

Motorola Solutions, Inc.
Form 10-Q
July 25, 2012

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

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the period ended June 30, 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
(State of Incorporation)
1303 E. Algonquin Road,
Schaumburg, Illinois
(Address of principal executive offices)
Registrant's telephone number, including area code:
(847) 576-5000

36-1115800
(I.R.S. Employer Identification No.)
60196
(Zip Code)

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 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 number of shares outstanding of each of the issuer's classes of common stock as of the close of business on June 30, 2012:

Class	Number of Shares
Common Stock; \$.01 Par Value	286,306,457

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Part I—Financial Information
 Motorola Solutions, Inc. and Subsidiaries
 Condensed Consolidated Statements of Operations
 (Unaudited)

(In millions, except per share amounts)	Three Months Ended		Six Months Ended	
	June 30, 2012	July 2, 2011	June 30, 2012	July 2, 2011
Net sales from products	\$1,563	\$1,453	\$3,007	\$2,827
Net sales from services	585	531	1,097	991
Net sales	2,148	1,984	4,104	3,818
Costs of product sales	712	645	1,370	1,269
Costs of services sales	376	332	701	618
Costs of sales	1,088	977	2,071	1,887
Gross margin	1,060	1,007	2,033	1,931
Selling, general and administrative expenses	496	482	968	943
Research and development expenditures	269	260	523	499
Other charges	17	106	32	161
Operating earnings	278	159	510	328
Other income (expense):				
Interest expense, net	(16	) (21	) (30	) (41
Gain on sales of investments and businesses, net	3	1	20	19
Other	(25	) (78	) (16	) (73
Total other expense	(38	) (98	) (26	) (95
Earnings from continuing operations before income taxes	240	61	484	233
Income tax expense (benefit)	63	13	148	(176
Earnings from continuing operations	177	48	336	409
Earnings from discontinued operations, net of tax	5	299	3	429
Net earnings	182	347	339	838
Less: Loss attributable to noncontrolling interests	—	(2	) —	(8
Net earnings attributable to Motorola Solutions, Inc.	182	349	339	846
Amounts attributable to Motorola Solutions, Inc. common stockholders:				
Earnings from continuing operations, net of tax	\$177	\$50	\$336	\$417
Earnings from discontinued operations, net of tax	5	299	3	429
Net earnings	\$182	\$349	\$339	\$846
Earnings per common share:				
Basic:				
Continuing operations	\$0.61	\$0.15	\$1.11	\$1.23
Discontinued operations	0.02	0.87	0.01	1.26
	\$0.63	\$1.02	\$1.12	\$2.49
Diluted:				