exhibit 10.11 to Motorola, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2009 (File No. 1-7221)).
10.71	Revolving Credit Agreement dated as of January 4, 2011 among Motorola Solutions, JP Morgan Chase Bank, N.A., as administrative agent, and the several lenders and agents party thereto (incorporated by reference to Exhibit 10.1 to Motorola Solutions' Current Report on Form 8-K filed on January 10, 2011 (File No. 1-7221)).
*12	Statement regarding Computation of Ratio of Earnings to Fixed Charges.
*21	Subsidiaries of Motorola Solutions, Inc.
23	Consent of Independent Registered Public Accounting Firm, see page 98 of the Annual Report on Form 10-K of which this Exhibit Index is a part.
*31.1	Certification of Gregory Q. Brown pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Edward J. Fitzpatrick pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of Gregory Q. Brown pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of Edward J. Fitzpatrick pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**101.INS	XBRL Instance Document
**101.SCH	XBRL Taxonomy Extension Scheme Document

**101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
**101.DEF XBRL Taxonomy Extension Definition Linkbase Document
**101.LAB XBRL Taxonomy Extension Label Linkbase Document
**101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Exhibit 10.50

Motorola Solutions Executive Officer Short Term Incentive Plan

Overview

The Motorola Solutions Executive Officer Short Term Incentive Plan ("STIP") has been established to: (i) reward and retain Executive Officers of Motorola Solutions, Inc. ("Motorola Solutions" or the "Company") through competitive rewards, (ii) align individual efforts with the Company's business goals and (iii) reward Executive Officers for strong individual and business performance. The Plan is based on calendar-year performance periods commencing January 1, 2013. The Plan is being implemented pursuant to the terms and conditions of the Omnibus Plan. Capitalized terms are defined in the "Definitions" section below.

Eligibility

To be eligible to participate in this Plan, an individual must:

- Be a full-time Employee of Motorola Solutions in a capacity as Executive Officer during any portion of a Plan year;
- Not be a participant in any other annual or periodic incentive or bonus plan (*e.g.*, sales incentive plans, etc.); and
- Meet one of the following conditions:
  - The Employee is active on a Company payroll as of the end of the Plan Year;
  - The Employee is on a Leave of Absence as of the end of the Plan Year;
  - The Employee Retired from the Company during the Plan Year while actively employed or while on a Leave of Absence;
  - The Employee died during the Plan Year while actively employed by the Company or while on a Leave of Absence
  - The Employee separated from the Company during the Plan Year due to Total and Permanent Disability while actively employed or while on Leave of Absence; or
  - The Employee separated from the Company during the Plan Year under certain circumstances in connection with a Change in Control, Divestiture, reduction in force or restructuring, which circumstances are described in the "Administration" section below.

Award Calculation

Awards will be calculated and paid after the close of each Plan Year. The award amount will be based on the Participant's Eligible Earnings, Target Award Percentage, and the applicable Business and Individual Performance Factors, as each is defined in the Definitions section, as follows:

Award	=	Eligible Earnings	x	Target Award Percentage	x	Business Performance Factor	x	Individual Performance Factor

Target Award Percentages for each Plan Year for Participants shall be determined by the Compensation Committee.

Business Performance Factors shall be based on financial and/or non-financial factors, as may be determined by the Compensation Committee in its complete discretion.

Individual Performance Factors shall be based on the performance of Participants in contributing to the Company's business performance. The Compensation Committee will determine an Individual Performance Factor for each Participant within the range(s) established each Plan Year by the Compensation Committee in its complete discretion.

Establishing Performance Measures and Goals

Annually, the Compensation Committee will establish the following for the Plan Year no later than the 90 th day of the Plan Year:

- **Performance Measures** – the specific financial and/or non-financial measures that will be used to determine the Business Performance Factors for that year, and the relative weighting of each measure.
- **Payout Scales** – the specific performance minimums, targets and maximums for each Performance Measure, and the corresponding payout percentage for each level of business performance for Motorola Solutions and/or any business unit, as appropriate.

The Compensation Committee will review progress against the performance measures periodically throughout the year. At the end of the Plan Year, the Compensation Committee will review full year performance and the corresponding management recommendations regarding each Business Performance Factor. The Compensation Committee, in its discretion, will determine the final Business Performance Factors for the Company and/or any business unit, as appropriate.

Payout Process

- All earned awards will be paid in cash. Payment will be made as soon as administratively practical during the calendar year immediately following the close of a Plan Year (unless a Participant makes an irrevocable election under any deferred compensation arrangement subject to Section 409A of the Internal Revenue Code of 1986, as amended, to defer payment of all or a portion of the Participant's award, in which case such payment, if any, shall be made in accordance with such election).
- A Participant shall have no right to an award until that award is paid.

General Provisions

- Awards are subject to all applicable withholding taxes and other required deductions.

- The Plan will not be available to Employees who are subject to the laws of any jurisdiction which prohibits any provisions of this Plan or in which tax or other business considerations make participation impracticable in the judgment of the Compensation Committee.

- This Plan does not constitute a guarantee of employment nor does it restrict the Company's rights to terminate employment at any time or for any reason.

- The Plan and any individual award is offered as a gratuitous award at the sole discretion of the Company. The Plan does not create vested rights of any nature nor does it constitute a contract of employment or a contract of any other kind. The Plan does not create any customary concession or privilege to which there is any entitlement from year-to-year, except to the extent required under applicable law. Nothing in the Plan entitles an Employee to any remuneration or benefits not set forth in the Plan nor does it restrict the Company's rights to increase or decrease the compensation of any Employee, except as otherwise required under applicable law.

- Except as explicitly provided by law, the awards shall not become a part of any employment condition, regular salary, remuneration package, contract or agreement, but shall remain gratuitous in all respects. Awards are not to be taken into account for determining overtime pay, severance pay, termination pay, pay in lieu of notice or any other form of pay or compensation.

- Except as explicitly provided by law, this Plan is provided at the Company's sole discretion and the Compensation Committee may modify or terminate it at any time, prospectively or retroactively, without notice or obligation for any reason. In addition, there is no obligation to extend the Plan or establish a replacement plan in subsequent years.

- All awards to Participants who are subject to the terms and conditions of the Recoupment Policy, as it may be amended from time to time, including as it may be amended to comply with Section 10D of the Exchange Act (the "Recoupment Policy"), shall be subject to the terms of the Recoupment Policy. The Recoupment Policy provides that, in the event of certain accounting restatements (a "Policy Restatement"), the Company's independent directors may require, among other things, reimbursement of all or a portion of the gross amount of any bonus or incentive compensation paid to such Participants hereunder on or after January 1, 2008, if and to the extent the conditions set forth in the Recoupment Policy apply. Any determinations made by the independent directors in accordance with the Recoupment Policy shall be binding upon such Participant. The Recoupment Policy is in addition to any other remedies which may be otherwise

available to the Company at law, in equity or under contract, or otherwise required by law, including under Section 10D of the Exchange Act.

- The Plan shall not be funded in any way. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of awards. To the extent any person acquires a right to receive payment under the Plan, such right will be no greater than the right of an unsecured general creditor of the Company.

- Award opportunities may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.

Administration

- The Compensation Committee has the overall responsibility for administering and amending this Plan, subject to the following:
    - The Compensation Committee will approve at the close of the Plan Year the final Business Performance Factors and the aggregate dollar payout amount, following a review of the underlying calculations, including any recommended adjustments to the performance measures made during the course of, or with respect to, the Plan Year.

    - The Compensation Committee, in its discretion, can for good reason modify the Business Performance Factors and can include or exclude individual items from the calculation of the Business Performance Factors.

    - The Compensation Committee may delegate ministerial duties under the Plan to such of the Company's officers as it so determines. .

- Any claims for payment under the Plan or any other matter relating to the Plan must be presented in writing to the Compensation Committee within 60 days after the event that is the subject of the claim. The Compensation Committee will then provide a response within 60 days of receiving the claim (or within 120 days if special circumstances require an extension of time and written notice was provided to the Employee before the expiration of the initial 60 day period), which shall be final and binding.

- Because retention is an important objective of this Plan and awards do not bear a precise relationship to time worked within the Plan Year or length of service with the Company, the following will apply to Participants who separate from employment (payroll) prior to the end of the Plan Year. All pro rata awards outlined below shall be based on the Participant's Eligible Earnings for time actively worked in the Plan Year, their applicable Target Award Percentage and the applicable Business Performance Factor approved by the Compensation Committee after the Plan Year. Pro rata

payouts will be made at the same time as payouts are issued to all other Plan participants.

- If the reason for separation is Total and Permanent Disability, death or Retirement, whether or not the Participant is then on a Leave of Absence, the Participant shall be eligible for a pro rata award. Any such award payable on behalf of a deceased Participant shall be paid to the decedent's estate.

- If the reason for separation is due to a Divestiture, then the Compensation Committee, in its discretion, shall determine if the Participant is eligible for an award, if any.

- If the reason for Separation is Serious Misconduct, such Employee shall not receive any award under this Plan.

- If the reason for separation is in connection with a Change in Control, the applicable Change in Control Severance Plan(s) (or in the case of the CEO, the applicable employment agreement) shall determine the Participant's entitlement to an award, if any, for the Plan Year in which the Participant is terminated or for any prior Plan Year.

- For any other Participant who separates from employment prior to the end of the Plan Year, such Employee shall not receive any award under this Plan .

- A Participant on any type of Leave of Absence shall not be considered to be actively working during the Leave of Absence for purposes of this Plan.

- Awards for transferred, promoted or demoted Participants will be calculated using (i) the Individual Performance Factor assigned at the end of the Plan Year and (ii) the Target Award Percentages and Business Performance Factors prorated for the portions of the Plan Year the Participant was assigned different Target Award Percentages or was in different business units during the Plan Year.

Definitions

Business Performance Factors : the business performance measures used to calculate an award under this Plan.

Change in Control Severance Plan : includes, but is not limited to, the Motorola Solutions, Inc. 2011 Senior Officer Change in Control Plan, the Motorola Solutions, Inc. Legacy Senior Officer Amended and Restated Change in Control Plan, the Motorola Solutions, Inc. Legacy Corporate Officer Amended and Restated Change in Control Plan and the Motorola Solutions, Inc. Legacy Corporate Officer Transition Amended and Restated Change in Control Plan.

Company : Motorola Solutions, Inc. and its subsidiaries.

Compensation Committee : the Compensation and Leadership Committee of the Motorola Solutions, Inc. Board of Directors.

Divestiture : the sale, lease, outsourcing arrangement, spin off or similar transaction wherein a subsidiary is sold or whose shares are distributed to the Motorola Solutions stockholders, or any other type of asset transfer or transfer of any portion of a facility or any portion of a discrete organizational unit of the Company or a subsidiary.

Eligible Earnings : the base salary earned during the Plan Year.

Employee : a person in an employee-employer relationship with the Company whose base wage or base salary is processed for payment by the payroll department(s) of the Company or a subsidiary, and not by any other department of the Company. The term Employee shall exclude the following:

- Any independent contractor, consultant or individual performing services for the Company who has entered into an independent contractor or consultant agreement;
- Any individual performing services under an independent contractor or consultant agreement, a purchase order, a supplier agreement or any other agreement that the Company enters into for services;
- Any person classified by the Company as a temporary or contract labor (such as black badges, brown badges, contractors, contract employees, job shoppers) regardless of the length of service; and
- Any “leased employee” as defined in Section 414(n) of the U.S. Internal Revenue Code of 1986, as amended.

Such individuals shall be precluded from retroactive participation in the Plan, even if a court or governmental or regulatory entity subsequently reclassifies such individuals as common law employees of the Company on a retroactive basis.

Executive Officer(s) : officers (as such term is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended) of the Company.

Individual Performance Factor : the individual Participant performance measures used to calculate an award under this Plan.

Leave of Absence : an approved leave of absence.

Omnibus Plan : the Motorola Solutions Omnibus Incentive Plan of 2006, as Amended and Restated November 9, 2011, or any subsequent amendment and restatement, or any successor plan.

Participant : an Employee who meets the eligibility requirements set forth above.

Plan : the Motorola Solutions Executive Officer Short Term Incentive Plan, as amended from time to time.

Plan Year : calendar-year performance periods commencing each January 1 and ending the subsequent December 31.

Retired or Retirement : this Plan utilizes the definition of “retiree” and “retirement” that appear in the primary retirement plan covering the Participant.

Section 16 : Section 16 of the Securities Exchange Act of 1934, as amended.

Section 162(m) : Section 162(m) of the Internal Revenue Code, as amended.

Serious Misconduct : any misconduct identified as a ground for termination in the Motorola Solutions Code of Business Conduct, or the human resources policies or other written policies or procedures.

Target Award Percentages : target award percentages applicable to each Participant and used to calculate an award under this Plan, as determined by the Compensation Committee.

Total and Permanent Disability : for (i) U.S. employees, entitlement to long-term disability benefits under the Motorola Solutions Disability Income Plan, as amended and any successor plan or a determination of a permanent and total disability under a state workers compensation statute and (ii) non-U.S. employees, as established by applicable Motorola Solutions policy or as required by local regulations.

If a term is used but not defined in the Plan, it has the meaning given such term in the Omnibus Plan.

Applicable Law

To the extent not preempted by federal law, or otherwise provided by local law, the Plan will be construed in accordance with, and governed by, the laws of the state of Illinois without regard to any state’s conflicts of laws principles. Any legal action related to this Plan shall be brought only in a federal or state court located in Illinois.

Exhibit 10.51

Motorola Solutions, Inc.
2013 Motorola Solutions Executive Officer Short Term Incentive Plan Terms
As Approved By the Compensation and Leadership Committee
On January 16, 2013

Design Feature	2013 Executive Officer Short Term Incentive Plan
Plan Year	January 1, 2013 through December 31, 2013.
Performance Measures	***Operating Earnings*** : Calculated according to GAAP, excluding the following items: • Earnings from Discontinued Operations as reported externally • Highlighted Items as reported externally, such as reorganization of business charges, asset impairments, extraordinary, unusual and/or non-recurring items of gain or loss • Stock-Based Compensation expense • Intangible Assets Amortization expense ***Free Cash Flow*** : Operating Cash Flow calculated according to GAAP less capital expenditures At the end of the Plan Year, the Compensation Committee may exercise its discretion in determining applicable Business Performance Factors, as provided in the Plan.
Individual Performance Factors	Shall range from 0x to 1.4x.

Exhibit 10.59

MOTOROLA SOLUTIONS, INC.
2011 SENIOR OFFICER CHANGE IN CONTROL SEVERANCE PLAN

(AS AMENDED AND RESTATED AS OF JANUARY 17, 2013)

INTRODUCTION

The Board of Directors of Motorola Solutions, Inc. considers the maintenance of a sound management to be essential to protecting and enhancing the best interests of the Company (as hereinafter defined) and its stockholders. In this connection, the Company recognizes that the possibility of a Change in Control (as hereinafter defined) may exist from time to time, and that this possibility, and the uncertainty and questions it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders. Accordingly, the Board (as hereinafter defined) has determined that appropriate steps should be taken to encourage the continued attention and dedication of members of the Company's management to their assigned duties without the distraction which may arise from the possibility of a Change in Control of the Company. The Company has further determined that this Plan (as hereinafter defined) will be effective as of February 1, 2011 for officers of the Company at or above the level of Senior Vice President ("Senior Officers") who are first elected or promoted to such positions on or after February 1, 2011, and will be effective as of February 1, 2014 for then Senior Officers who, on or before January 31, 2014, were otherwise eligible to participate in the Motorola Solutions, Inc. Legacy Senior Officer Amended and Restated Change in Control Severance Plan, as amended, the Motorola Solutions, Inc. Legacy Corporate Officer Amended and Restated Change in Control Severance Plan, as amended, the Motorola Solutions, Inc. Legacy Corporate Officer Transition Amended and Restated Change in Control Severance Plan, as amended (the "CVP Transition Plan") or who otherwise was a Corporate Vice President before May 9, 2001 and has a change in control agreement of the type referred to in the CVP Transition Plan (except for those whose Date of Termination is on or before January 31, 2014). February 1, 2011 or February 1, 2014, as described in the above sentence, is the "Effective Date".

This Plan does not alter the status of Participants (as hereinafter defined) as at-will employees of the Company. Just as Participants remain free to leave the employ of the Company at any time, so too does the Company retain its right to terminate the employment of Participants without notice, at any time, for any reason. However, the Company believes that, both prior to and at the time a Change in Control is anticipated or occurring, it is necessary to have the continued attention and dedication of Participants to their assigned duties without distraction, and this Plan is intended as an inducement for Participants' willingness to continue to serve as employees of the Company (subject, however, to either party's right to terminate such employment at any time). Therefore, should a Participant still be an employee of the Company at such time, the Company agrees that such Participant shall receive the severance benefits hereinafter set forth in the event the Participant's employment with the Company terminates subsequent to a Change in Control under the circumstances described below.

Notwithstanding the foregoing and Section 4.2(d), however, in the event that the Participant is terminated by the Company as provided in Section 4.1(a) or resigns for Good Reason, in each case during the twelve-month period prior to a Change in Control, but subsequent to such time as negotiations or discussions with a third party that ultimately lead to a Change in Control have commenced, then such termination (such a termination of employment, an "Anticipatory Termination") shall be deemed to be a termination that entitles such Participant to the severance benefits hereinafter set forth.

ARTICLE I
ESTABLISHMENT OF PLAN

As of February 1, 2011, the Company hereby establishes this Motorola Solutions, Inc. 2011 Senior Officer Change in Control Severance Plan, as amended or restated from time to time, (the "Plan").

ARTICLE II
DEFINITIONS

As used herein, the following words and phrases shall have the following respective meanings unless the context clearly indicates otherwise.

(a) Affiliate . Any entity which controls, is controlled by or is under common control with the Company.

(b) Board . The Board of Directors of the Company.

(c) Cause . With respect to any Participant: (i) the Participant's conviction of any criminal violation involving dishonesty, fraud or breach of trust; or (ii) the Participant's willful engagement in gross misconduct in the performance of the Participant's duties that materially injures the Company or any Subsidiary. For purposes of this Section 2(c), no act, or failure to act, on the part of the Participant will be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company. Any act, or failure to act, based upon (A) authority given pursuant to a resolution duly adopted by the Board, or if the Company is not the ultimate parent corporation of its Affiliated entities and is not publicly-traded, the board of directors of the ultimate parent of the Company (the "Applicable Board"), (B) the instructions of the Chief Executive Officer or Chief Financial Officer of the Company or (C) the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company. The cessation of employment of the Participant shall not be deemed to be for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board (excluding the Participant, if the Participant is a member of the Applicable Board) at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Participant and the Participant is given an opportunity, together with counsel for the Participant, to be heard before

the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Participant is guilty of the conduct described in Section 2(c)(i) or 2(c)(ii), and specifying the particulars thereof in detail.

(d) Change in Control . The occurrence of any of the following events: a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provision thereto, whether or not the Company is then subject to such reporting requirement; *provided* that, without limitation, such a Change in Control shall be deemed to have occurred if:

(i) any "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities (other than the Company or any employee benefit plan of the Company; and, for purposes of the Plan, no Change in Control shall be deemed to have occurred as a result of the "beneficial ownership," or changes therein, of the Company's securities by either of the foregoing);

(ii) there shall be consummated (A) any consolidation or merger of the Company in which the Company is not the surviving or continuing corporation or pursuant to which shares of common stock would be converted into or exchanged for cash, securities or other property, other than a merger of the Company in which the holders of common stock immediately prior to the merger have, directly or indirectly, at least a 65% ownership interest in the outstanding common stock of the surviving corporation immediately after the merger or (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company other than any such transaction with entities in which the holders of the Company's common stock, directly or indirectly, have at least a 65% ownership interest;

(iii) the shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; or

(iv) as the result of, or in connection with, any cash tender offer, exchange offer, merger or other business combination, sale of assets, proxy or consent solicitation (other than by the Board), contested election or substantial stock accumulation (a " Control Transaction "), the members of the Board immediately prior to the first public announcement relating to such Control Transaction shall thereafter cease to constitute a majority of the Board.

(e) Code . The Internal Revenue Code of 1986, as amended from time to time.

(f) Company . Motorola Solutions, Inc. and any successor thereto.

(g) Date of Termination . The effective date specified in the Notice of Termination as of which the Participant's employment terminates (which shall be not less than thirty (30) days nor more than sixty (60) days after the date such Notice of Termination is given). The Company and the Participant shall take all steps necessary (including with regard to any post-termination services by the Participant) to ensure that any termination described in this Plan constitutes a "separation from service" within the meaning of Section 409A, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the "Date of Termination."

(h) Disability . A condition such that the Participant by reason of physical or mental disability becomes unable to perform his normal duties for more than one-hundred eighty (180) days in the aggregate (excluding infrequent or temporary absence due to ordinary transitory illness) during any twelve-month period.

(i) Effective Date . The Effective Date is defined in the first paragraph of this Plan.

(j) Employee . Any full-time, regular-benefit, non-bargaining employee of the Company.

(k) ERISA . The Employee Retirement Income Security Act of 1974, as amended from time to time.

(l) Good Reason . "Good Reason" means actions taken by the Company resulting in a material negative change in the employment relationship. For these purposes, with respect to any Participant, a "material negative change in the employment relationship" shall include, without limitation, without such Participant's written consent (i) the Participant is assigned duties materially inconsistent with his position, duties, responsibilities and status with the Company during the 90-day period immediately preceding a Change in Control, or the Participant's position, authority, duties or responsibilities are materially diminished from those in effect during the 90-day period immediately preceding a Change in Control (whether or not occurring solely as a result of the Company ceasing to be a publicly traded entity), (ii) a material reduction in the Participant's (x) annual base salary or (y) total annual compensation opportunity, from such total annual compensation opportunity as in effect during the 90-day period immediately prior to the Change in Control, or as the same may be increased from time to time, (iii) the Company requires the Participant regularly to perform his duties of employment beyond a fifty (50) mile radius from the location of the Participant's employment immediately prior to the Change in Control, (iv) the Company fails to obtain a satisfactory agreement from any successor to assume and perform this Plan for its duration, as contemplated by Article V hereof, or (v) any other action or inaction that constitutes a material breach by the Company of this Plan with respect to such Participant.

In order to invoke a termination for Good Reason, the Participant shall provide a Notice of Termination pursuant to Section 7.5 to the Company's General Counsel of the existence of one or more of the conditions described in clauses (i) through (v) within 90 days following the Participant's initial knowledge of the existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason (hereinafter, "Notice of Termination for Good Reason"), and the Company shall have 30 days following receipt of such written notice (the "Cure Period") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Participant's "separation from service" (within the meaning of Section 409A) must occur, if at all, within two years

following the initial existence of the condition or conditions constituting Good Reason (or, if earlier, prior to the two year anniversary of the Change in Control) in order for such termination as a result of such condition to constitute a termination for Good Reason. The Participant's mental or physical incapacity following the occurrence of an event described above in clauses (i) through (v) shall not affect the Participant's ability to terminate employment for Good Reason and the Participant's death following delivery of a Notice of Termination for Good Reason shall not affect the Participant's estate's entitlement to Separation Benefits provided hereunder.

(m) Notice of Termination . Written notice that shall indicate the specific termination provision in this Plan (if any) relied upon and set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment.

(n) Participant . An individual who qualifies as such pursuant to Section 3.1.

(o) Plan . The Plan is defined in Article I hereof.

(p) Section 409A . Section 409A of the of the Code, and the rules and regulations issued thereunder.

(q) Separation Benefits . The benefits described in Section 4.2 that are provided to qualifying Participants under the Plan.

(r) Subsidiary . Any corporation in which the Company, directly or indirectly, holds a majority of the voting power of such corporation's outstanding shares of capital stock.

ARTICLE III
ELIGIBILITY

3.1 Participation . Subject to the Effective Date as defined herein, participants in the Plan are elected officers of the Company who are Senior Officers; *provided* , that such Participants will not be entitled to Separation Benefits under this Plan if they are not Senior Officers at the time of the Change in Control; *provided* , *further* , that any reduction of a Participant's position subsequent to such time as negotiations or discussions with a third party that ultimately lead to a Change in Control have commenced shall be of no effect for purposes of this Section 3.1. Notwithstanding the foregoing, a Participant shall not be entitled to receive Separation Benefits (or any other benefits under the Plan), if the Participant has entered into a change in control letter agreement with the Company which has not been waived by the Participant or terminated by the Company or if the Participant is entitled to receive Separation Benefits under one of the legacy plans described in the first paragraph of Article I.

3.2 Duration of Participation . A Participant shall only cease to be a Participant in the Plan as a result of an amendment or termination of the Plan complying with Article VI of the Plan, or when he ceases to be an Employee or no longer qualifies as a Participant under Section 3.1, unless, at the time he ceases to be an Employee or no longer qualifies as a Participant under Section 3.1, such Participant is entitled to payment of a Separation Benefit as provided in the Plan or there has been an event or occurrence constituting Good Reason that would enable the Participant to terminate his employment and receive a Separation Benefit. A Participant entitled to payment of a Separation Benefit or any other amounts under the Plan shall remain a Participant in the Plan until the full amount of the Separation Benefit and any other amounts payable under the Plan have been paid to the Participant.

ARTICLE IV
SEPARATION BENEFITS

4.1 Terminations of Employment That Give Rise to Separation Benefits Under This Plan . A Participant shall be entitled to Separation Benefits as set forth in Section 4.2 below if (a) at any time following a Change in Control and prior to the second anniversary of the Change in Control, the Participant's employment is terminated (i) involuntarily for any reason other than Cause, death, Disability or retirement under a mandatory retirement policy of the Company or any of its Subsidiaries as in effect prior to such time as negotiations or discussions with a third party which ultimately lead to a Change in Control have commenced or (ii) by the Participant after the occurrence of an event giving rise to Good Reason or (b) the Participant experiences an Anticipatory Termination. For purposes of this Plan, any purported termination by the Company or by the Participant shall be communicated by written Notice of Termination to the other in accordance with Section 7.5 hereof.

4.2 Separation Benefits .

(a) If a Participant's employment is terminated under circumstances that entitle the Participant to Separation Benefits under this Section 4.2 (a "Qualifying Termination"), then the Company shall (except as provided below with respect to an Anticipatory Termination) pay to the Participant, in a lump sum in cash within ten (10) days after the Date of Termination, the aggregate of the following amounts, which benefits, except as provided in this Section 4.2 and in Section 7.4 below, shall be in addition to any other benefits to which the Participant is entitled other than by reason of this Plan: (i) unpaid salary with respect to any paid time off accrued but not taken as of the Date of Termination; (ii) accrued but unpaid salary through the Date of Termination; (iii) any earned but unpaid annual incentive or sales incentive bonuses from the fiscal year immediately preceding the year in which the Date of Termination occurs (unless (x) such annual incentive or sales incentive bonus is "nonqualified deferred compensation" within the meaning of Section 409A, in which case such bonus shall be paid at the time that bonuses with respect to such fiscal year are or otherwise would be paid in accordance with the terms of the applicable plan or (y) the Participant has made an irrevocable election under any deferred compensation arrangement subject to Section 409A to defer any portion of such annual incentive or sales incentive bonuses, in which case any such deferred bonuses shall be paid in accordance with such election); (iv) an amount equal to two (2) times the Participant's annual base salary in effect on the Date of Termination; and (v) an amount equal to two (2) times the Participant's target annual bonus or sales incentive bonus for the year in which the Date of Termination occurs (the amount determined pursuant to clause (i) through (v), the "Cash Severance Payment"); *provided, however* : (x) the Cash Severance Payment shall be paid to the Participant in the form of such a lump sum only (1) to the extent that it exceeds the "Severance Allowance" ("2011 ESP Severance Allowance) as defined in the Motorola Solutions, Inc. 2011 Executive Severance Plan, as amended or restated from time to time (the "2011 ESP"), (2) if

the Change in Control constitutes a permissible payment event for purposes of Section 409A of the Code, and Treasury Regulation § 1.409A-3 (i)(5), or (3) if not permitted to be paid in a lump sum pursuant to clause (1) or (2), to the extent that it is no greater than the portion of the 2011 ESP Severance Allowance that does not provide for the deferral of compensation for purposes of Section 409A of the Code and the Treasury Regulations thereunder (such portion of the 2011 ESP Severance Allowance, "Exempt Deferred Compensation"); and (y) in the event of an Anticipatory Termination, the Company shall pay such portion of the Cash Severance Payment that would have been paid under clause (x) above if there were no Anticipatory Termination (reduced by any amount the Participant has already received as the 2011 ESP Severance Allowance) to the Participant on the date of the Change in Control to which such Anticipatory Termination relates.

Any portion of the Cash Severance Payment that cannot be paid as a lump sum will be paid at the same time that the portion of the 2011 ESP Severance Allowance that does not provide for Exempt Deferred Compensation under the 2011 ESP would be paid.

(b) In addition, in the event of a Qualifying Termination, the Participant shall be entitled to a pro-rated bonus determined as follows:

(i) if the Participant participates in the Motorola Solutions Annual Incentive Plan or the Motorola Solutions Executive Officer Short Term Incentive Plan, each as amended or restated from time to time, or any successor plan or plans thereto ("AIP Plan") during the year in which the Qualifying Termination occurs, the Company shall, on the first payroll date following July 1 of the year following the year in which the Qualifying Termination occurs (unless the Participant has made an irrevocable election under any deferred compensation arrangement subject to Section 409A to defer any portion of the Participant's annual incentive bonus in respect of the year in which the Qualifying Termination occurs, in which case such deferred bonus shall be paid in accordance with such election) (the "AIP Pro-Rata Bonus Payment Date"), pay the participant in a lump sum an amount equal to the product of (A) the Participant's annual bonus at target for the fiscal year in which the Date of Termination occurs (which for purposes of this Section 4.2 in no event shall be less than the Participant's target bonus for the fiscal year in which the Change in Control occurs or, in the event of an Anticipatory Termination, the year in which the Date of Termination occurs) and (B) a fraction, the numerator of which is the number of days in the then current fiscal year through the Date of Termination and the denominator of which is 365 (the "AIP Pro-Rata Bonus"); *provided* , *however* , that in the event that the Participant experiences an Anticipatory Termination and the Company has already paid the Participant the Alternate AIP Award (as defined in the 2011 ESP), the Participant shall not be entitled to a AIP Pro-Rata Bonus hereunder;

(ii) if the Participant participates in a sales incentive plan pursuant to which he or she is eligible for an incentive award with respect to monthly or quarterly performance periods during the year in which the Qualifying Termination occurs, the Company shall pay the Participant, at the time set forth in the applicable sales incentive plan, an amount equal to the product of (A) the Participant's monthly or quarterly incentive at target for the monthly or quarterly period in which the Date of Termination occurs (which for purposes of this Section 4.2 in no event shall be less than the Participant's target bonus for the performance period in which the Change in Control occurs or, in the event of an Anticipatory Termination, the performance period in which the Date of Termination occurs) and (B) a fraction, the numerator of which is the number of days that have elapsed in the then current monthly or quarterly performance period through the Date of Termination and the denominator of which is the full number of days in the then current monthly or quarterly performance period (the "SIP Quarterly or Monthly Pro-Rata Bonus"); *provided* , *however* , that in the event that the Participant experiences an Anticipatory Termination and the Company has already paid the Participant the Alternate Quarterly or Monthly SIP Award (as defined in the 2011 ESP), the Participant shall not be entitled to SIP Quarterly or Monthly Pro-Rata Bonus hereunder; and

(iii) if the Participant participates in a sales incentive plan pursuant to which he or she is eligible for an incentive award (or a portion of an incentive award) with respect to an annual performance period during the year in which the Qualifying Termination occurs, the Company shall pay the Participant, on the MIP Pro-Rata Bonus Payment Date, for such award (or portion of award) an amount equal to the product of (A) the Participant's annual bonus at target for the fiscal year in which the Date of Termination occurs (which for purposes of this Section 4.2 in no event shall be less than the Participant's target bonus for the fiscal year in which the Change in Control occurs or, in the event of an Anticipatory Termination, the year in which the Date of Termination occurs) and (B) a fraction, the numerator of which is the number of days in the then current fiscal year through the Date of Termination and the denominator of which is 365 (the "SIP Annual Pro-Rata Bonus"); *provided* , *however* , that in the event that the Participant experiences an Anticipatory Termination and the Company has already paid the Participant the Alternate Annual SIP Award (as defined in the 2011 ESP), the Participant shall not be entitled to an SIP Annual Pro-Rata Bonus hereunder.

(c) If the Participant's employment is terminated under circumstances which entitle the Participant to Separation Benefits under this Section 4.2, for two (2) years after the Date of Termination (the "Benefit Continuation Period"), or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue medical and dental benefits and life insurance benefits to the Participant and/or the Participant's family at least equal to those that would have been provided in accordance with the medical and dental benefits and life insurance plans, programs, practices and policies of the Company immediately prior to the Change in Control if the Participant's employment had not been terminated on the same terms and conditions (including any applicable required employee contributions), except that in the event of an Anticipatory Termination and to avoid duplication of benefits, such continued medical benefits to be provided hereunder shall commence on the date of the Change in Control and the Benefit Continuation Period shall be reduced by the number of months, if any, during which the Participant receives such medical benefits under the 2011 ESP; *provided* , *however* , that, the medical and dental benefits and life insurance provided during the Benefit Continuation Period shall be provided in such a manner that such benefits (and the costs and premiums thereof) are excluded from the Participant's income for federal income tax purposes and, if the Company reasonably determines that providing continued coverage under one or more of its medical or dental plans or life insurance plans contemplated herein could be taxable to the Participant, the Company shall provide such benefits at the level required hereby through the purchase of individual insurance coverage; *provided* , *further* , that, if the Participant becomes reemployed with another employer and becomes eligible to receive medical or dental or life insurance benefits under another employer provided plan, the medical and dental benefits and/or life insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Participant for retiree medical benefits pursuant to plans, practices, programs and policies of the Company, the Participant shall be considered to have remained employed until two (2) years after the

Date of Termination and to have retired on the last day of such period (and to have attained two (2) additional years of age), and such benefits (and the terms and conditions of such benefits) shall be no less favorable than as in effect immediately prior to the Change in Control. Following the end of the period during which medical and dental benefits are provided to the Participant under this Section 4.2(c), the Participant shall be eligible for continued medical and dental coverage as required by Section 4980B of the Code or other applicable law, as if the Participant's employment with the Company had terminated as of the end of such period.

(d) Except as provided in Sections 4.2(a) and 4.2(b) (with respect to Anticipatory Terminations) and Section 4.2(c), the Participant shall not be required to mitigate the amount of any payment provided for in this Section 4.2 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 4.2 be reduced by any compensation earned by the Participant as the result of employment by another employer or by retirement benefits paid by the Company after the Date of Termination, or otherwise, or by any set-off, counterclaim, recoupment, or other claim, right or action the Company may have against the Participant or others.

(e) Without affecting a Participant's eligibility to receive benefits under Section 4.2(a), (b), or (c) in the event of an Anticipatory Termination, the provisions of this Article IV shall be applicable after a Change in Control has occurred, but not prior thereto.

4.3 Adjustment of Payments by the Company . Anything in this Plan to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or benefit to be paid or provided hereunder or under any other plan, agreement or arrangement would be an "Excess Parachute Payment" within the meaning of Section 280G of the Code, or any successor provision thereto, but for the application of this sentence, then the payments and benefits to be paid or provided hereunder shall be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; *provided* , *however* , that the foregoing reduction shall be made only if and to the extent that such reduction would result in an increase in the aggregate payments and benefits to be provided, determined on an after-tax basis (taking into account the excise tax imposed pursuant to Section 4999 of the Code, or any successor provision thereto, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income taxes). The effect of the preceding sentence is that a Participant shall be entitled to receive the greater of (a) the after-tax benefit if the aggregate payments and benefits are received without reduction and the Participant pays all taxes, including any excise tax imposed under Section 4999 of the Code, and (b) the after-tax benefit if the aggregate payments and benefits are reduced so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment. All determinations required to be made under this Section 4.3 shall be made by an independent accounting firm selected by the Company (the "Accounting Firm"), which Accounting Firm shall provide detailed supporting calculations both to the Company and the applicable Participant within fifteen (15) business days of the Date of Termination or such earlier time as is requested by the Company and, if requested by the applicable Participant, an opinion that he has substantial authority not to report any excise tax on his Federal income tax return with respect to the Excess Parachute Payments. Any such determination by the Accounting Firm shall be binding upon the Company and the applicable Participant. All fees and expenses of the Accounting Firm shall be borne solely by the Company; *provided* , *however* , (i) the Company shall pay the fees and expenses of the Accounting Firm not later than the end of the calendar year following the calendar year in which the related work is performed or the expenses are incurred by the Accounting Firm, (ii) the amount of the Accounting Fees that the Company is obligated to pay in any given calendar year shall not affect the Accounting Fees that the Company is obligated to pay in any other calendar year, and (iii) the Participant's right to have the Company pay such fees and expenses may not be liquidated or exchanged for any other benefit. The fact that a Participant's right to payments or benefits may be reduced by reason of the limitations contained in this Section 4.3 shall not of itself limit or otherwise affect any other rights of the Participant under this Plan. In the event that any payment or benefit intended to be provided hereunder is required to be reduced pursuant to this Section 4.3, then the reduction shall occur in the following order: (iv) Section 4.2(a)(v), (v) Section 4.2(a)(iv), (vi) Section 4.2(b)(i), (vii) Section 4.2(b)(ii), (viii) Section 4.2(b)(iii), and (ix) Section 4.2 (c).

Each Participant shall be responsible for all taxes imposed on the Participant on account of payments and benefits received under this Plan, including without limitation any excise taxes imposed under Section 4999 of the Code.

ARTICLE V
SUCCESSOR TO COMPANY

This Plan shall bind any successor of the Company, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Company would be obligated under this Plan if no succession had taken place. In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by this Plan, the Company shall require such successor expressly and unconditionally to assume and agree to perform the Company's obligations under this Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. The term "Company," as used in this Plan, shall mean the Company as hereinbefore defined and any successor or assignee to the business or assets which by reason hereof becomes bound by this Plan.

ARTICLE VI
DURATION, AMENDMENT AND TERMINATION

6.1 Duration . If a Change in Control has not occurred, this Plan shall expire on February 1, 2015 unless terminated earlier pursuant to Section 6.2. Notwithstanding the above, if a Change in Control occurs while this Plan is in effect, this Plan shall continue in full force and effect for at least two (2) years following such Change in Control, and shall not terminate or expire until after all Participants who become entitled to any payments or benefits hereunder shall have received such payments and benefits in full.

6.2 Amendment or Termination . The Board may amend or terminate this Plan at any time, including amending the eligibility to participate in the Plan of Employees who are not existing Participants; *provided* , that, except as provided in Section 7.10 below, this Plan may not be amended or terminated in a manner adverse to Participants as of the date of the amendment or termination without one (1) years' advance written notice of such amendment or termination (including modifying the eligibility of Employees who are already Participants to participate in the Plan).

6.3 Procedure for Extension, Amendment or Termination . Any extension, amendment or termination of this Plan by the Board in accordance with this Article VI shall be made by action of the Board in accordance with the Company's charter and by-laws and applicable law.

ARTICLE VII
MISCELLANEOUS

7.1 Default in Payment . Any payment not made within ten (10) days after it is due in accordance with this Plan shall thereafter bear interest, compounded annually, at the prime rate from time to time in effect at JPMorgan Chase & Co. or any successor thereto.

7.2 No Assignment . No interest of any Participant or spouse of any Participant or any other beneficiary under this Plan, or any right to receive payment hereunder, shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind, nor may such interest or right to receive a payment or distribution be taken, voluntarily or involuntarily, for the satisfaction of the obligations or debts of, or other claims against, a Participant or spouse of a Participant or other beneficiary, including for alimony.

7.3 Disputes . The Company shall upon request pay from time to time a Participant's reasonable out-of-pocket expenses, including legal fees and expenses, incurred by the Participant or on the Participant's behalf (within 10 days following the Company's receipt of an invoice from the Participant), at any time from the occurrence of a Change in Control through the Participant's remaining lifetime (or, if longer, through the 20th anniversary of the occurrence of such Change in Control) in connection with any action taken by the Participant or on the Participant's behalf (including any judicial proceeding) to enforce this Plan or to construe, or to determine or defend the validity of, this Plan or otherwise in connection herewith; *provided , however* , that, in the case of any judicial proceeding in which a Participant and the Company are adverse parties or any dispute under Section 4.3 hereof, the Company shall not be required to pay such expenses (and shall have the right to recover such expenses from the Participant if previously advanced) with respect to any position or claim on which the Company ultimately prevails against the Participant in all material respects. In order to comply with Section 409A, in no event shall the payments by the Company under this Section 7.3 be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, *provided* , that the Participant shall have submitted an invoice for such fees and expenses at least ten (10) days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred. The amount of such legal fees and expenses that the Company is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, and the Participant's right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit. In any judicial or other proceeding in which the Participant's rights to, or the amount of, benefits hereunder is disputed, the ultimate burden of proof shall be on the Company.

7.4 Effect on Other Plans, Agreements and Benefits . Except to the extent expressly set forth herein, any benefit or compensation to which a Participant is entitled under any agreement between the Participant and the Company or any of its Subsidiaries or under any plan maintained by the Company or any of its Subsidiaries in which the Participant participates or participated shall not be modified or lessened in any way, but shall be payable according to the terms of the applicable plan or agreement. Notwithstanding the foregoing, any benefits received by a Participant pursuant to this Plan shall be in lieu of any severance benefits to which the Participant would otherwise be entitled under any general severance policy or other severance plan maintained by the Company for its management personnel and, upon consummation of a Change in Control, Participants in this Plan shall in no event be entitled to participate in any such severance policy or other severance plan maintained by the Company for its management personnel, except in the case of Anticipatory Terminations, in which event the Anticipatory Termination provisions under Sections 4.2(a), 4.2(b) and 4.2 (c) shall apply. In the event of a Participant's termination of employment entitling the Participant to Separation Benefits under Section 4.2, any non-competition or non-solicitation provisions applicable to the Participant with respect to the Company or any of its Affiliates shall cease to apply as of the Participant's Date of Termination.

7.5 Notice . For the purpose of this Plan, notices and all other communications provided for in this Plan shall be in writing and shall be deemed to have been duly given when actually delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the Company's General Counsel at the Company's corporate headquarters address, and to the Participant (at the last address of the Participant on the Company's books and records); *provided* , that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary.

7.6 Employment Status . This Plan does not constitute a contract of employment or impose on the Participant or the Company any obligation for the Participant to remain an Employee or change the status of the Participant's employment or the policies of the Company and its Affiliates regarding termination of employment.

7.7 Named Fiduciary; Administration . The Company is the named fiduciary of the Plan, and shall administer the Plan, acting through the Compensation Committee of the Board, or its delegatee.

7.8 Unfunded Plan Status . This Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, within the meaning of Section 401 of ERISA. All payments pursuant to the Plan shall be made from the general funds of the Company and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company as a result of participating in the Plan. Notwithstanding the foregoing, the Company may (but shall not be obligated to) create one (1) or more grantor trusts, the assets of which are subject to the claims of the Company's creditors, to assist it in accumulating funds to pay its obligations under the Plan.

7.9 Validity and Severability . The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.10 Section 409A . This Plan is intended to comply with the requirements of Section 409A or an exemption and shall in all respects be administered in accordance with Section 409A. Each payment under this Plan shall be treated as a separate payment for purposes of Section 409A. In no

event may a Participant, directly or indirectly, designate the calendar year of any payment to be made under this Plan. All reimbursements and in-kind benefits provided under this Plan shall be made or provided in accordance with the requirements of Section 409A. In the event the Company determines that the terms of this Plan do not comply with Section 409A, the Company will, notwithstanding anything to the contrary in Section 6.2 of this Plan, amend the terms of this Plan such that it complies (in a manner that attempts to minimize the economic impact of such amendment on the Participants and the Company) within the time period permitted by the applicable Treasury Regulations. In no event shall the Company be required to pay any Participant any "gross-up" or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any benefit paid to Executive hereunder. Notwithstanding any provision in this Plan to the contrary, if the Participant is a "specified employee" (within the meaning of Treasury Regulation Section 1.409A-1(i) and using the identification methodology selected by Motorola from time to time) on the Participant's Date of Termination, then any payment or benefit which would be considered "nonqualified deferred compensation" within the meaning of Code Section 409A that the Participant is entitled to receive upon the Participant's Date of Termination and which otherwise would be payable during the six-month period immediately following the Participant's Date of Termination will instead be paid or made available on the earlier of the first day of the seventh month following the Participant's Date of Termination and the Participant's death.

7.11 Governing Law . The validity, interpretation, construction and performance of the Plan shall in all respects be governed by the laws of Delaware, without reference to principles of conflict of law, except to the extent pre-empted by Federal law.

Exhibit 10.61

AMENDMENT NO. 1 TO THE MOTOROLA SOLUTIONS, INC. LEGACY SENIOR OFFICER AMENDED AND RESTATED CHANGE IN CONTROL SEVERANCE PLAN

The Motorola Solutions, Inc. Legacy Senior Officer Amended and Restated Change in Control Severance Plan (the "Plan") is hereby amended on and effective as of January 17, 2013 by the Board of Directors of Motorola Solutions, Inc. in the following particulars:

1. Paragraph 4.2(a)(v) of the Plan is hereby amended by inserting the words "Amended and Restated" after the word "Legacy" in the title of the "Motorola Solutions, Inc. Legacy Executive Severance Plan" referenced therein.
2. Paragraph 4.2(a)(vi) of the Plan is hereby amended by restating the first sentence of the paragraph through the ("AIP Plan") parenthetical as follows: "if the Participant participates in the Motorola Solutions Annual Incentive Plan or the Motorola Solutions Executive Officer Short Term Incentive Plan, each as amended or restated from time to time, or any successor plan or plans thereto ("AIP Plan")".

Exhibit 10.62

MOTOROLA SOLUTIONS, INC.
2011 EXECUTIVE SEVERANCE PLAN

(As Amended and Restated as of January 16, 2013)

1. Purpose.

The purpose of the Motorola Solutions, Inc. Executive Severance Plan, as amended or restated from time to time (the "2011 ESP") is to provide severance pay and benefits to Eligible Executives whose employment with Motorola, Solutions, Inc. (formerly Motorola, Inc.) and its U.S. Affiliates and/or U.S. Subsidiaries ("Motorola Solutions" or the "Company") is terminated under certain circumstances. The 2011 ESP is effective as of February 1, 2011 for all Eligible Executives who start their employment or are first promoted to be a vice president by Motorola Solutions on or after February 1, 2011. The 2011 ESP will be effective February 1, 2014 for all other persons who are Appointed Vice Presidents, Corporate Vice Presidents, Senior Vice Presidents or Executive Vice Presidents or whose salary grade is EXB, EXC, EXS, or EXV as of January 31, 2011, whose Separation Date occurs on or after February 1, 2014 and whose termination is a Qualifying Termination as defined herein. The 2011 ESP is intended to be an "employee welfare benefit plan" as defined in Section 3(1) of ERISA maintained primarily for the purpose of providing benefits for a select group of management or highly compensated employees. All benefits under the 2011 ESP shall be paid solely from the general assets of Motorola Solutions.

2. Eligibility.

(a) General Rules . An Eligible Executive shall receive the Severance Pay and benefits described in this 2011 ESP if the Eligible Executive's employment with Motorola Solutions is terminated by Motorola Solutions in a Qualifying Termination and such termination of employment constitutes a separation from service within the meaning of Section 409A of the Code (a "Separation from Service"). In order to receive Severance Pay and benefits under the 2011 ESP, in addition to fulfilling the conditions and complying with the terms of the 2011 ESP, an Eligible Executive, as hereinafter provided, must execute and not revoke a general waiver and release in the form provided by Motorola Solutions ("General Release") within the period specified in Section 4(b) and must not be in breach of any agreement with Motorola Solutions containing restrictive covenants, or any other agreement with or obligation to Motorola Solutions for the protection of Motorola Solutions' confidential and proprietary information.

(b) Effect of Other Plans and Agreements .

(i) An Eligible Executive shall not receive Severance Pay and benefits under this 2011 ESP if the Eligible Executive is eligible for and receives severance pay and benefits under the Motorola Solutions, Inc. 2011 Senior Officer Change in Control Plan, as amended or restated from time to time (the "2011 CIC Plan"), or has claimed or is claiming termination pay under the laws of any country other than the United States . However, if a Change in Control occurs following a Qualifying Termination, any Severance Pay and medical benefits to which an Eligible Executive may be entitled under the 2011 CIC Plan shall be reduced by the Severance Pay and medical benefits actually received by such Executive under this 2011 ESP. Following the Change in Control, the Eligible Executive who is eligible for and is receiving severance pay and benefits under the 2011 CIC Plan shall be entitled to no further Severance Pay and benefits under this 2011 ESP.

(ii) Subject to Section 2(b)(i) above, if an individual has entered into an individual employment or other contract with Motorola Solutions that explicitly provides for cash compensation upon a termination of employment, whether or not such payment is labeled severance pay, retention pay or otherwise, (other than a stock option, restricted stock, restricted stock unit, stock appreciation right ("SAR"), supplemental retirement, deferred compensation or similar plan or agreement or other form of participant document entered into pursuant to a Motorola Solutions-sponsored group plan that may contain provisions operative on a termination of the Eligible Executive's employment) and such contract is in effect on the date of the Eligible Executive's termination of employment, such cash compensation shall be reduced by the Severance Allowance provided under this 2011 ESP to the extent such cash compensation either does not provide for the deferral of compensation under Section 409A of the Code or is paid at the same time and in the same manner as severance paid under Section 3 hereunder. In all other respects, the terms of the individual agreement shall apply and shall supersede the terms of this 2011 ESP.

3. Severance Pay and Benefits.

(a) Severance Pay and Benefits . An Eligible Executive entitled to Severance Pay and benefits pursuant to Section 2 shall receive Severance Pay and severance benefits, based on the Eligible Executive's level or salary grade, in accordance with the

schedule attached as Exhibit A and the provisions of this Section 3.

(b) Form and Timing of Severance Payments . The Eligible Executive entitled to Severance Pay shall continue to receive the Base Salary that comprises his Severance Allowance (subject to withholding of all applicable taxes) for the entire Severance Period, payable in the same manner and under the same payroll practice applicable to the Eligible Executive as it was being paid on his Separation Date. The first installment of such Base Salary shall be paid with the first normal pay period applicable to the Eligible Executive that occurs on or after 60 calendar days after the Executive's Separation Date, provided that the Eligible Executive has signed and not revoked the General Release prior to that date. Such first installment shall include any installments of Base Salary that would have been payable under the normal payroll practice applicable to the Eligible Executive during such 60 calendar day period. Each payment of Severance Pay and benefits to the Eligible Executive under this 2011 ESP, including payments pursuant to Section 3 and reimbursements under Sections 3(g), (h), (i), (j) and (o) and 4(e), will be considered a separate payment and not one of a series of payments for purposes of Section 409A of the Code.

(c) Alternate AIP Award for Separation Year . If an Eligible Executive receiving a Severance Allowance under this 2011 ESP participates in the Motorola Solutions Annual Incentive Plan or the Motorola Solutions Executive Officer Short Term Incentive Plan, each as amended or restated from time to time, or any successor plan or plans thereto ("AIP Plan") during the Separation Year, he or she shall receive, in lieu of any incentive bonus under the AIP Plan, the equivalent of a pro rata AIP Award based on actual business results for the Separation Year ("Alternate AIP Award") and, as applicable, with an individual performance factor of 1.0, which Alternate AIP Award shall be paid in a lump sum on the first payroll date following July 1 of the year following the Separation Year (unless the Eligible Executive has made an irrevocable election under any deferred compensation arrangement subject to Code Section 409A to defer any portion of the Eligible Executive's annual incentive bonus in respect of the Separation Year, in which case such deferred bonus shall be paid in accordance with such election) (such payment date, "Alternate AIP Award Payment Date"). The applicable pro rata amount shall be determined by multiplying (i) the product of the Eligible Executive's Eligible Earnings, as defined in the AIP Plan, times his or her AIP Plan target percentage for the Separation Year times the business performance factor under the AIP Plan for the applicable organizational unit by (ii) a fraction, the numerator of which is the number of completed days of active work during the Separation Year and the denominator of which is 365. An Eligible Executive who receives an Alternate AIP Award may not receive an AIP Award under the AIP Plan for the Separation Year under any circumstances.

(d) Alternate SIP Award for Separation Year . If an Eligible Executive receiving a Severance Allowance under this 2011 ESP participates in a sales incentive plan pursuant to which he or she is eligible for an incentive award with respect to monthly or quarterly performance periods during the Separation Year, he or she shall receive the equivalent of a pro rata termination incentive for the applicable performance period in which the Separation Date occurs based on actual performance goals and performance results ("Alternate Quarterly or Monthly SIP Award"). If an Eligible Executive receiving a Severance Allowance under this 2011 ESP participates in a sales incentive plan pursuant to which he or she is eligible for an incentive award (or a portion of an incentive award) with respect to an annual performance period during the Separation Year, he or she shall receive the equivalent of a pro rata termination incentive (for such award or portion thereof) for the applicable performance period in which the Separation Date occurs based on actual performance goals and performance results ("Alternate Annual SIP Award"). The pro rata amount shall be determined as provided in the applicable SIP Plan. Alternate Quarterly or Monthly SIP Awards shall be paid at the same time as payment would be made under the SIP Plan for the applicable performance period if the Eligible Executive had remained an employee and Alternate Annual SIP Awards shall be paid on the Alternate AIP Award Payment Date. An Eligible Executive who receives an Alternate SIP Award may not receive a SIP Award under the SIP Plan for the same quarter or any subsequent quarter under any circumstances. Alternatively, an Eligible Executive who receives a SIP Award under the SIP Plan may not receive an Alternate SIP Award under this 2011 ESP for the same quarter or any subsequent quarter under any circumstances.

(e) Paid Time Off . The Severance Pay and benefits outlined in Section 3 above include and exceed any paid time off or similar amounts that are unpaid as of the Eligible Executive's Separation Date, and the Eligible Executive shall not be entitled to any additional payment for or in respect of such unpaid amounts.

(f) Equity Awards . This 2011 ESP does not alter or amend any vesting or other terms and conditions contained in previous grants of stock options, restricted stock, restricted stock units, or SARs, as reflected in the agreements or award documents issued at the time of grant ("Equity Awards"). Following the Separation Date, except in the event the Eligible Executive violates one or more of the restrictive covenants referenced in Section 4(a) below, each of his or her outstanding Equity Awards will be accorded the most favorable treatment for which each Equity Award qualifies per the terms of the applicable plans, grant agreements or award documents.

(g) Medical Benefits . Benefits coverage in effect on the Eligible Executive's Separation Date under the Motorola

Solutions Employee Medical Benefits Plan ("Medical Plan"), as amended from time to time, will be continued at the regular employee contribution rate through the end of the Severance Period, provided that the Eligible Executive complies with all terms and conditions of the Medical Plan, including paying the necessary contributions and provided further, if the Eligible Executive is reemployed with another employer and becomes covered under that employer's medical plan, the medical benefits described herein (if they are not terminated as provided in COBRA, defined below) shall be secondary to those provided under such other plan. The difference between the cost for such coverage under COBRA, as defined below, and the amount of the necessary contributions that the Eligible Executive is required to pay for such coverage as provided above will be paid by Motorola Solutions and considered imputed income to the Eligible Executive. The Eligible Executive is responsible for the payment of income tax due as a result of such imputed income. After the total period of medical benefit continuation provided in this 2011 ESP, the Eligible Executive may elect to continue medical benefits under the Medical Plan at his or her own expense, in accordance with COBRA. The period of medical benefit continuation described immediately above counts toward and reduces the maximum coverage under Section 4980B of the Code ("COBRA"), as described in Treasury Regulation Section 54.4980B-7, A-7(a). The COBRA period commences on the first of the month following the Separation Date. If the Eligible Executive is eligible for coverage under the Motorola Solutions Post-Employment Health Benefits Plan or any restated or successor plan (the "Retiree Plan"), the Eligible Executive may apply for such coverage, provided that he or she makes an election for such coverage, in accordance with the terms and conditions for such coverage under the Retiree Plan. The Eligible Executive may wait until the end of the period of continued Medical Plan coverage provided for in this 2011 ESP before electing to begin coverage under the Retiree Plan. If the Eligible Executive commences coverage under the Retiree Plan before he or she has exhausted the continued Medical Plan coverage provided for in this 2011 ESP, the continued Medical Plan coverage will end.

(h) Outplacement . Motorola Solutions also will provide senior executive outplacement and career continuation services by a firm to be selected by Motorola Solutions for up to 12 months following the Separation Date, as set forth in Exhibit A, if the Eligible Executive elects to participate in such services.

(i) Other Benefits . Except as otherwise expressly provided in the 2011 ESP, the effect of an Eligible Executive's termination and this 2011 ESP upon the Eligible Executive's participation in, or coverage under, any of Motorola Solutions' benefit or compensation plans, including but not limited to the Motorola Omnibus Incentive Plan of 2006, , the Motorola Solutions Annual Incentive Plan, the Motorola Solutions Executive Officer Short Term Incentive Plan, the officer-level sales incentive plans, the General Instrument Corporation 1997 Long-Term Incentive Plan, the General Instrument Corporation 1999 Long-Term Incentive Plan, the Motorola Elected Officers Supplementary Retirement Plan, the Motorola Solutions Supplemental Pension Plan, the Motorola Elected Officers Life Insurance Plan, the 2006 Motorola Long Range Incentive Plan for any given performance cycle, the Motorola Management Deferred Compensation Plan, the Motorola Solutions Financial Planning Program, the VP Change in Control Plans or any other applicable group plan, stock option plan and any restricted stock, stock unit or SAR agreements, shall be governed by the terms of those plans and agreements, each as amended or restated from time to time, or any successor plans thereto. Motorola Solutions is making no guarantee, warranty or representation in this 2011 ESP regarding any position that may be taken by any administrator or plan regarding the effect of this 2011 ESP upon the Eligible Executive's rights, benefits or coverage under those plans and agreements **.**

(j) Financial Planning Services . Notwithstanding anything to the contrary in Section 3(i) above, for any Eligible Executive who participates in the Motorola Solutions Financial Planning Program on such Eligible Executive's Separation Date, Motorola Solutions will pay the Eligible Executive's financial planning vendor for services rendered pursuant to the Motorola Solutions Financial Planning Program through the later of (i) 12 months following the Separation Date or (ii) April 30 of the calendar year following the Separation Year. Payment will be made within 90 days following the date the Eligible Executive submits evidence that he or she incurred such expenses, and in all events prior to the last day of the calendar year following the calendar year in which he or she incurs the expense. In no event will the amount of such expenses paid in one year affect the amount of expenses eligible for payment, or in-kind benefits to be provided, in any other taxable year.

(k) Eligible Executives Whose Work Country is not the United States . To the extent an Eligible Executive is party to an agreement providing that Motorola Solutions shall relocate and/or repatriate him or her and eligible dependents to the United States and such agreement is still in effect on the Separation Date, Motorola Solutions will provide relocation and/or repatriation services in accord with the terms of that agreement. Payment of relocation vendors and/or reimbursement of the Eligible Executive will be made within 90 days following the date the Eligible Executive submits evidence that he or she incurred such expenses, and in all events prior to the last day of the calendar year following the calendar year in which he or she incurs the expense. In no event will the amount of such expenses paid or reimbursed in one year affect the amount of expenses eligible for payment or reimbursement, or in-kind benefit to be provided, in any other taxable year.

(l) Cessation of Payments upon Rehire . If an Eligible Executive is rehired by Motorola Solutions within the Severance

Period, he or she shall repay a pro rata portion of the Severance Allowance calculated by multiplying the Severance Allowance by a fraction, the numerator of which is the total number of months of the Eligible Executive's Severance Period minus the number of completed months of severance following the Separation Date, and the denominator of which is the total number of months of the Eligible Executive's Severance Period. This requirement may be waived by Motorola Solutions, Inc.'s most senior Human Resources officer for compelling business reasons, as determined in his or her discretion. The Alternate AIP Award or the Alternate SIP Award, as applicable, shall be paid to, and/or may be retained by, the Eligible Executive as otherwise provided herein, *provided that*, this requirement may be waived by the most senior Human Resources officer in favor of reinstating the Eligible Executive to the AIP Plan or an officer-level SIP Plan for the performance period in which the Separation Date occurred, provided further that the payment under the AIP Plan or an officer level SIP Plan for the performance period of reinstatement will be paid at the same time either the Alternate AIP Award or Alternate SIP Award would have been paid if not so waived. In no event may the Eligible Executive receive an Alternate AIP Award or Alternate SIP Award and either an actual AIP Plan award or an actual SIP Plan award for the same performance period, as the case may be.

(m) Committee Discretion . Notwithstanding the foregoing, the Compensation and Leadership Committee of Motorola Solutions, Inc.'s Board of Directors or its delegate may, in its sole discretion, reduce, eliminate, or otherwise adjust the amount of an Eligible Executive's Severance Pay and benefits, including the Alternate AIP Award and/or Alternate SIP Award. Such determination shall be made before any severance payments commence under this Section 3. Unless the Compensation and Leadership Committee determines otherwise, or unless the Eligible Executive is an officer subject to Section 16 of the Securities Exchange Act of 1934 or an officer reporting directly to Motorola Solutions, Inc.'s Chief Executive Officer or a member of Motorola Solutions' Senior Leadership Team, Motorola Solutions, Inc.'s most senior Human Resources officer is delegated the authority to exercise the discretion provided by this provision with respect to Eligible Executives, provided such determination is made before any severance payments commence under this Section 3 and he or she reports such adjustment to the Compensation and Leadership Committee in writing no later than the Committee's next regularly scheduled meeting, with a copy to the Plan Administrator.

(n) Death of Executive . If an Eligible Executive entitled to a Severance Allowance or payments under Section 3(c) or (d) should die before all such amounts payable to him or her have been paid, such unpaid amounts shall be paid no later than 90 days following the Eligible Executive's death (or in the case of payments under Section 3(c) or (d), within 90 days following determination of the applicable performance results) to Eligible Executive's legal representative, if there be one, and, if not, to the Executive's spouse, parents, children or other relatives or dependents of such Executive as the Plan Administrator, in his or her discretion, may determine; provided, however, such payee or payees shall not have the right to designate the taxable year of payment. Any payment so made shall be a complete discharge of any liability with respect to such benefit.

(o) Business Expenses . Each Eligible Executive shall be responsible for any personal charges incurred on any Motorola Solutions credit card or other account used by the Eligible Executive prior to the Eligible Executive's Separation Date and the Eligible Executive shall pay all such charges when due. Motorola Solutions shall reimburse the Eligible Executive for any pending, reasonable business-related credit card charges for which the Eligible Executive has not already been reimbursed as of the Eligible Executive's Separation Date provided the Eligible Executive files a proper travel and expense report. Such reimbursement shall be made not later than December 31 of the year following the year in which the Executive incurs the expense. In no event will the amount of such expenses paid in one year affect the amount of expenses eligible for payment, or in-kind benefits to be provided, in any other taxable year.

4. Eligible Executive Obligations.

(a) General . An Eligible Executive's Severance Pay and benefits provided under Section 3 are expressly conditioned on the Eligible Executive's compliance with the obligations contained in certain Stock Option Agreements and/or Stock Option Consideration Agreements and/or Restricted Stock Agreements and/or Restricted Stock Unit Agreements with Motorola Solutions **,** as well as various other agreements for the protection of Motorola Solutions' confidential and proprietary information. Such agreements, including but not limited to the non-disclosure, non-competition and non-solicitation provisions therein, continue in full force and effect according to their terms. In addition to complying with all the other obligations contained in the above-referenced agreements, the Eligible Executive must immediately inform Motorola Solutions of (i) the identity of any new employment, start-up business or self-employment in which he or she has engaged or will engage between the Separation Date and the first anniversary of the Separation Date, (ii) his or her title in any such engagement, (iii) his or her duties and responsibilities in any such engagement and (iv) any information Motorola Solutions reasonably requests in order to determine the Eligible Executive's compliance with the above-referenced agreements and this 2011 ESP. By accepting the Severance Pay and benefits outlined herein, the Eligible Executive authorizes Motorola Solutions to provide a copy of any agreement between him or her and Motorola Solutions for the protection of Motorola Solutions' confidential and/or proprietary

information to any new employer or other entity or business by which he or she is engaged up to the second anniversary of the Separation Date.

(b) Release of Claims . In order to receive the Severance Pay and benefits available under the 2011 ESP, an Eligible Executive must work through his or her Separation Date, as determined in the sole discretion of his or her direct manager, and sign and return a General Release, in a form acceptable to the Plan Administrator and the period for revocation of such release, if any, shall have expired no later than sixty (60) days after the Eligible Executive's Separation Date.

The Plan Administrator may from time to time alter the specific terms of the General Release used for purposes of the 2011 ESP, or add new terms, as it determines to be appropriate in his or her discretion.

(c) Non-Disparagement . An Eligible Executive shall not, directly or indirectly, individually or in concert with others, engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging or otherwise reflecting poorly upon Motorola Solutions or its good will, products or business opportunities, or in any manner detrimental to Motorola Solutions, though the Eligible Executive may give truthful and nonmalicious testimony if properly subpoenaed to testify under oath.

(d) Records/Company Property . The Eligible Executive shall return to Motorola Solutions by his or her Separation Date all property belonging to Motorola Solutions and confidential and/or proprietary information including the originals and all copies and excerpts of documents, drawings, reports, specifications, samples and the like that were/are in the Eligible Executive's possession at all Motorola Solutions and non-Motorola Solutions locations, including but not limited to information stored electronically on computer hard drives or disks.

(e) Cooperation and Indemnification . From the Eligible Executive's Separation Date, and for as long thereafter as shall be reasonably necessary, the Eligible Executive shall cooperate fully with Motorola Solutions in any investigation, negotiation, litigation or other action arising out of transactions in which he or she was involved or of which he or she had knowledge during his or her employment by Motorola Solutions and its Affiliates and Subsidiaries. If the Eligible Executive incurs any business expenses in the course of performing his or her obligations under this paragraph, he or she will be reimbursed for the full amount of all reasonable expenses upon submission of adequate receipts confirming that such expenses actually were incurred. All reimbursements under this Section 4(e) will be for expenses incurred by the Eligible Executive during his or her lifetime. Reimbursement will be made within 90 days following the date the Eligible Executive submits evidence that he or she incurred such expenses, and in all events prior to the last day of the calendar year following the calendar year in which he or she incurs the expense. In no event will the amount of expenses reimbursed in one year affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, in any other taxable year. Motorola Solutions will indemnify the Eligible Executive for judgments, fines, penalties, settlement amounts and expenses (including reasonable attorneys fees and expenses) reasonably incurred in defending any actual or threatened action, lawsuit, investigation or other similar proceeding arising out of his or her employment with Motorola Solutions, provided that if the matter is a civil action, he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of Motorola Solutions and if the matter is a criminal action, the Eligible Executive had no reasonable cause to believe his or her conduct was unlawful (in each case as determined under the Delaware General Corporation Law).

(f) Remedies for Breach of Eligible Executive's Obligations . The payments set forth in Section 3 above are conditioned upon the Eligible Executive's faithful performance of his or her obligations pursuant to Paragraph 4(a) and (c) through (e) of this 2011 ESP. If the Eligible Executive breaches those obligations, including any breach of the agreements referenced in Section 4(a), he or she must promptly repay to Motorola Solutions all sums received from Motorola Solutions and shall forfeit all sums as yet unpaid under Section 3(a), (c), (d), less the sum of (i) One Thousand Dollars ($1,000.00) and (ii) the amount of accrued but unpaid paid time off of the Executive at his or her Separation Date. In addition, Motorola Solutions shall be entitled to all rights and remedies set forth in the agreements referenced in Section 4(a). Any repayment of Severance Pay paid pursuant to this 2011 ESP or repayment pursuant to the remedies set forth in the agreements referenced in Section 4(a) shall not reduce any money damages that may be available to Motorola Solutions as a result of the breach.

By accepting Severance Pay and benefits under this 2011 ESP, each Eligible Executive acknowledges that the harm caused to Motorola Solutions by the breach or anticipated breach of Section 4(a) and (c) through (e) of this 2011 ESP will be irreparable. The Eligible Executive agrees Motorola Solutions may obtain injunctive relief against him or her in addition to and cumulative with any other legal or equitable rights and remedies Motorola Solutions may have pursuant to this 2011 ESP or law, including the recovery of liquidated damages. The Eligible Executive agrees that any interim or final equitable relief entered by a court of competent jurisdiction, as specified in Section 7(e) below, will, at the request of Motorola Solutions, be entered on consent and enforced by any such court having jurisdiction over him or her. This relief would occur without

prejudice to any rights either party may have to appeal from the proceedings that resulted in any grant of such relief. In any dispute regarding this 2011 ESP, each party will pay its own fees and costs.

5. Plan Administration.

The Plan Administrator is the party responsible for the administration of the 2011 ESP. A Human Resources employee at the level of Director or above who is appointed by the Compensation and Leadership Committee will serve as the "Plan Administrator" of the 2011 ESP and the "named fiduciary" within the meaning of such terms as defined in ERISA.

The Plan Administrator will perform all duties imposed upon him or her by the terms of ERISA. The Plan Administrator shall be responsible for the general administration and management of the 2011 ESP. In his or her role of administering the 2011 ESP, the Plan Administrator shall have the discretionary powers and duties necessary to fulfill his or her responsibilities, including, but not limited to, the following powers and duties to: (i) interpret, construe and apply the 2011 ESP, including the making of factual determinations, as the Plan Administrator or his or her designee, in his or her sole discretion, determines to be appropriate; (ii) determine all questions relating to the eligibility of persons to participate or receive benefits as the Plan Administrator or his or her designee, in his or her sole discretion, deems to be appropriate; (iii) appoint individuals to assist in any function, and generally to perform all other acts necessary in administering the 2011 ESP as the Plan Administrator or his or her designee, in his or her sole discretion, deems appropriate; and (iv) seek such expert advice as the Plan Administrator or his or her designee deems reasonably necessary with respect to the 2011 ESP. The Plan Administrator and his or her designee shall be entitled to rely upon the information and advice furnished by such delegates and experts, unless actually knowing such information and advice to be inaccurate or unlawful.

The decisions of the Plan Administrator, or persons delegated with the authority to make such decisions for the Plan Administrator, and the decisions of the Vice President for Global Rewards (or, where applicable, the most senior Law Department labor and employment law attorney or his or her designee) under Section 6, will be final and conclusive with respect to all questions relating to the 2011 ESP.

6. Procedure for Making and Appealing Claims for Benefits

If an employee or vice president believes he or she has not been paid the Severance Pay or benefits to which he or she is entitled under the 2011 ESP, the employee or vice president must file a claim for benefits in writing with the Plan Administrator. Within ninety (90) days after receiving a claim (or within 180 days if special circumstances require an extension of time and written notice was provided to the employee or vice president before the expiration of the initial ninety (90) day period), the Plan Administrator will:

- either accept or deny the claim completely or partially; and
- notify the employee or vice president of acceptance or denial of the claim.
- If the claim is completely or partially denied, the Plan Administrator will furnish a written notice to the employee or vice president containing the following information:
- specific reasons for the denial;
- specific references to the 2011 ESP provisions on which any denial is based;
- a description of any additional material or information that the employee or vice president must provide in order to support the claim and an explanation of why it is required; and
- an explanation of the 2011 ESP's appeal procedures and the applicable time limits, including a statement of the right to bring a civil action under Section 502(a) of ERISA following an adverse determination on appeal.

The employee or vice president may appeal the denial of the claim and have the Vice President for Global Rewards (or in the case of a conflict of interest, the most senior Law Department labor and employment law attorney or his or her designee) reconsider the decision. The employee, vice president or his or her authorized representative has the right to:

- request an appeal by written request to the Vice President for Global Rewards not later than sixty (60) days after receipt of notice from the Plan Administrator denying the claim;

- upon request and free of charge, have reasonable access to, and copies of, all documents, records, and other information relevant to the claim; and

- submit issues and comments regarding the claim in writing, along with documents, records and other information, to the Vice President for Global Rewards.

The Vice President for Global Rewards (or, where applicable, the most senior Law Department labor and employment law attorney or his or her designee) will make a decision with respect to such an appeal within sixty (60) days after receiving the written request for such appeal (this sixty (60) day period can be extended for an additional sixty (60) days if special circumstances require an extension of time and written notice is provided to the employee or vice president or his or her authorized representative before the extension begins). The review will take into account all comments, documents, records, and other information relating to the claim submitted in connection with the review, without regard to whether such information was submitted or considered in the initial claim determination. The employee, vice president or his or her authorized representative will be advised of the decision on the appeal in writing. The notice will set forth the specific reasons for the decision and make specific reference to 2011 ESP provisions upon which the decision on the appeal is based. In the case of an adverse benefit determination on appeal, in addition to the information in the preceding sentence, the notice shall include (i) a statement that the employee or vice president is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her claim for benefits, and (ii) a statement of the employee's or vice president's right to bring a civil action under Section 502(a) of ERISA. In performing his or her duties hereunder, the Vice President for Global Rewards (or, where applicable, the most senior Law Department labor and employment law attorney or his or her designee) shall have the power to interpret and construe the 2011 ESP and make factual determinations as are granted to the Plan Administrator under Section 5.

In no event shall the employee, vice president or any other person be entitled to challenge the decision of the Plan Administrator or the Vice President for Global Rewards (or, where applicable, the most senior Law Department labor and employment law attorney or his or her designee) in court or in any other administrative proceeding unless and until the claim and appeal procedures described above have been complied with and exhausted.

7. Miscellaneous.

(a) Amendment . Motorola Solutions, Inc., by action of its Compensation and Leadership Committee, reserves the right to amend this 2011 ESP, in whole or in part, or to discontinue or terminate the 2011 ESP, at any time in its sole discretion. No amendment, discontinuance or termination, however, may adversely affect the rights of any person who would be an Eligible Executive if his or her Separation Date occurred on or before the date of such amendment or termination without (i) one (1) year's advance written notice of such amendment or termination or (ii) his or her written consent if such person (x) is then receiving Severance Pay and benefits under the 2011 ESP, or (y) is entitled to receive Severance Pay and benefits under the 2011 ESP on account of a prior Qualifying Termination. In addition to the foregoing, for a period of at least two (2) years following a Change in Control, the 2011 ESP shall continue in full force and effect and shall not terminate or expire until after all Eligible Executives who become entitled to any Severance Pay or benefits hereunder shall have received such Severance Pay and benefits in full.

(b) Withholding . Motorola Solutions shall be entitled to withhold or cause to be withheld from amounts to be paid under this 2011 ESP to an Eligible Executive any federal, state, or local withholding or other taxes or amounts that it is from time to time required to withhold.

(c) Compliance with Section 409A . Notwithstanding anything to the contrary contained in this 2011 ESP, the payments and benefits provided under this 2011 ESP are intended to comply with Code Section 409A, and the provisions of this 2011 ESP shall be interpreted such that the payments and benefits provided are either not subject to Code Section 409A or are in compliance with Code Section 409A. Motorola Solutions, Inc. may modify the payments and benefits under this 2011 ESP at any time solely as necessary to avoid adverse tax consequences under Code Section 409A. Notwithstanding any provision in this 2011 ESP to the contrary, if the Eligible Executive is a "specified employee" (within the meaning of Treasury Regulation Section 1.409A-1(i) and using the identification methodology selected by Motorola Solutions from time to time) on the Eligible Executive's Separation Date, then any payment or benefit which would be considered "nonqualified deferred compensation" within the meaning of Code Section 409A that the Eligible Executive is entitled to receive upon the Eligible Executive's Separation Date and which otherwise would be payable during the six-month period immediately following the Eligible Executive's Separation Date will instead be paid or made available on the earlier of the first day of the seventh month following the Eligible Executive's Separation Date and the Eligible Executive's death.

(d) No Implied Employment Rights . The 2011 ESP shall not be deemed to give any employee or other person any right to be retained in the employ of Motorola Solutions or its Affiliates or Subsidiaries or to interfere with the right of Motorola Solutions or its Affiliates or Subsidiaries to discharge any employee or other person at any time and for any reason.

(e) Governing Law and Venue . This 2011 ESP is intended to be governed by and will be construed in accordance with ERISA, and to the extent not preempted by ERISA, by the laws of the state of Illinois, without regard for any choice of law principles thereof. Any legal action related to this 2011 ESP and any referenced agreements or award documents shall be brought only in a federal or state court located in Cook County, Illinois, USA. The Eligible Executive accepts the jurisdiction of these courts and consents to service of process from said courts for legal actions related to this 2011 ESP and any referenced agreements or award documents.

(f) Severability . If any provision of the 2011 ESP is held to be invalid or unenforceable, its invalidity or unenforceability will not affect any other provision of the 2011 ESP, and the 2011 ESP will be construed and enforced as if such provision had not been included.

(g) Successors .

(i) Motorola Solutions, Inc. shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business and/or assets of Motorola Solutions, Inc. expressly to assume and agree to perform this 2011 ESP in the same manner and to the same extent Motorola Solutions, Inc. would be required to perform if no such succession had taken place. This 2011 ESP shall be binding upon, inure to the benefit of and be enforceable by Motorola Solutions, Inc. and any successor to Motorola Solutions, Inc., including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of Motorola Solutions, Inc. whether by purchase, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed to be "Motorola Solutions, Inc." for the purposes of this 2011 ESP), and the Eligible Executive's personal or legal representatives, executors, administrators, successors, heirs, distributes and/or legatees.

(ii) This 2011 ESP is intended to be for the exclusive benefit of Motorola Solutions and the Eligible Executive, and except as provided in clause (i) of this Section 7(g), no third party shall have any rights hereunder.

8. Definitions.

" 2011 ESP " means the Motorola Solutions, Inc. 2011 Executive Severance Plan, as amended or restated from time to time.

" Affiliate " means any corporation or entity other than Motorola Solutions, Inc. which, as of a given date, is a member of the same controlled group of corporations or the same group of trades or businesses under common control as Motorola Solutions, Inc. determined in accordance with Sections 414(b) or (c) of the Code.

" Alternate AIP Award " has the meaning set forth in Section 3(c).

" Alternate SIP Award " has the meaning set forth in Section 3(d).

" Base Salary " means an Eligible Executive's monthly rate of base salary as in effect immediately prior to his or her termination from employment.

" Cause " means (i) the Eligible Executive's conviction of any criminal violation involving dishonesty, fraud or breach of trust or (ii) the Eligible Executive's willful engagement in gross misconduct in the performance of the Eligible Executive's duties that materially injures Motorola Solutions.

" Change in Control " means the occurrence of a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provision thereto, whether or not Motorola, Inc. is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if (a) any "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Motorola Solutions, Inc. representing 20% or more of the combined voting power of Motorola Solutions, Inc.'s then outstanding securities (other than Motorola Solutions, Inc. or any employee benefit plan of Motorola Solutions, Inc.'s or of an Affiliate or Subsidiary; and, for purposes of the 2011 ESP, no Change in Control shall be deemed to have occurred as a result of the "beneficial ownership," or changes therein, of Motorola Solutions, Inc.'s securities by either of the foregoing), (b) there shall be consummated (i) any

consolidation or merger of Motorola Solutions, Inc. in which Motorola Solutions, Inc. is not the surviving or continuing corporation or pursuant to which shares of common stock would be converted into or exchanged for cash, securities or other property, other than a merger of Motorola Solutions, Inc. in which the holders of common stock immediately prior to the merger have, directly or indirectly, at least a 65% ownership interest in the outstanding common stock of the surviving corporation immediately after the merger, or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of Motorola Solutions, Inc. other than any such transaction with entities in which the holders of the Motorola Solutions Inc.'s common stock, directly or indirectly, have at least a 65% ownership interest, (c) the stockholders of Motorola Solutions, Inc. approve any plan or proposal for the liquidation or dissolution of Motorola Solutions, Inc., or (d) as the result of, or in connection with, any cash tender offer, exchange offer, merger or other business combination, sale of assets, proxy or consent solicitation (other than by the Board of Directors of Motorola Solutions, Inc. (the "Board")), contested election or substantial stock accumulation (a "Control Transaction"), the members of the Board immediately prior to the first public announcement relating to such Control Transaction shall thereafter cease to constitute a majority of the Board.

" Compensation and Leadership Committee " means the Compensation and Leadership Committee of the Motorola Solutions, Inc. Board of Directors.

" Code " means the Internal Revenue Code of 1986, as amended.

" Eligible Executive " means (w) any (i) Appointed Vice President, Corporate Vice President, Senior Vice President or Executive Vice President of Motorola Solutions on the date of his or her Separation Date or (ii) other person whose salary grade is EXB, EXC, EXS, or EXV on his or her Separation Date, (x) whose Pay Country is the United States of America, (y) whose (i) employment with Motorola Solutions commenced or who was first promoted as a vice president on or after February 1, 2011, or (ii) who is an Appointed Vice President, Corporate Vice President, Senior Vice President or Executive Vice President, or whose salary grade is EXB, EXC, EXS, or EXV as of January 31, 2011, but whose Separation Date occurs on or after February 1, 2014, and (z) whose employment with Motorola Solutions is terminated in a Qualifying Termination. An employee or officer of Motorola Solutions who is not an Eligible Executive shall not be entitled to any Severance Pay or benefits under the 2011 ESP.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended.

" Motorola Solutions " means Motorola Solutions, Inc. and any successors thereto, and any of its U.S. Subsidiaries and/or U.S. Affiliates .

" Pay Country " means the country on whose payroll the Eligible Executive resides and from which his or her base salary and other benefits are paid.

" Plan Administrator " has the meaning provided in Section 5.

" Qualifying Termination" means termination of employment with Motorola Solutions in which the employment relationship is terminated by Motorola Solutions, specifically excluding, however:

(a) voluntary termination from employment with Motorola Solutions, including voluntary termination due to retirement, or retirement at any applicable mandatory retirement age;

(b) termination of employment due to Total and Permanent Disability;

(c) termination of employment by Motorola Solutions for Cause;

(d) termination of employment if the employee or officer (i) accepts employment with another company in connection with the sale, lease, exchange, outsourcing arrangement or any other type of asset transfer or transfer of any portion of a facility or all or any portion of a discrete organizational unit or business segment of Motorola Solutions or of a Subsidiary; (ii) is offered employment with another company in connection with the sale, lease, exchange, outsourcing arrangement or any other type of asset transfer or transfer of any portion of a facility or all or any portion of a discrete organizational unit or business segment of Motorola Solutions or of a Subsidiary, provided that the employment offer includes a base salary, target annual incentive and/or retention bonus and active medical benefits (but without regard to retiree medical benefits, if any) that are comparable, in the aggregate to the base salary and target annual incentive and active medical benefits provided by Motorola Solutions at the time the offered employment is to become effective, or (iii) remains employed by an Affiliate or Subsidiary that is sold, or whose shares are distributed to Motorola Solutions, Inc.'s stockholders in a spin-off or similar

transaction;

(e) termination of employment with Motorola Solutions which is followed by immediate or continued employment by Motorola Solutions or an Affiliate or Subsidiary;

(f) termination of employment by death; or

(g) voluntary termination of employment by failing to return to work from an approved leave of absence. The Plan Administrator shall determine within his or her sole discretion whether a termination is by reason of a Qualifying Termination or under circumstances which do not constitute a Qualifying Termination as provided above.

" Separation Date " means the date of the Eligible Executive's Separation from Service, which generally will be Eligible Executive's last date on Motorola Solutions' payroll.

" Separation Year " means the calendar year in which the Separation Date occurs.

" Severance Allowance " has the meaning as provided in Exhibit A.

" Severance Pay " means Severance Allowance as provided in Section 3(a) and Exhibit A plus Alternate AIP Award or Alternate SIP Award, as applicable, as provided in Section 3(c) and (d).

" Severance Period " means the number of total months of Severance Allowance specified for a given Eligible Executive as provided in Section 3(a) and Exhibit A.

" Subsidiary " means any corporation or other entity in which a 50% or greater interest is at the time directly or indirectly owned by Motorola Solutions, Inc. and which Motorola Solutions, Inc. consolidates for financial reporting purposes.

" Total and Permanent Disability " means entitlement to long term disability benefits under the Motorola Solutions Disability Income Plan, as amended and any successor plan or a determination of a permanent and total disability under a state workers compensation statute.

Exhibit A

	Severance Pay and Benefits			
Level/Salary Grade	**Severance Allowance**	**Alternate AIP Award—AIP Participants**	**Alternate SIP Award—SIP Participants**	**Welfare Plan Benefits; Outplacement; Financial Planning Services**
Appointed Vice President and/or Salary Grade EXB	9 months of Base Salary ("Severance Allowance")	The Alternate AIP Award as provided in Section 3(c)	The Alternate SIP Award as provided in Section 3(d)	(a) 9 months of Medical Plan coverage at the active employee premium rate, offset against the COBRA amount as provided in Section 3(g); and (b) up to 12 months outplacement services as provided in Section 3(h). Financial planning services as provided in Section 3(j).
Elected Officers and/or Salary Grades EXC, EXS and EXV	12 months of Base Salary ("Severance Allowance")	The Alternate AIP Award as provided in Section 3(c)	The Alternate SIP Award as provided in Section 3(d)	(a) 12 months of Medical Plan coverage at the active employee premium rate, offset against the COBRA amount as provided in Section 3(g); and (b) up to 12 months outplacement services as

provided in Section 3(h). Financial planning services as provided in Section 3(j).

Exhibit 10.64

AMENDMENT NO. 1 TO THE MOTOROLA SOLUTIONS, INC. LEGACY AMENDED AND RESTATED EXECUTIVE SEVERANCE PLAN

The Motorola Solutions, Inc. Legacy Amended and Restated Executive Severance Plan (the "Plan") is hereby amended on and effective as of January 16, 2013 by the Compensation and Leadership Committee of the Board of Directors of Motorola Solutions, Inc. in the following particulars:

1. Paragraph 3(c) of the Plan is hereby amended by inserting the following immediately preceding the ("AIP Plan") parenthetical: " or the Motorola Solutions Executive Officer Short Term Incentive Plan, each as amended or restated from time to time, or any successor plan or plans thereto".
2. Paragraph 3(c) of the Plan is hereby further amended by inserting the phrase ", as applicable," immediately preceding the phrase "with an individual performance factor of 1.0".

ACE American Insurance Company
(A Stock Company)
Philadelphia, PA
(Herein called We, Us, Our)

Summary of Benefits

Policyholder: Accident Benefits for Motorola Solutions, Inc.

Policy Number: ADD N04156870

Term of Coverage: January 1, 2013 to January 1, 2014

You are a Covered Person and eligible for coverage under the plan, if you are in the eligible class defined below. For benefits to be payable the Policy must be in force, the required premium must be paid and you must be engaging in one of the Covered Activities described below. If you are not in Active Service on the date your insurance would otherwise be effective, it will go into effect on the date you return to Active Service.

Class Description: All Non-employee Directors of the Policyholder.

Your Dependents (your lawful spouse and unmarried children, subject to the age limits shown in the Policy) are also covered, if they are traveling with you.

Period of Coverage: You will be insured on the later of the Policy Effective Date or the date that you become eligible. Your coverage will end on the earliest of the date: 1) the Policy terminates; 2) you are no longer eligible; or 3) the period ends for which the required premium is paid. Dependents coverage will end on the earliest of the date: 1) he or she is no longer a Dependent; 2) your coverage ends; or 3) the period ends for which the required premium is paid.

Covered Activities

Exposure & Disappearance - Coverage includes exposure to the elements after the forced landing, stranding, sinking, or wrecking of a vehicle in which you were traveling. You are presumed dead if you are in a vehicle that disappears, sinks, or is stranded or wrecked on a trip covered by this Policy; and the body is not found within one year of the Covered Accident.

24-Hour Coverage - We will pay the benefits described in the Policy when you suffer a Covered Accident any time while insured by the Policy. Unless otherwise specified, We will pay benefits only once for a Covered Accident.

Business Travel - The Covered Accident must take place while traveling: 1) on business for the Policyholder; and 2) in the course of the Policyholder's business. This coverage does not include commuting between home and the place of work.

This coverage will start at the actual start of the trip. It does not matter whether the trip starts at your home, place of work, or other place. It will end on the first of the following dates to occur: 1) the date you return to your home; 2) the date you return to your place of work; or 3) the date your Personal Deviation is more than 14 day(s). "Personal Deviation" means: 1) an activity that is not reasonably related to the Policyholder's business; and 2) not incidental to the purpose of the trip.

Felonious Assault - The Covered Accident must: 1) take place on the Policyholder's premises; 2) be in the course of your job; and, 3) be caused by or result directly and independently from a Felonious Assault, as defined below. The assault must be inflicted by a person other than another person covered by the Policy, your Immediate Family Member, or Household Member. A police report detailing the Felonious Assault must be provided.

The Covered Accident must occur during any of the following: 1) actual or attempted robbery or holdup; or 2) actual or attempted kidnapping; or 3) any other type of intentional assault that is a crime classified as a felony by the governing statute or common law in the state where the assault occurred. "Felonious Assault" means a criminal act or an act of physical violence against a person covered by this Policy. "Immediate Family Member" means your parent, sister, brother, husband, wife, or children. "Household Member" means a person who maintains residence at the same address as you.

Hijacking and Air Piracy - The Covered Accident must: 1) take place during the: a) hijacking of an Aircraft; b) air piracy; or c) unlawful seizure or attempted seizure of an Aircraft; and 2) take place while you are in the course of the Policyholder's business. Coverage begins with the onset of the hijacking or air piracy and continues while you are subject to the control of the person or persons responsible for the hijacking/air piracy and during travel directly to your home or scheduled

destinations. "Hijacking" or "Air Piracy," as used here, means the unlawful seizure or wrongful exercise of control of an aircraft or conveyance, or the crew thereof, in which you are traveling solely as a passenger.

Owned, Leased, or Controlled Aircraft - The Covered Accident must take place while: 1) you are riding in, or getting on or off of, a covered aircraft; or 2) as a result of you being struck by a covered aircraft. 3) away from the Policyholder's premises in your city of permanent assignment; 4) on business for the Policyholder; and 5) in the course of the Policyholder's business.

This coverage will start at the actual start of the trip. It does not matter whether the trip starts at your home, place of work, or other place. It will end on the first of the following dates to occur: 1) the date you return to your home; 2) the date you return to your place of work; or 3) the date your Personal Deviation is more than 14 day(s). "Personal Deviation" means: 1) an activity that is not reasonably related to the Policyholder's business; and 2) not incidental to the purpose of the trip. An aircraft will be deemed "controlled" by the Policyholder if the Policyholder may use it for more than 10 straight days, or more than 15 days in any year.

Aircraft Restrictions - If the Covered Accident happens while you are riding in, or getting on or off of, an aircraft, We will pay benefits, but only if: 1) you are riding as a passenger only, and not as a pilot or member of the crew (except as provided by the Policy); and 2) the aircraft has a valid certificate of airworthiness; and 3) the aircraft is flown by a pilot with a valid license; and 4) the aircraft is not being used for: (i) crop dusting, spraying, or seeding; firefighting; skywriting; skydiving or hang gliding; pipeline or power line inspection; aerial photography or exploration; racing, endurance tests, stunt or acrobatic flying; or (ii) any operation which requires a special permit from the FAA, even if it is granted (this does not apply if the permit is required only because of the territory flown over or landed on). 5) the aircraft is a military transport aircraft flown by the U.S. Military Airlift Command (MAC), or similar air transport service of another country.

Relocation - The Covered Accident must take place while you are traveling on a Relocation Trip at the expense and direction of the Policyholder. "Relocation Trip" means a trip in connection with your transfer or proposed transfer by the Policyholder to a new worksite.

This coverage will start at the actual start of the trip. It does not matter whether the trip starts at your home, place of work, or other place. It will end on the first of the following dates to occur: 1) the date you return to your home; 2) the date you return to your place of work; or 3) the date your Personal Deviation is more than 14 day(s). "Personal Deviation" means: 1) an activity that is not reasonably related to the Policyholder's business; and 2) not incidental to the purpose of the trip.

Terrorism - The Covered Accident must: 1) take place while you are on the Policyholder's premises, or in the course of a) the Policyholder's business and/or b) your job; and, 2) be caused by or results directly and independently from Terrorism or Terrorist Act, as defined below.

"Terrorism or Terrorist Acts" means an activity that: 1) involves any violent act or any act dangerous to human life and that threatens or causes Injury to persons; and 2) appears to be in any way intended to: a) intimidate or coerce a civilian population; or b) disrupt any segment of a nation's economy; or c) influence the policy of a government by intimidation or coercion; or d) affect the conduct of a government by mass destruction, assassination, kidnapping, or hostage taking; or e) respond to governmental action or policy. It includes any incident declared to be an act of terrorism by an official, department, or agency that has been specifically authorized by federal statute to make such a determination. It shall also include the use of any nuclear weapon or device or the emission, discharge, dispersal, release, or escape of any solid liquid or gaseous chemical or biological agent.

Description of Benefits

Aggregate Limit - We will not pay more than per Covered Accident: $15,000,000; for all losses. If, in the absence of this provision, We would pay more than this amount for all losses under the policy, then the benefits payable to each person with a valid claim will be reduced proportionately.

Accidental Death and Dismemberment Benefits - If your Injury results, within 365 days from the date of a Covered Accident, in any one of the losses shown below, We will pay the Benefit Amount shown below for that loss. Your Principal Sum is $500,000. Your spouse's Principal Sum is $50,000. Your child's Principal Sum is $25,000. If multiple losses occur, only one Benefit Amount, the largest, will be paid for all losses due to the same Covered Accident.

Schedule of Covered Losses

Covered Loss	Benefit Amount

Life	100% of the Principal Sum
Two or more Members	100% of the Principal Sum
Quadriplegia	100% of the Principal Sum
One Member	50% of the Principal Sum
Hemiplegia	75% of the Principal Sum
Paraplegia	75% of the Principal Sum
Thumb and Index Finger of the Same Hand	25% of the Principal Sum

"Quadriplegia" means total Paralysis of both upper and lower limbs. "Hemiplegia" means total Paralysis of the upper and lower limbs on one side of the body. "Paraplegia" means total Paralysis of both lower limbs or both upper limbs. "Paralysis" means total loss of use. A Doctor must determine the loss of use to be complete and not reversible at the time the claim is submitted.

"Member" means Loss of Hand or Foot, Loss of Sight, Loss of Speech and Loss of Hearing. "Loss of Hand or Foot" means complete Severance through or above the wrist or ankle joint. "Loss of Sight" means the total, permanent Loss of Sight of one eye. "Loss of Speech" means total and permanent loss of audible communication that is irrecoverable by natural, surgical or artificial means. "Loss of Hearing" means total and permanent Loss of Hearing in both ears that is irrecoverable and cannot be corrected by any means. "Loss of a Thumb and Index Finger of the Same Hand" means complete Severance through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand). "Severance" means the complete separation and dismemberment of the part from the body.

Coma Benefit - We will pay 1% of the Principal Sum per month up to 11 months and thereafter in a lump sum of 100% of the Principal Sum if you become Comatose within 31 days of a Covered Accident and remain in a Coma for at least 31 days. We reserve the right, at the end of the first 31 days of Coma, to require proof that you remain Comatose. This proof may include, but is not limited to, requiring an independent medical examination at Our expense. Monthly payments will end on the first of the following dates: 1) the end of the month in which you die; 2) the end of the 11th month for which this benefit is payable; 3) the end of the month in which you recover from the Coma.

You are deemed "Comatose" or in a "Coma" if you are in a profound stupor or state of complete and total unconsciousness, as the result of a Covered Accident.

Disability Benefit (Permanent Total Disability) (Does not apply to Dependents) - We will pay 100% of the Principal Sum if you are under age 70 and Permanently Totally Disabled as a direct result of, and from no other cause but, a Covered Accident. Permanent Total Disability must begin within 365 days from the date of your Covered Accident. Disability Benefits will begin when: 1) the applicable Benefit Waiting Period of 365 days is satisfied; and 2) you provide satisfactory proof of Permanent Total Disability to Us.

"Total Disability" or "Totally Disabled" means, due to an Injury from a Covered Accident, you: 1) if employed, cannot do any work for which you are, or may become, qualified by reason of education, experience or training; and 2) if not employed, cannot perform the normal and customary activities of a healthy person of like age and sex. "Permanent Total Disability" or "Permanently Totally Disabled" means you are Totally Disabled and are expected to remain so disabled, as certified by a Doctor, for the rest of your life. Permanent Total Disability must be the result of the same Covered Accident that caused the Total Disability.

Emergency Medical Benefits - We will pay up to $10,000 for Covered Expenses incurred for emergency medical services to treat you if you: 1) suffer a Medical Emergency during the course of a Trip; and 2) are traveling 100 miles or more away from your place of permanent residence. Covered Expenses include expenses for guarantee of payment to a medical provider, Hospital or treatment facility. Benefits for these Covered Expenses will not be payable unless the charges incurred: 1) are Medically Necessary and do not exceed the charges for similar treatment, services or supplies in the locality where the expense is incurred; and 2) do not include charges that would not have been made if there were no insurance. Benefits will not be payable unless We authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider.

Emergency Medical Evacuation Benefit - We will pay 100% of Covered Expenses incurred for your medical evacuation if you: 1) suffer a Medical Emergency during the course of the Trip; 2) require Emergency Medical Evacuation; and 3) are traveling 100 miles or more away from your place of permanent residence. Covered Expenses; 1) Medical Transport: expenses for transportation under medical supervision to a different hospital, treatment facility or to your place of residence for Medically Necessary treatment in the event of your Medical Emergency and upon the request of the Doctor designated by

Our assistance provider in consultation with the local attending Doctor. 2) Dispatch of a Doctor or Specialist: the Doctor's or specialist's travel expenses and the medical services provided on location, if, based on the information available, your condition cannot be adequately assessed to evaluate the need for transport or evacuation and a doctor or specialist is dispatched by Our service provider to your location to make the assessment. 3) Return of Dependent Child(ren): expenses to return each Dependent child who is under age 18 to his or her principal residence if a) you are age 18 or older; and b) you are the only person traveling with the minor Dependent child(ren); and c) you suffer a Medical Emergency and must be confined in a Hospital. 4) Escort Services: expenses for an Immediate Family Member or companion who is traveling with you to join you during your emergency medical evacuation to a different hospital, treatment facility or your place of residence.

Benefits for these Covered Expenses will not be payable unless: 1) the Doctor ordering the Emergency Medical Evacuation certifies the severity of your Medical Emergency requires an Emergency Medical Evacuation; 2) all transportation arrangements made for the Emergency Medical Evacuation are by the most direct and economical conveyance and route possible; 3) the charges incurred are Medically Necessary and do not exceed the Usual and Customary Charges for similar transportation, treatment, services or supplies in the locality where the expense is incurred; and 4) do not include charges that would not have been made if there were no insurance.

Benefits will not be payable unless We authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider. In the event you refuse to be medically evacuated, we will not be liable for any medical expenses incurred after the date medical evacuation is recommended.

Repatriation of Remains Benefit - We will pay 100% of Covered Expenses for preparation and return of your body to your home if you die as a result of a Medical Emergency while traveling 100 miles or more away from your place of permanent residence. Covered expenses include: 1) expenses for embalming or cremation; 2) the least costly coffin or receptacle adequate for transporting the remains; 3) transporting the remains; and 4) Escort Services which include expenses for an Immediate Family Member or companion who is traveling with you to join your body during the repatriation to your place of residence.

All transportation arrangements must be made by the most direct and economical route and conveyance possible and may not exceed the Usual and Customary Charges for similar transportation in the locality where the expense is incurred. Benefits will not be payable unless We authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider.

Special Adaptation Benefit - We will pay 10% of the Principal Sum up to $10,000, if you suffer a "Presumptive Disability" and require a special housing adaptation or a special Vehicle to accommodate the disability. Benefits will not be payable unless your Doctor certifies them as necessary. "Presumptive Disability" means We will presume you are Totally Disabled if you suffer the complete and irrecoverable loss of sight of both eyes, speech, hearing in both ears, or of any two limbs, hands or feet, provided the loss occurs within one year of the Covered Accident. "Vehicle" means a private passenger land motor vehicle. It includes automobiles, vans, and four wheel drive vehicles. It does not include a vehicle used for farming, commercial business, racing or any type of competitive speed event.

Special Counseling Benefit - We will pay $100 per session for up to 10 counseling sessions for mental health counseling to assist you in dealing with a Covered Loss, if you suffer a Covered Loss for which benefits are payable; and obtain mental health counseling. The Maximum Amount for this benefit is $1,000 per Covered Loss.

Exclusions and Limitations: We will not pay benefits for any loss or Injury that is caused by, or results from:

- intentionally self-inflicted Injury.
- suicide or attempted suicide.
- war or any act of war, whether declared or not (except as provided by the Policy).
- a Covered Accident that occurs while on active duty service in the military, naval or air force of any country or international organization. Upon Our receipt of proof of service, We will refund any premium paid for this time. Reserve or National Guard active duty training is not excluded unless it extends beyond 31 days.
- sickness, disease, bodily or mental infirmity, bacterial or viral infection, or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food.

This insurance does not apply to the extent that trade or economic sanctions or regulations prohibit Us from providing insurance, including, but not limited to, the payment of claims.

War Risk Coverage: We will pay benefits for Covered Losses due to Covered Accidents resulting from war or acts of war anywhere in the world, except the following countries:

- the United States
- The Covered Person's Home Country
- The Covered Person's Country of Permanent Assignment

The war exclusion is deleted to the extent coverage is provide by the terms and conditions of War Risk Coverage.

"Home Country" means a country from which you hold a passport. If you hold passports from more than one Country, your Home Country will be the country that you declared to Us in writing as your Home Country.

"Country of Permanent Assignment" means a country, other than your Home Country, in which the Policyholder requires you to work for a period of time that exceeds 180 continuous days.

We will not pay more than $15,000,000 per occurrence for war risk benefits. This limit shall apply to Injuries sustained from all acts of war in a consecutive 72-hour period. If but for this limit We would pay more than $15,000,000, then the benefits We will pay to each Covered Person will be reduced in the same proportion, so that the total amount We will pay for war risk coverage is $15,000,000.

Definitions: "Covered Accident" means an accident that occurs while coverage is in force for you and results directly of all other causes in a loss or Injury covered by the Policy for which benefits are payable. "**Covered Person**" means any eligible person for whom the required premium is paid. "**Injury**" means accidental bodily harm sustained by you that results directly from all other causes from a Covered Accident. All injuries sustained by one person in any one Covered Accident, including all related conditions and recurrent symptoms of these injuries, are considered a single Injury. "**Medical Emergency**" means a condition caused by an Injury or Sickness that manifests itself by symptoms of sufficient severity that a prudent lay person possessing an average knowledge of health and medicine would reasonably expect that failure to receive immediate medical attention would place the health of the person in serious jeopardy. "**Sickness**" means an illness, disease or condition that causes a loss for which you incur medical expenses while covered under this Policy. All related conditions and recurrent symptoms of the same or similar condition will be considered one Sickness. "**Trip**" means travel by air, land, or sea from your Home Country. "**We, Our, Us**" means the insurance company underwriting this insurance or its authorized agent.

You must notify ACE USA within 90 days of an Accident or Loss. If notice cannot be given within that time, it must be given as soon as reasonably possible. This notice should identify you, your employer, and the Policy Number.
Policy Number: ADD N04156870, Underwritten by ACE American Insurance Company, 436 Walnut Street, Philadelphia, PA 19106

Contact Information: For customer service, eligibility verification, plan information, or to file a claim, contact: ACE USA at 800-336-0627 (from inside the U.S.) or 302-476-6194 (from outside the U.S.); fax 302-467-6154 for claims or inquiries or e-mail diane.basa@acegroup.com. Mail claims to: ACE USA, PO Box 15417, Wilmington, DE 19850. For medical evacuation, repatriation, or other assistance services call: Europ Assistance at 800-243-6124 (inside the U.S.) or call collect 202-659-7803 (from outside the U.S.) or e-mail OPS@europassistance-usa.com.

To access ACE's Travel Assistance Website go to www.acetravelassistance.com and enter your user ID and password (shown on your Travel Assistance ID card).

Travel Assistance Services: In addition to the insurance protection provided by this plan, ACE USA has arranged with Europ Assistance USA to provide you with access to its travel assistance services around the world. These services include:

- Medical Assistance including referral to a doctor or medical specialist, medical monitoring when you are hospitalized, emergency medical evacuation to an adequate facility, medically necessary repatriation, and return of mortal remains.
- Personal Assistance including pre-trip medical referral information and while you are on a trip: emergency medication, embassy and consular information, lost document assistance, emergency referral to a lawyer, translator or interpreter access, medical benefits verification, and medical claims assistance.
- Travel Assistance including emergency travel arrangements, arrangements for the return of your traveling companion or dependents, and vehicle return.
- Access to a secure, web-based system for tracking global threats and health or location based risk intelligence.
- Crisis hotline and on the ground security assistance to help address safety concerns or to secure immediate assistance while traveling.

When you call, please be prepared with the following information: 1) name of caller, phone number, fax number, and relationship to the Covered Person; 2) Covered Person's name, age, sex, and the policy number for your insurance plan, and

your Plan Number (01AH585); 3) a description of the insured's condition; 4) name, location, and telephone number of the hospital or other service provider; and 5) other insurance information including health insurance, workers' compensation, or auto insurance if the insured was involved in an accident.

This information provides you with a brief outline of the services available to you. These services are subject to the terms and conditions of the Policy under which you are insured. A third party vendor may provide services to you. Europ Assistance makes every effort to refer you to appropriate medical and other service providers. It is not responsible for the quality or results of service provided by independent providers. In all cases, the medical provider, facility, legal counsel, or other professional service provider suggested by Europ Assistance are not employees or agents of Europ Assistance and the choice of provider is yours alone. Europ Assistance assumes no liability for the services provided to you under this arrangement, nor is it liable for any negligence or other wrongful acts or omissions of any of the legal or health care professionals providing services to you. Travel assistance services are not available if your coverage under the Policy providing insurance benefits is not in effect.

This Description of Coverage is a brief description of the important features of the insurance plan. It is not a contract of insurance. The terms and conditions of coverage are set forth in the Policy issued to your employer. The Policy is subject to the laws of the state in which it was issued. Coverage may not be available in all states or certain terms or conditions may be different if required by state law. Please keep this information as a reference.

Exhibit 12

Motorola Solutions, Inc. and Subsidiaries
Computation of Ratio of Earnings to Fixed Charges

	Years Ended December 31,				
(In Millions)	**2012**	**2011**	**2010**	**2009**	**2008**
Pretax income (loss) (1)	$1,211	$726	$661	$636	$(1,020)
Capitalized interest	-	-	-	-	-
Fixed charges (as calculated below)	130	164	260	256	248
Earnings (2)	$1,341	$890	$921	$892	$(772)
Fixed charges:					
Interest expense	$108	$133	$219	$209	$198
Rent expense interest factor	22	31	41	47	50
Total fixed charges (2)	$130	$164	$260	$256	$248
Ratio of earnings to fixed charges	10.4	5.4	3.5	3.5	N/A (3)

Notes

(1) After adjustments required by Item 503 (d) of SEC Regulation S-K.

(2) As defined in Item 503 (d) of SEC Regulation S-K.

(3) Earnings were inadequate to cover fixed charges for the year ended December 31, 2008 by approximately $772 million.

MOTOROLA SOLUTIONS, INC.
LISTING OF MAJOR SUBSIDIARIES
12/31/2012

EXHIBIT 21

Symbol Technologies, Inc.	US
Motorola Solutions Malaysia Sdn Bhd	Malaysia

Exhibit 31.1

CERTIFICATION

I, Gregory Q. Brown, Chairman and Chief Executive Officer, Motorola Solutions, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Motorola Solutions, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 12, 2013

/s/ GREGORY Q. BROWN

Gregory Q. Brown
Chairman and Chief Executive Officer
Motorola Solutions, Inc.

Exhibit 31.2

CERTIFICATION

I, Edward J. Fitzpatrick, Executive Vice President and Chief Financial Officer, Motorola Solutions, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Motorola Solutions, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 12, 2013

/s/ EDWARD J. FITZPATRICK

Edward J. Fitzpatrick
Executive Vice President and
Chief Financial Officer
Motorola Solutions, Inc.

Exhibit 32.1

CERTIFICATION

I, Gregory Q. Brown, Chairman and Chief Executive Officer, Motorola Solutions, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), that, to my knowledge:

(1) the annual report on Form 10-K for the period ended December 31, 2012 (the "Annual Report"), which this statement accompanies fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Motorola Solutions, Inc.

This certificate is being furnished solely for purposes of Section 906.

February 12, 2013

/s/ GREGORY Q. BROWN

Gregory Q. Brown
Chairman and Chief Executive Officer
Motorola Solutions, Inc.

Exhibit 32.2

CERTIFICATION

I, Edward J. Fitzpatrick, Executive Vice President and Chief Financial Officer, Motorola Solutions, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), that, to my knowledge:

(1) the annual report on Form 10-K for the period ended December 31, 2012 (the "Annual Report"), which this statement accompanies fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Motorola Solutions, Inc.

This certificate is being furnished solely for purposes of Section 906.

February 12, 2013

/s/ EDWARD J. FITZPATRICK

Edward J. Fitzpatrick
Executive Vice President and
Chief Financial Officer
Motorola Solutions, Inc.