

Motorola Q3 2008 Earnings Conference Call

October 30, 2008

Dean Lindroth
Investor Relations Officer

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 and there can be no assurance that such expectations will prove to be correct. Because forward-looking statements involve risks and uncertainties, Motorola's actual results could differ materially from these statements. Information about factors that could cause, and in some cases have caused, such differences can be found in this morning's press release, on pages 18 through 27 in item 1A of Motorola's 2007 Annual Report on Form 10-K and in Motorola's other SEC filings.

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Greg Brown

Co-CEO of Motorola and
CEO of Broadband Mobility Solutions



Q3 2008 *Earnings Call*



Paul Liska

Chief Financial Officer

Q3 2008 Financial Results

(\$ in Millions)

GAAP

	Q3 2008	Q2 2008	Q3 2007
Sales	\$ 7,480	\$ 8,082	\$ 8,811
Operating Earnings (Loss)	\$ (452)	\$ 5	\$ (10)
Operating Margin	-6.0%	0.1%	-0.1%
Earnings (Loss) from Continuing Operations	\$ (397)	\$ 4	\$ 40
EPS from Continuing Operations	\$ (0.18)	\$ 0.00	\$ 0.02

Excluding Highlighted Items

Operating Earnings	\$ 205	\$ 82	\$ 169
Operating Margin	2.7%	1.0%	1.9%
Earnings from Continuing Operations	\$ 113	\$ 53	\$ 147
EPS from Continuing Operations	\$ 0.05	\$ 0.02	\$ 0.06



Cash Flow and Cash

(\$ in Millions)	Q3 2008	Q2 2008	Q3 2007
Earnings (Loss) from Continuing Operations	\$ (397)	\$ 4	\$ 40
Depreciation, Amortization, Deferred Income Taxes and Other, net	708	186	161
Change in Assets and Liabilities, net	(131)	14	141
Net Cash provided by Operating Activities	<u>\$ 180</u>	<u>\$ 204</u>	<u>\$ 342</u>

(\$ in Billions)

Total Cash*	<u>\$ 7.6</u>	<u>\$ 7.8</u>	<u>\$ 8.4</u>
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*Includes Cash and cash equivalents, Sigma Fund (current and non-current) and Short-term investments

Greg Brown

Co-CEO of Motorola and
CEO of Broadband Mobility Solutions

Home and Networks Mobility Financials

(\$ in Millions) GAAP	Q3 2008	Q2 2008	Q3 2007
Sales	\$ 2,369	\$ 2,738	\$ 2,389
Operating Earnings	\$ 263	\$ 245	\$ 159
Operating Margin	11.1%	8.9%	6.7%

Excluding Highlighted Items

Operating Earnings	\$ 268	\$ 248	\$ 165
Operating Margin	11.3%	9.1%	6.9%

Home and Networks Mobility Highlights

- **Expanded operating margin year over year**
- **Shipped 4.1 million digital entertainment devices**
- **Signed multiple networks contracts with China Mobile Communications Corporation**
- **Announced the multimedia set-top platform and its first implementation with KDDI in Japan**
- **Won IPTV contract with Deutsche Telekom in Germany**

Enterprise Mobility Solutions Financials

(\$ in Millions) GAAP	Q3 2008	Q2 2008	Q3 2007
Sales	\$ 2,030	\$ 2,042	\$ 1,954
Operating Earnings	\$ 403	\$ 377	\$ 328
Operating Margin	19.9%	18.5%	16.8%

Excluding Highlighted Items

Operating Earnings	\$ 411	\$ 380	\$ 336
Operating Margin	20.2%	18.6%	17.2%

Enterprise Mobility Solutions Highlights

- **Expanded operating margin year over year**
- **Continued strong international demand in the government and public safety markets**
- **Launched APX, the industry's first Project 25 multi-band radio with multi-agency interoperability**
- **Completed acquisition of AirDefense, after the quarter ended**
- **Signed a definitive agreement to sell the biometrics business unit to SAFRAN, after the quarter ended**

Sanjay Jha

**Co-CEO of Motorola and
CEO of Mobile Devices**

Mobile Devices Financials

(\$ in Millions) GAAP	Q3 2008	Q2 2008	Q3 2007
Sales	\$ 3,116	\$ 3,334	\$ 4,496
Operating Loss	\$ (840)	\$ (346)	\$ (248)
Operating Margin	-27.0%	-10.4%	-5.5%

Excluding Highlighted Items

Operating Loss	\$ (295)	\$ (340)	\$ (138)
Operating Margin	-9.5%	-10.2%	-3.1%
Units (M)	25.4	28.1	37.2
Market Share (Estimate)	8.4%	9.5%	13.0%

Portfolio Segmentation



Everyday Communications



Feature



Multimedia/Music



Multitask



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Q&A Participants

Greg Brown

Co-CEO of Motorola and
CEO of Broadband Mobility
Solutions

Sanjay Jha

Co-CEO of Motorola and
CEO of Mobile Devices

Paul Liska

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Use of Non-GAAP Measures

In addition to the GAAP results provided during this conference call, Motorola has presented certain non-GAAP measurements. Motorola has provided these non-GAAP measurements as a measure to help investors better understand its core operating performance, enhance comparisons of Motorola's core operating performance from period to period and to allow better comparisons of Motorola's 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 do not 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 call to GAAP measurements can be found on Motorola's website at www.motorola.com/investor.