

Motorola Q4 2008 Earnings Conference Call

February 3, 2009

Dean Lindroth
Investor Relations Officer

Safe Harbor

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Greg Brown

Co-CEO of Motorola and
CEO of Broadband Mobility Solutions



Q4 2008 *Earnings Call*

Ed Fitzpatrick
Acting Chief Financial Officer

Q4 2008 Financial Results

(\$ in Millions) GAAP	Q4 2008	Q3 2008	Q4 2007
Sales	\$ 7,136	\$ 7,480	\$ 9,646
Operating Loss	\$ (1,675)	\$ (452)	\$ (19)
Operating Margin	-23.5%	-6.0%	-0.2%
Earnings (Loss) from Continuing Operations	\$ (3,576)	\$ (397)	\$ 111
EPS from Continuing Operations	\$ (1.57)	\$ (0.18)	\$ 0.05

Excluding Highlighted Items

Operating Earnings	\$ 96	\$ 205	\$ 381
Operating Margin	1.3%	2.7%	3.9%
Earnings (Loss) from Continuing Operations	\$ (19)	\$ 113	\$ 319
EPS from Continuing Operations	\$ (0.01)	\$ 0.05	\$ 0.14

Cash Flow and Cash

(\$ in Millions)	Q4 2008	Q3 2008	Q4 2007
Earnings (Loss) from Continuing Operations	\$ (3,576)	\$ (397)	\$ 111
Depreciation, Amortization, Deferred Income Taxes and Other, net	4,318	708	22
Change in Assets and Liabilities, net	(541)	(131)	337
Net Cash provided by Operating Activities	<u>\$ 201</u>	<u>\$ 180</u>	<u>\$ 470</u>
 (\$ in Billions)			
Total Cash*	<u>\$ 7.4</u>	<u>\$ 7.6</u>	<u>\$ 8.6</u>

*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	Q4 2008	Q3 2008	Q4 2007
Sales	\$ 2,596	\$ 2,369	\$ 2,724
Operating Earnings	\$ 257	\$ 263	\$ 192
Operating Margin	9.9%	11.1%	7.0%

Excluding Highlighted Items

Operating Earnings	\$ 282	\$ 268	\$ 207
Operating Margin	10.9%	11.3%	7.6%

Home and Networks Mobility Highlights

- **Expanded operating margin year over year in both Home and Networks**
- **Shipped 4.7 million digital entertainment devices**
- **Positioned by Gartner as a leader in Fiber-To-The-Home**
- **Continued to make progress in 4G**
 - Initial sales on WiMAX
 - Completed industry's first over-the-air Long-Term Evolution (LTE) data sessions in the 700MHz spectrum

Enterprise Mobility Solutions Financials

(\$ in Millions) GAAP	Q4 2008	Q3 2008	Q4 2007
Sales	\$ 2,215	\$ 2,030	\$ 2,138
Operating Earnings	\$ 466	\$ 403	\$ 451
Operating Margin	21.0%	19.9%	21.1%

Excluding Highlighted Items

Operating Earnings	\$ 475	\$ 411	\$ 466
Operating Margin	21.4%	20.2%	21.8%

Enterprise Mobility Solutions Highlights

- **Strong operating margins for the segment**
- **Continued strong international demand in the government and public safety markets**
- **Launched first product integrating AirDefense acquisition**
- **Maintained momentum around new APX product line with initial shipments of infrastructure equipment**

Sanjay Jha

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

Mobile Devices Financials

(\$ in Millions) GAAP	Q4 2008	Q3 2008	Q4 2007
Sales	\$ 2,350	\$ 3,116	\$ 4,811
Operating Loss	\$ (595)	\$ (840)	\$ (388)
Operating Margin	-25.3%	-27.0%	-8.1%

Excluding Highlighted Items

Operating Loss	\$ (476)	\$ (295)	\$ (82)
Operating Margin	-20.3%	-9.5%	-1.7%
Units (M)	19.2	25.4	40.9
Market Share (Estimate)	6.5%	8.4%	12.4%

Portfolio Segmentation



Everyday Communications



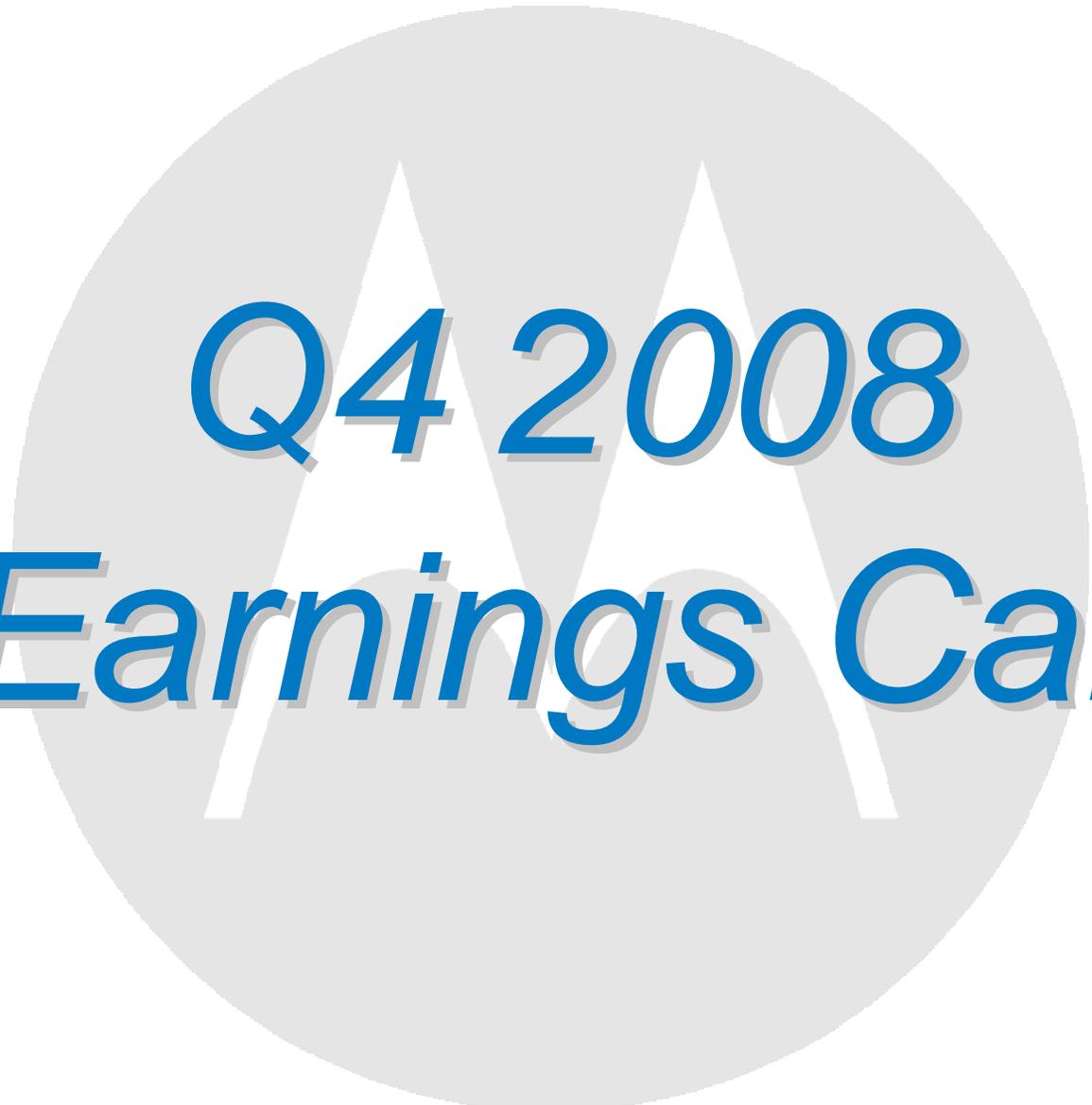
Feature



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

Ed Fitzpatrick

Acting Motorola CFO

Larry Raymond

Motorola Treasurer

Marc Rothman

Mobile Devices CFO

Dean Lindroth

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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.