<table>
<thead>
<tr>
<th></th>
<th>April 1, 2017</th>
<th>April 2, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales from products</td>
<td>$ 703</td>
<td>$ 702</td>
</tr>
<tr>
<td>Net sales from services</td>
<td>578</td>
<td>491</td>
</tr>
<tr>
<td>Net sales</td>
<td>1,281</td>
<td>1,193</td>
</tr>
<tr>
<td>Costs of products sales</td>
<td>347</td>
<td>366</td>
</tr>
<tr>
<td>Costs of services sales</td>
<td>364</td>
<td>325</td>
</tr>
<tr>
<td>Costs of sales</td>
<td>711</td>
<td>691</td>
</tr>
<tr>
<td>Gross margin</td>
<td>570</td>
<td>502</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>232</td>
<td>234</td>
</tr>
<tr>
<td>Research and development expenditures</td>
<td>135</td>
<td>135</td>
</tr>
<tr>
<td>Other charges</td>
<td>(9)</td>
<td>20</td>
</tr>
<tr>
<td>Intangibles amortization</td>
<td>36</td>
<td>13</td>
</tr>
<tr>
<td>Operating earnings</td>
<td>176</td>
<td>100</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>(51)</td>
<td>(49)</td>
</tr>
<tr>
<td>Gains (losses) on sales of investments and businesses, net</td>
<td>3</td>
<td>(21)</td>
</tr>
<tr>
<td>Other</td>
<td>(8)</td>
<td>(8)</td>
</tr>
<tr>
<td>Total other expense</td>
<td>(56)</td>
<td>(78)</td>
</tr>
<tr>
<td>Net earnings before income taxes</td>
<td>120</td>
<td>22</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>42</td>
<td>5</td>
</tr>
<tr>
<td>Net earnings</td>
<td>78</td>
<td>17</td>
</tr>
<tr>
<td>Less: Earnings attributable to noncontrolling interests</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>Net earnings attributable to Motorola Solutions, Inc.</td>
<td>$ 77</td>
<td>$ 17</td>
</tr>
<tr>
<td>Basic</td>
<td>$ 0.47</td>
<td>$ 0.10</td>
</tr>
<tr>
<td>Diluted</td>
<td>$ 0.45</td>
<td>$ 0.10</td>
</tr>
<tr>
<td>Weighted average common shares outstanding:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>164.2</td>
<td>174.5</td>
</tr>
<tr>
<td>Diluted</td>
<td>169.9</td>
<td>177.0</td>
</tr>
</tbody>
</table>

### Percentage of Net Sales

<table>
<thead>
<tr>
<th></th>
<th>April 1, 2017</th>
<th>April 2, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales from products</td>
<td>54.9 %</td>
<td>58.8 %</td>
</tr>
<tr>
<td>Net sales from services</td>
<td>45.1 %</td>
<td>41.2 %</td>
</tr>
<tr>
<td>Net sales</td>
<td>100.0 %</td>
<td>100.0 %</td>
</tr>
<tr>
<td>Costs of products sales</td>
<td>49.4 %</td>
<td>52.1 %</td>
</tr>
<tr>
<td>Costs of services sales</td>
<td>63.0 %</td>
<td>66.2 %</td>
</tr>
<tr>
<td>Costs of sales</td>
<td>55.5 %</td>
<td>57.9 %</td>
</tr>
<tr>
<td>Gross margin</td>
<td>44.5 %</td>
<td>42.1 %</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>18.1 %</td>
<td>19.6 %</td>
</tr>
<tr>
<td>Research and development expenditures</td>
<td>10.5 %</td>
<td>11.3 %</td>
</tr>
<tr>
<td>Other charges</td>
<td>(0.7)%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Intangibles amortization</td>
<td>2.8%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Operating earnings</td>
<td>13.7%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>(4.0)%</td>
<td>(4.1)%</td>
</tr>
<tr>
<td>Gains (losses) on sales of investments and businesses, net</td>
<td>0.2 %</td>
<td>(1.8)%</td>
</tr>
<tr>
<td>Other</td>
<td>(0.6)%</td>
<td>(0.7)%</td>
</tr>
<tr>
<td>Total other expense</td>
<td>(4.4)%</td>
<td>(8.5)%</td>
</tr>
<tr>
<td>Net earnings before income taxes</td>
<td>9.4 %</td>
<td>1.8%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>3.3%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Net earnings</td>
<td>6.1%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Less: Earnings attributable to noncontrolling interests</td>
<td>0.1 %</td>
<td>—%</td>
</tr>
<tr>
<td>Net earnings attributable to Motorola Solutions, Inc.</td>
<td>6.0%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

* Percentages may not add up due to rounding
### Motorola Solutions, Inc. and Subsidiaries
#### Condensed Consolidated Balance Sheets
#### (In millions)

<table>
<thead>
<tr>
<th></th>
<th>April 1, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 766</td>
<td>$ 967</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>$ 63</td>
<td>$ 63</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>$ 829</td>
<td>$ 1,030</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$ 1,070</td>
<td>$ 1,410</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>$ 345</td>
<td>$ 273</td>
</tr>
<tr>
<td>Other current assets</td>
<td>$ 829</td>
<td>$ 755</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$ 3,073</td>
<td>$ 3,468</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>$ 820</td>
<td>$ 789</td>
</tr>
<tr>
<td>Investments</td>
<td>$ 237</td>
<td>$ 238</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>$ 2,198</td>
<td>$ 2,219</td>
</tr>
<tr>
<td>Goodwill</td>
<td>$ 737</td>
<td>$ 728</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>$ 878</td>
<td>$ 821</td>
</tr>
<tr>
<td>Other assets</td>
<td>$ 197</td>
<td>$ 200</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 8,140</td>
<td>$ 8,463</td>
</tr>
</tbody>
</table>

|                     |               |                   |
| **Liabilities and Stockholders’ Equity** |               |                   |
| Current portion of long-term debt | $ 44         | $ 4               |
| Accounts payable     | $ 433        | $ 553             |
| Accrued liabilities  | $ 1,908      | $ 2,111           |
| Total current liabilities | $ 2,385   | $ 2,668           |
| Long-term debt       | $ 4,414      | $ 4,392           |
| Other liabilities    | $ 2,378      | $ 2,355           |
| Total Motorola Solutions, Inc. stockholders’ equity (deficit) | (1,050)      | (964)             |
| Noncontrolling interests | $ 13      | $ 12             |
| **Total liabilities and stockholders’ equity** | $ 8,140    | $ 8,463           |

**Financial Ratios:**

Net cash (debt)*

$ (3,629)    $ (3,366)

*Net cash (debt) = Total cash - Current portion of long-term debt - Long-term debt
Motorola Solutions, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In millions)

<table>
<thead>
<tr>
<th>Three Months Ended</th>
<th>April 1, 2017</th>
<th>April 2, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings</td>
<td>$77</td>
<td>$17</td>
</tr>
<tr>
<td>attributable to Motorola Solutions, Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings attributable to noncontrolling interests</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>Net earnings</td>
<td>78</td>
<td>17</td>
</tr>
<tr>
<td>Adjustments to reconcile Net earnings to Net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>80</td>
<td>62</td>
</tr>
<tr>
<td>Non-cash other charges</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Non-U.S. pension settlement loss</td>
<td>9</td>
<td>—</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Losses (gains) on sales of investments and businesses, net</td>
<td>(3)</td>
<td>21</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>23</td>
<td>35</td>
</tr>
<tr>
<td>Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>368</td>
<td>277</td>
</tr>
<tr>
<td>Inventories</td>
<td>(69)</td>
<td>(4)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(59)</td>
<td>(43)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(307)</td>
<td>(363)</td>
</tr>
<tr>
<td>Other assets and liabilities</td>
<td>(10)</td>
<td>(17)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>142</td>
<td>13</td>
</tr>
<tr>
<td>Investing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions and investments, net</td>
<td>(106)</td>
<td>(1,053)</td>
</tr>
<tr>
<td>Proceeds from sales of investments and businesses, net</td>
<td>53</td>
<td>481</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(68)</td>
<td>(51)</td>
</tr>
<tr>
<td>Net cash used for investing activities</td>
<td>(121)</td>
<td>(623)</td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of debt</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Net proceeds from issuance of debt</td>
<td>—</td>
<td>673</td>
</tr>
<tr>
<td>Issuance of common stock</td>
<td>22</td>
<td>40</td>
</tr>
<tr>
<td>Purchase of common stock</td>
<td>(178)</td>
<td>(64)</td>
</tr>
<tr>
<td>Payment of dividends</td>
<td>(77)</td>
<td>(71)</td>
</tr>
<tr>
<td>Net cash provided by (used for) financing activities</td>
<td>(234)</td>
<td>577</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>12</td>
<td>(7)</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>(201)</td>
<td>(40)</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of period</td>
<td>1,030</td>
<td>1,980</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of period</td>
<td>$829</td>
<td>$1,940</td>
</tr>
</tbody>
</table>

Financial Ratios:
Free cash flow* | $74 | $ (38) |

*Free cash flow = Net cash provided by operating activities - Capital Expenditures
Motorola Solutions, Inc. and Subsidiaries  
Segment Information  
(In millions)

<table>
<thead>
<tr>
<th></th>
<th>April 1, 2017</th>
<th>April 2, 2016</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products</td>
<td>$703</td>
<td>$702</td>
<td>—%</td>
</tr>
<tr>
<td>Services</td>
<td>578</td>
<td>491</td>
<td>18%</td>
</tr>
<tr>
<td>Total Motorola Solutions</td>
<td>$1,281</td>
<td>$1,193</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>April 1, 2017</th>
<th>April 2, 2016</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Earnings</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products</td>
<td>$89</td>
<td>$51</td>
<td>75%</td>
</tr>
<tr>
<td>Services</td>
<td>87</td>
<td>49</td>
<td>78%</td>
</tr>
<tr>
<td>Total Motorola Solutions</td>
<td>$176</td>
<td>$100</td>
<td>76%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>April 1, 2017</th>
<th>April 2, 2016</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Earnings %</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products</td>
<td>12.7%</td>
<td>7.3%</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>15.1%</td>
<td>10.0%</td>
<td></td>
</tr>
<tr>
<td>Total Motorola Solutions</td>
<td>13.7%</td>
<td>8.4%</td>
<td></td>
</tr>
</tbody>
</table>
## Non-GAAP Adjustments (Intangibles Amortization Expenses, Share-Based Compensation Expense, and Highlighted Items)

### Q1 2017

<table>
<thead>
<tr>
<th>Non-GAAP Adjustments</th>
<th>Statement Line</th>
<th>PBT (Inc)/Exp</th>
<th>Tax Inc/(Exp)</th>
<th>PAT (Inc)/Exp</th>
<th>EPS impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share-based compensation expense</td>
<td>Cost of sales, SG&amp;A and R&amp;D</td>
<td>$17</td>
<td>$6</td>
<td>$11</td>
<td>$0.06</td>
</tr>
<tr>
<td>Reorganization of business charges</td>
<td>Cost of sales and Other charges</td>
<td>19</td>
<td>4</td>
<td>15</td>
<td>0.09</td>
</tr>
<tr>
<td>Intangibles amortization expense</td>
<td>Intangibles amortization</td>
<td>36</td>
<td>9</td>
<td>27</td>
<td>0.16</td>
</tr>
<tr>
<td>Gain on legal settlement</td>
<td>Other charges</td>
<td>(42)</td>
<td>(16)</td>
<td>(26)</td>
<td>(0.15)</td>
</tr>
<tr>
<td>Building impairment</td>
<td>Other charges</td>
<td>8</td>
<td>—</td>
<td>8</td>
<td>0.05</td>
</tr>
<tr>
<td>Non-US pension settlement loss</td>
<td>Other charges</td>
<td>9</td>
<td>—</td>
<td>9</td>
<td>0.05</td>
</tr>
<tr>
<td>Sale of investments</td>
<td>Sale of Investment or Business (Gain) or Loss</td>
<td>(3)</td>
<td>(1)</td>
<td>(2)</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Acquisition-related transaction fees</td>
<td>Other charges</td>
<td>1</td>
<td>—</td>
<td>1</td>
<td>0.01</td>
</tr>
<tr>
<td><strong>Total impact on Net earnings</strong></td>
<td></td>
<td><strong>$45</strong></td>
<td><strong>$2</strong></td>
<td><strong>$43</strong></td>
<td><strong>$0.26</strong></td>
</tr>
</tbody>
</table>
Motorola Solutions, Inc. and Subsidiaries
Non-GAAP Segment Information
(In millions)

### Net Sales

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 1, 2017</td>
<td>April 2, 2016</td>
<td>% Change</td>
</tr>
<tr>
<td>Products</td>
<td>$ 703</td>
<td>$ 702</td>
<td>—%</td>
</tr>
<tr>
<td>Services</td>
<td>578</td>
<td>491</td>
<td>18%</td>
</tr>
<tr>
<td>Total Motorola Solutions</td>
<td>$ 1,281</td>
<td>$ 1,193</td>
<td>7%</td>
</tr>
</tbody>
</table>

### Non-GAAP Operating Earnings

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 1, 2017</td>
<td>April 2, 2016</td>
<td>% Change</td>
</tr>
<tr>
<td>Products</td>
<td>$ 101</td>
<td>$ 84</td>
<td>20%</td>
</tr>
<tr>
<td>Services</td>
<td>123</td>
<td>82</td>
<td>50%</td>
</tr>
<tr>
<td>Total Motorola Solutions</td>
<td>$ 224</td>
<td>$ 166</td>
<td>35%</td>
</tr>
</tbody>
</table>

### Non-GAAP Operating Earnings %

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 1, 2017</td>
<td>April 2, 2016</td>
</tr>
<tr>
<td>Products</td>
<td>14.4%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Services</td>
<td>21.3%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Total Motorola Solutions</td>
<td>17.5%</td>
<td>13.9%</td>
</tr>
</tbody>
</table>
### Operating Earnings after Non-GAAP Adjustments

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>Products</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$1,281</td>
<td>$703</td>
<td>$578</td>
</tr>
<tr>
<td>Operating earnings (&quot;OE&quot;)</td>
<td>$176</td>
<td>$89</td>
<td>$87</td>
</tr>
<tr>
<td><strong>Above-OE non-GAAP adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>17</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Reorganization of business charges</td>
<td>19</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>Intangibles amortization expense</td>
<td>36</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Acquisition-related transaction fees</td>
<td>1</td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td>Gain on legal settlement</td>
<td>(42)</td>
<td>(30)</td>
<td>(12)</td>
</tr>
<tr>
<td>Building impairment</td>
<td>8</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Non-US pension settlement loss</td>
<td>9</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total above-OE non-GAAP adjustments</strong></td>
<td>48</td>
<td>12</td>
<td>36</td>
</tr>
<tr>
<td>Operating earnings after non-GAAP adjustments</td>
<td>$224</td>
<td>$101</td>
<td>$123</td>
</tr>
</tbody>
</table>

| Operating earnings as a percentage of net sales - GAAP | 13.7% | 12.7% | 15.1% |
| Operating earnings as a percentage of net sales - after non-GAAP adjustments | 17.5% | 14.4% | 21.3% |