

July 24, 2013

MOTOROLA SOLUTIONS Q2 2013 EARNINGS CONFERENCE CALL



SHEP DUNLAP

**VICE PRESIDENT
INVESTOR RELATIONS**



SAFE HARBOR



A number of forward-looking statements will be made during this presentation. Forward-looking statements are any statements that are not historical facts. These forward-looking statements are based on the current expectations of Motorola Solutions, and we can give no assurance that any future results or events discussed in these statements will be achieved. Any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date. Forward-looking statements are subject to a variety of risks and uncertainties that could cause our actual results to differ materially from the statements contained in this presentation.

Information about factors that could cause, and in some cases have caused, such differences can be found on pages 8 through 19 in Item 1A of Motorola Solutions' 2012 Annual Report on Form 10-K, and in our other SEC filings available for free on the SEC's website at www.sec.gov, and on Motorola Solutions' website at www.motorolasolutions.com/investor

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GREG BROWN

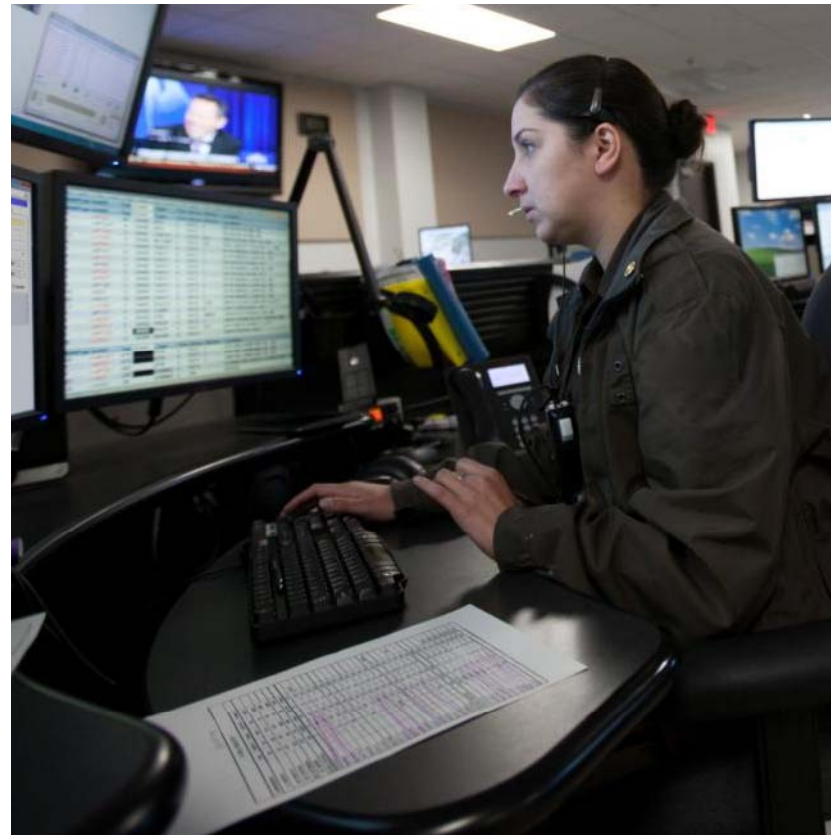
CHAIRMAN AND CEO





Q2 HIGHLIGHTS

- Expanding share repurchase program by \$2.0B
- Increasing quarterly cash dividend 19% to \$0.31 per share
- Sales of \$2.1B, down 2%
- Government sales of \$1.5B, down 1%, against record prior year
- Continued capital return** to shareholders of \$621M



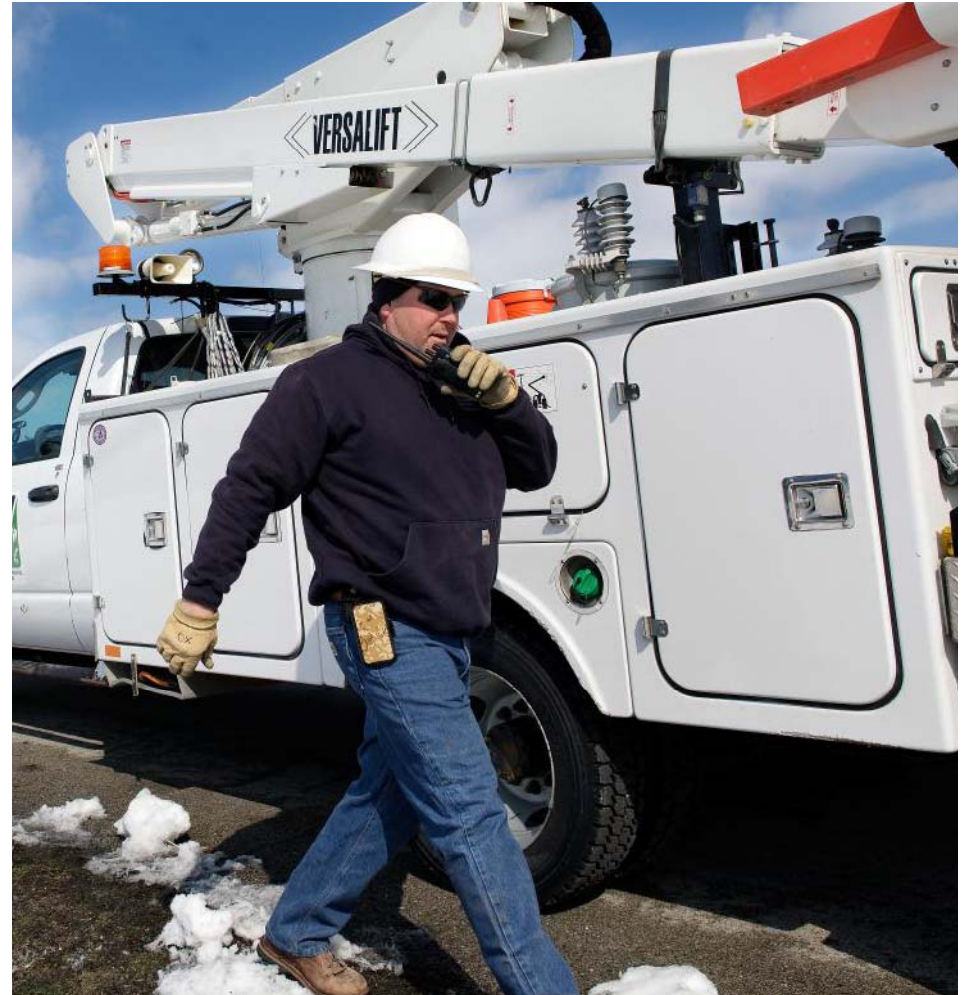
* Excluding highlighted items, stock-based compensation, and intangible amortization

** Includes share repurchases and dividends paid

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ED FITZPATRICK

EXECUTIVE VICE PRESIDENT AND CFO



Q2 2013 FINANCIAL RESULTS



(\$ in Millions)

GAAP	SECOND QUARTER	
	2013	2012
Sales	\$2,107	\$2,148
Operating Earnings	\$266	\$278
Operating Margin	12.6%	12.9%
EPS from Continuing Operations*	\$0.94	\$0.60

Non-GAAP**	SECOND QUARTER	
	2013	2012
Operating Earnings	\$334	\$350
Operating Margin	15.9%	16.3%
EPS from Continuing Operations*	\$1.12	\$0.70

* Amounts attributable to Motorola Solutions Inc. common shareholders

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

CASH FLOW

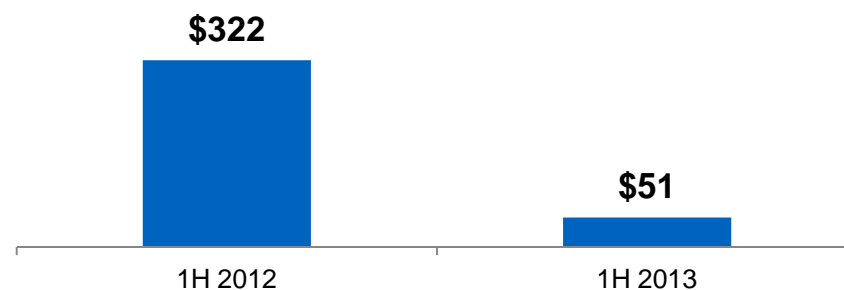


1H'13 operating cash flow impacted by ~\$300M timing of:

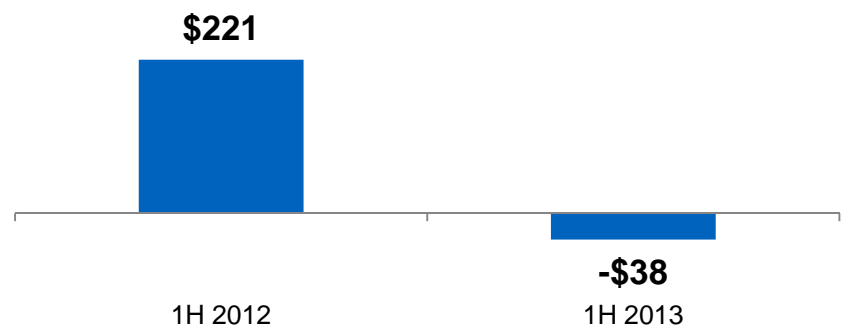
- Accounts Payable
- Higher Receivables due to sales linearity
- Project related net assets -- LT contract milestone billings

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

Operating Cash Flow



Free Cash Flow*



WORKING CAPITAL



Changes from Q1 '13

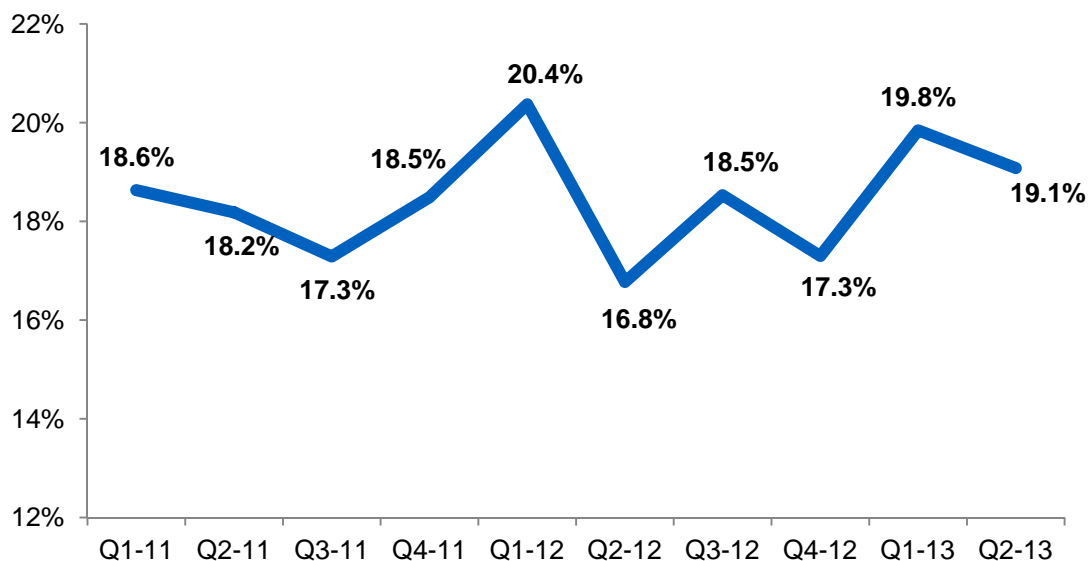
- A/R increased \$63M
- Inventory decreased \$17M
- A/P increased by \$4M

Working capital historically

- Ranges ~17-20% of sales

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

Working Capital Performance



BALANCE SHEET



\$3.2B in total cash*

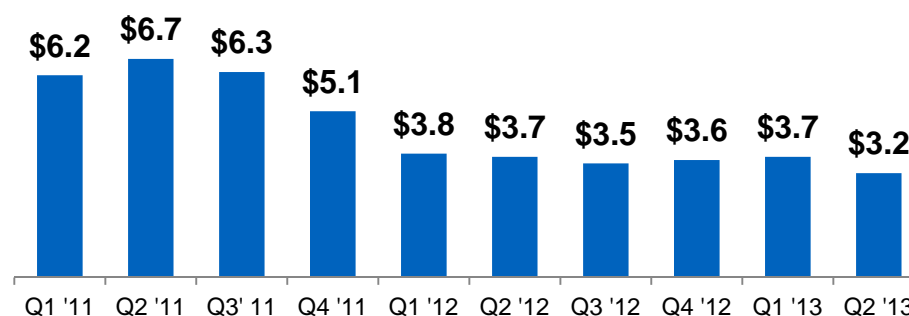
Share repurchase activity

- \$550M in Q2 (9.5M shares at \$57.80)
- \$4.5B total since July 2011 at \$48.62 average price
- Reduced net shares outstanding 23% since July 2011 buyback announcement

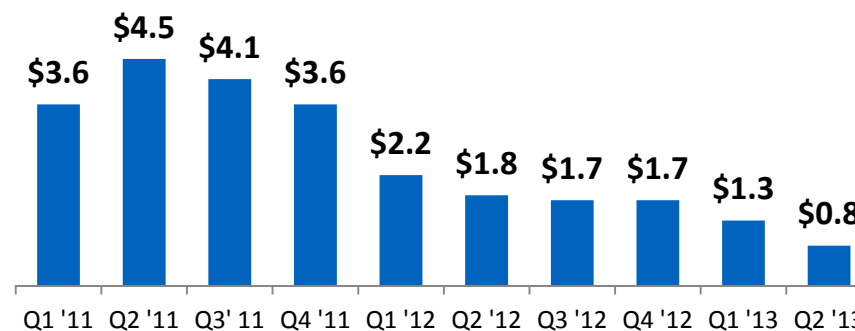
* Total Cash includes cash and cash equivalents, Sigma Fund (current and non-current) and short-term investments

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

Total Cash*



Net Cash**



OUTLOOK



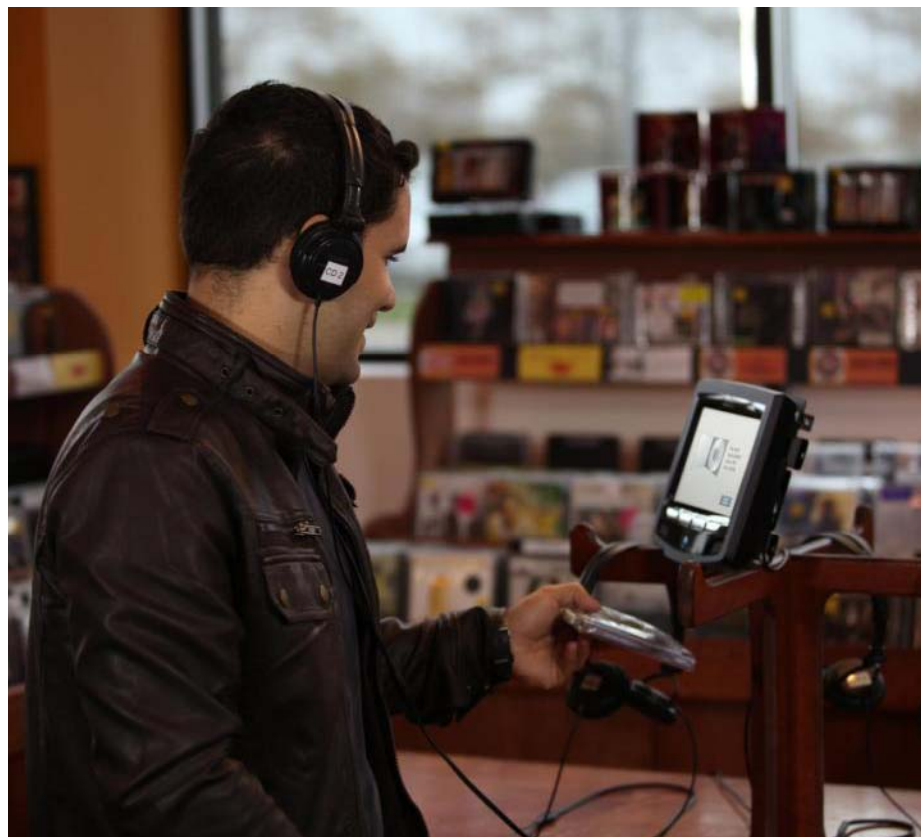
Expected Third Quarter 2013

- Sales growth flat to down 3%
- Non-GAAP* EPS \$0.97 - \$1.02

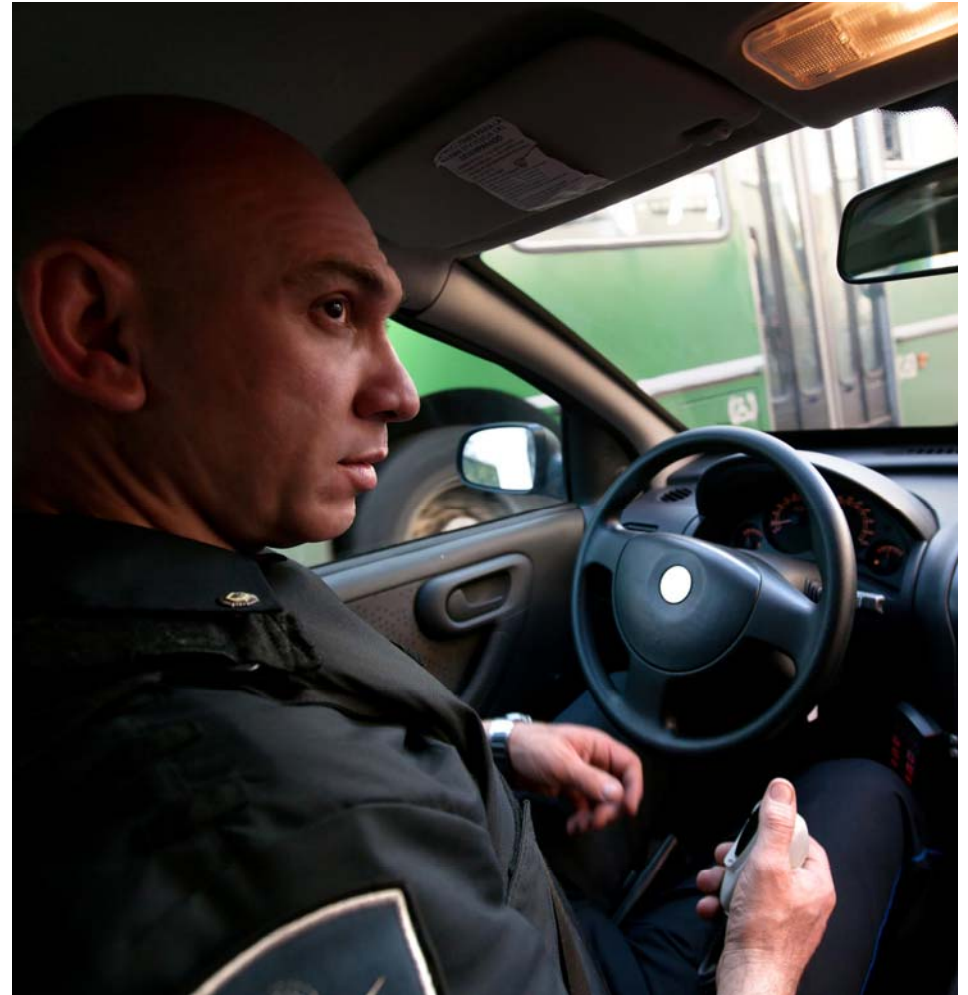
Expected Full Year 2013

- Sales growth flat to up 1%
- Operating earnings* ~ 18%

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



GOVERNMENT



GOVERNMENT



(\$ in Millions)

GAAP	SECOND QUARTER	
	2013	2012
Sales	\$1,451	\$1,459
Operating Earnings	\$215	\$197
Operating Margin	14.8%	13.5%

Non-GAAP*	SECOND QUARTER	
	2013	2012
Operating Earnings	\$256	\$240
Operating Margin	17.6%	16.4%

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

Q2 GOVERNMENT HIGHLIGHTS



- 1% sales decrease Y/Y over a tough comparable in 2012 that reflected 14% growth. 2013 includes growth in the European/Africa and US markets
- Operating margin* of 17.6% vs. 16.4% last year
- Secured multi-million dollar contracts with Baltimore and Phoenix, Somerset County in New Jersey, State of Mississippi, Entergy, Imperial Irrigation District and Port of Seattle
- Introduced NextGen TETRA base stations, allowing deployment today while being future-ready for cost-effective migrations to a unified TETRA and LTE network



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

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ENTERPRISE



ENTERPRISE



(\$ in Millions)

GAAP	SECOND QUARTER	
	2013	2012
Sales	\$656	\$689
Operating Earnings	\$51	\$81
Operating Margin	7.8%	11.8%

Non-GAAP*	SECOND QUARTER	
	2013	2012
Operating Earnings	\$78	\$110
Operating Margin	11.9%	16.0%

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

Q2 ENTERPRISE HIGHLIGHTS



- Sales decline of 5% Y/Y
- 11.9% operating margin* compared to 16.0% last year driven by lower sales volume, product mix including Psion, and iDEN decline
- Secured contracts with key customers such as L.L.Bean, United States Cold Storage, Canadian Tire, Australia Post, Coles Supermarkets in Australia, Tesco in the UK, Colombia Movil, China Post, China Deppon Logistics and Correos in Spain
- Introduced Omnii XT15f & VH10f for use in cold storage; MC9200 for warehouses and manufacturing; and the LI2208 linear imager for printed 1D bar codes and electronic bar codes



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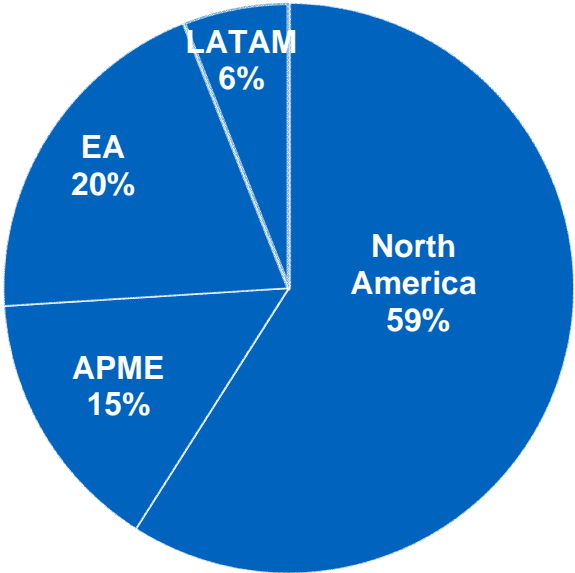
Q2 REGIONAL HIGHLIGHTS

(Revenue \$ in millions)

	Q2 2013	Q2 2012	Change
N. America	\$1,248	\$1,258	(1%)
L. America	137	180	(24%)*
EA	415	398	4%
APME	307	312	(2%)
TOTAL MSI	\$2,107	\$2,148	(2%)

HIGHLIGHTS:

- Growth in N. America Government
- Growth in Europe & Africa Government
- Double-digit Enterprise growth in APME



* Latin America excluding iDEN declined 14%

Q&A PARTICIPANTS

GREG BROWN

Chairman and CEO

ED FITZPATRICK

Executive Vice President and CFO

MARK MOON

Executive Vice President,
Sales and Field Operations

SHEP DUNLAP

Vice President, Investor Relations

USE OF NON-GAAP MEASURES



In addition to the GAAP results provided during this event, Motorola Solutions has provided certain non-GAAP measurements. Motorola Solutions has provided these non-GAAP measurements as a measure to help investors better understand its core operating performance, enhance comparisons of Motorola Solutions' core operating performance from period to period and to allow better comparisons of Motorola Solutions' operating performance to that of its competitors. Among other things, the Company's management uses these operating results, excluding the identified items, to evaluate the performance of its businesses and to evaluate results relative to incentive compensation targets. Management uses operating results excluding these items because they believe this measure enables them to make better period-to-period evaluations of the financial performance of its core business operations. There are inherent limitations in the use of operating results excluding these items because the company's GAAP results include the impact of these items. The non-GAAP measures are intended only as a supplement to the comparable GAAP measures and the Company compensates for the limitations inherent in the use of non-GAAP measures by using GAAP measures in conjunction with the non-GAAP measures. As a result, investors should consider these non-GAAP measures in addition to, and not in substitution for, or as superior to, measures of financial performance prepared in accordance with GAAP.

Details of these items and reconciliations of the non-GAAP measurements provided during this presentation to GAAP measurements can be found in the Appendix to this presentation and on Motorola Solutions' website at www.motorolasolutions.com/investor.

SUPPLEMENTAL NON-GAAP MEASURES



SUPPLEMENTAL NON-GAAP MEASURES



Motorola Solutions Non-GAAP Trend

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

SUPPLEMENTAL NON-GAAP MEASURES



Motorola Solutions Non-GAAP Trend

	Q3'10	Q4'10	Q1 '11	Q2'11	Q3'11	Q4'11	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q1 '13	Q2 '13
GAAP Other income/(expense)	(19)	(24)	3	(98)	(16)	(9)	12	(38)	-	(16)	(11)	(42)
Non-GAAP Below OE adjustments	-	-	-	81	-	-	(16)	-	(13)	-	-	-
Non-GAAP Other income/(expense)	(19)	(24)	3	(17)	(16)	(9)	(4)	(38)	(13)	(16)	(11)	(42)
GAAP Earnings (loss) from cont. operations	(12)	167	367	50	153	177	159	177	206	336	192	258
Non-GAAP OE adjustments	78	74	97	145	105	168	58	72	63	53	62	68
Non-GAAP below OE adjustments	-	-	-	81	-	-	(16)	-	(13)	-	-	-
Non-GAAP tax adjustments and effect	115	(23)	(277)	(84)	(35)	(59)	(12)	(41)	(15)	(76)	(67)	(18)
TOTAL Non-GAAP Earnings	181	218	187	192	223	286	189	208	241	313	187	308
GAAP Continuing operations earnings per share ("EPS")	\$ (0.04)	\$ 0.49	\$ 1.07	\$ 0.14	\$ 0.45	\$ 0.54	\$ 0.50	\$ 0.60	\$ 0.72	\$ 1.18	\$ 0.68	\$ 0.94
Non-GAAP Continuing operations EPS adjustments	\$ 0.58	\$ 0.15	\$ (0.53)	\$ 0.40	\$ 0.21	\$ 0.33	\$ 0.09	\$ 0.10	\$ 0.12	\$ (0.08)	\$ (0.02)	\$ 0.18
Non-GAAP Continuing operations EPS	\$ 0.54	\$ 0.64	\$ 0.54	\$ 0.54	\$ 0.66	\$ 0.87	\$ 0.59	\$ 0.70	\$ 0.84	\$ 1.10	\$ 0.66	\$ 1.12
Diluted, weighted average shares outstanding	334.1	341.3	344.2	348.5	339.5	328.4	317.7	296.1	287.4	284.4	280.7	274.7

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