

**Motorola Solutions, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
(In millions, except per share amount)

	<b>Three Months Ended</b>	
	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Net sales from products	\$ 1,233	\$ 1,226
Net sales from services	724	657
Net sales	1,957	1,883
Costs of products sales	519	525
Costs of services sales	468	430
Costs of sales	987	955
Gross margin	970	928
Selling, general and administrative expenses	257	277
Research and development expenditures	154	142
Other charges	9	76
Intangibles amortization	39	30
Operating earnings	511	403
Other income (expense):		
Interest expense, net	(47)	(48)
Gains on sales of investments and businesses, net	—	7
Other	1	—
Total other expense	(46)	(41)
Net earnings before income taxes	465	362
Income tax expense	1,039	118
Net earnings (loss)	(574)	244
Less: Earnings attributable to noncontrolling interests	1	1
Net earnings (loss) attributable to Motorola Solutions, Inc.	\$ (575)	\$ 243
<b>Earnings (loss) per common share:</b>		
Basic:	\$ (3.56)	\$ 1.47
Diluted:	\$ (3.56)	\$ 1.43
<b>Weighted average common shares outstanding:</b>		
Basic	161.7	165.4
Diluted	161.7	170.4

	<b>Percentage of Net Sales*</b>	
Net sales from products	63.0 %	65.1 %
Net sales from services	37.0 %	34.9 %
Net sales	100.0 %	100.0 %
Costs of products sales	42.1 %	42.8 %
Costs of services sales	64.6 %	65.4 %
Costs of sales	50.4 %	50.7 %
Gross margin	49.6 %	49.3 %
Selling, general and administrative expenses	13.1 %	14.7 %
Research and development expenditures	7.9 %	7.5 %
Other charges	0.5 %	4.0 %
Intangibles amortization	2.0 %	1.6 %
Operating earnings	26.1 %	21.4 %
Other income (expense):		
Interest expense, net	(2.4)%	(2.5)%
Gains on sales of investments and businesses, net	— %	0.4 %
Other	0.1 %	— %
Total other expense	(2.4)%	(2.2)%
Net earnings before income taxes	23.8 %	19.2 %
Income tax expense	53.1 %	6.3 %
Net earnings (loss)	(29.3)%	13.0 %
Less: Earnings attributable to noncontrolling interests	0.1 %	0.1 %
Net earnings (loss) attributable to Motorola Solutions, Inc.	(29.4)%	12.9 %

\* Percentages may not add up due to rounding

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**Consolidated Statements of Operations**  
(In millions, except per share amounts)

	Years Ended		
	December 31, 2017	December 31, 2016	December 31, 2015
Net sales from products	\$ 3,772	\$ 3,649	\$ 3,676
Net sales from services	2,608	2,389	2,019
Net sales	6,380	6,038	5,695
Costs of products sales	1,686	1,649	1,625
Costs of services sales	1,670	1,520	1,351
Costs of sales	3,356	3,169	2,976
Gross margin	3,024	2,869	2,719
Selling, general and administrative expenses	979	1,000	1,021
Research and development expenditures	568	553	620
Other charges	44	136	76
Intangibles amortization	151	113	8
Operating earnings	1,282	1,067	994
Other income (expense):			
Interest expense, net	(201)	(205)	(173)
Gains (losses) on sales of investments and businesses, net	3	(6)	107
Other	(8)	(12)	(11)
Total other expense	(206)	(223)	(77)
Earnings from continuing operations before income taxes	1,076	844	917
Income tax expense	1,227	282	274
Earnings (loss) from continuing operations	(151)	562	643
Loss from discontinued operations, net of tax	—	—	(30)
Net earnings (loss)	(151)	562	613
Less: Earnings attributable to noncontrolling interests	4	2	3
Net earnings (loss) attributable to Motorola Solutions, Inc.	\$ (155)	\$ 560	\$ 610
<i>Amounts attributable to Motorola Solutions, Inc. common stockholders:</i>			
Earnings (loss) from continuing operations, net of tax	\$ (155)	\$ 560	\$ 640
Loss from discontinued operations, net of tax	—	—	(30)
Net earnings (loss) attributable to Motorola Solutions,	\$ (155)	\$ 560	\$ 610
<b>Earnings (loss) per common share:</b>			
<b>Basic:</b>			
Continuing operations	\$ (0.95)	\$ 3.30	\$ 3.21
Discontinued operations	—	—	(0.15)
	\$ (0.95)	\$ 3.30	\$ 3.06
<b>Diluted:</b>			
Continuing operations	\$ (0.95)	\$ 3.24	\$ 3.17
Discontinued operations	—	—	(0.15)
	\$ (0.95)	\$ 3.24	\$ 3.02
<b>Weighted average common shares outstanding:</b>			
Basic	162.9	169.6	199.6
Diluted	162.9	173.1	201.8

	<b>Percentage of Net Sales*</b>		
Net sales from products	59.1 %	60.4 %	64.5 %
Net sales from services	40.9 %	39.6 %	35.5 %
Net sales	100.0 %	100.0 %	100.0 %
Costs of products sales	44.7 %	45.2 %	44.2 %
Costs of services sales	64.0 %	63.6 %	66.9 %
Costs of sales	52.6 %	52.5 %	52.3 %
Gross margin	47.4 %	47.5 %	47.7 %
Selling, general and administrative expenses	15.3 %	16.6 %	17.9 %
Research and development expenditures	8.9 %	9.2 %	10.9 %
Other charges	0.7 %	2.3 %	1.3 %
Intangibles amortization	2.4 %	1.9 %	0.1 %
Operating earnings	20.1 %	17.7 %	17.5 %
Other income (expense):			
Interest expense, net	(3.2)%	(3.4)%	(3.0)%
Gains (losses) on sales of investments and businesses, net	— %	(0.1)%	1.9 %
Other	(0.1)%	(0.2)%	(0.2)%
Total other expense	(3.2)%	(3.7)%	(1.4)%
Earnings from continuing operations before income taxes	16.9 %	14.0 %	16.1 %
Income tax expense	19.2 %	4.7 %	4.8 %
Earnings (loss) from continuing operations	(2.4)%	9.3 %	11.3 %
Loss from discontinued operations, net of tax	— %	— %	(0.5)%
Net earnings (loss)	(2.4)%	9.3 %	10.8 %
Less: Earnings attributable to noncontrolling interests	0.1 %	— %	0.1 %
Net earnings (loss) attributable to Motorola Solutions, Inc.	(2.4)%	9.3 %	10.7 %

\* Percentages may not add up due to rounding

**Motorola Solutions, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
(In millions)

	December 31, 2017	December 31, 2016
<b>Assets</b>		
Cash and cash equivalents	\$ 1,205	\$ 967
Restricted cash	63	63
Total cash and cash equivalents	1,268	1,030
Accounts receivable, net	1,523	1,410
Inventories, net	327	273
Other current assets	832	755
Total current assets	3,950	3,468
Property, plant and equipment, net	856	789
Investments	247	238
Deferred income taxes	1,023	2,219
Goodwill	938	728
Intangible assets, net	861	821
Other assets	333	200
<b>Total assets</b>	<b>\$ 8,208</b>	<b>\$ 8,463</b>
<b>Liabilities and Stockholders' Equity</b>		
Current portion of long-term debt	\$ 52	\$ 4
Accounts payable	593	553
Accrued liabilities	2,286	2,111
Total current liabilities	2,931	2,668
Long-term debt	4,419	4,392
Other liabilities	2,585	2,355
Total Motorola Solutions, Inc. stockholders' equity (deficit)	(1,742)	(964)
Noncontrolling interests	15	12
<b>Total liabilities and stockholders' equity</b>	<b>\$ 8,208</b>	<b>\$ 8,463</b>
<b>Financial Ratios:</b>		
Net cash (debt)*	\$ (3,203)	\$ (3,366)

\*Net cash (debt) = Total cash - Current portion of long-term debt - Long-term debt

**Motorola Solutions, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(In millions)

	<b>Three Months Ended</b>	
	<b>December 31, 2017</b>	<b>December 31, 2016</b>
<b>Operating</b>		
Net earnings (loss) attributable to Motorola Solutions, Inc.	\$ (575)	\$ 243
Earnings attributable to noncontrolling interests	1	1
Net earnings (loss)	(574)	244
Adjustments to reconcile earnings (loss) from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	89	75
Non-cash other charges	3	11
Non-U.S. pension settlement loss	2	26
Share-based compensation expense	17	16
Gains on sales of investments and businesses, net	—	(7)
Loss from the extinguishment of long-term debt	—	2
Deferred income taxes	1,002	71
Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:		
Accounts receivable	(141)	(250)
Inventories	37	6
Other current assets	42	(81)
Accounts payable and accrued liabilities	338	464
Other assets and liabilities	(54)	(64)
Net cash provided by operating activities	<u>761</u>	<u>513</u>
<b>Investing</b>		
Acquisitions and investments, net	(21)	(259)
Proceeds from sales of investments and businesses, net	9	33
Capital expenditures	(21)	(60)
Proceeds from sales of property, plant and equipment	—	4
Net cash used for investing activities	<u>(33)</u>	<u>(282)</u>
<b>Financing</b>		
Repayment of debt	(7)	(683)
Net proceeds from issuance of debt	3	—
Issuance of common stock	21	14
Purchase of common stock	(125)	(114)
Payment of dividends	(76)	(68)
Deferred acquisition costs	(2)	—
Net cash used for financing activities	<u>(186)</u>	<u>(851)</u>
Effect of exchange rate changes on cash and cash equivalents	9	(37)
Net increase (decrease) in cash and cash equivalents	551	(657)
Cash and cash equivalents, beginning of period	717	1,687
Cash and cash equivalents, end of period	<u>\$ 1,268</u>	<u>\$ 1,030</u>
<b>Financial Ratios:</b>		
Free cash flow*	\$ 740	\$ 453

\*Free cash flow = Net cash provided by operating activities - Capital Expenditures

**Motorola Solutions, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(In millions)

	Years Ended		
	December 31, 2017	December 31, 2016	December 31, 2015
<b>Operating</b>			
Net earnings (loss) attributable to Motorola Solutions, Inc.	\$ (155)	\$ 560	\$ 610
Earnings attributable to noncontrolling interests	4	2	3
Net earnings (loss)	(151)	562	613
Loss from discontinued operations, net of tax	—	—	(30)
Earnings (loss) from continuing operations, net of tax	(151)	562	643
Adjustments to reconcile earnings (loss) from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	343	295	150
Non-cash other charges	32	54	52
Non-U.S. pension curtailment gain	—	—	(32)
Non-U.S. pension settlement loss	48	26	—
Share-based compensation expense	66	68	78
Loss (gains) on sales of investments and businesses, net	(3)	6	(107)
Loss from the extinguishment of long-term debt	—	2	—
Deferred income taxes	1,100	213	160
Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:			
Accounts receivable	(60)	(6)	21
Inventories	(46)	6	16
Other current assets	(99)	(185)	92
Accounts payable and accrued liabilities	160	241	26
Other assets and liabilities	(44)	(117)	(78)
Net cash provided by operating activities from continuing operations	1,346	1,165	1,021
<b>Investing</b>			
Acquisitions and investments, net	(404)	(1,474)	(586)
Proceeds from sales of investments and businesses, net	183	670	230
Capital expenditures	(227)	(271)	(175)
Proceeds from sales of property, plant and equipment	—	73	3
Net cash used for investing activities from continuing operations	(448)	(1,002)	(528)
<b>Financing</b>			
Repayment of debt	(21)	(686)	(4)
Net proceeds from issuance of debt	10	673	971
Issuance of common stock	82	93	84
Purchase of common stock	(483)	(842)	(3,177)
Excess tax benefit from share-based compensation	—	—	5
Payment of dividends	(307)	(280)	(277)
Payment of dividends to non-controlling interest	(1)	—	—
Deferred acquisition costs	(2)	—	—
Net cash used for financing activities from continuing operations	(722)	(1,042)	(2,398)
Effect of exchange rate changes on cash and cash equivalents from continuing operations	62	(71)	(69)
Net increase (decrease) in cash and cash equivalents	238	(950)	(1,974)
Cash and cash equivalents, beginning of period	1,030	1,980	3,954
Cash and cash equivalents, end of period	\$ 1,268	\$ 1,030	\$ 1,980
<b>Financial Ratios:</b>			
Free cash flow*	1,119	894	846

\*Free cash flow = Net cash provided by operating activities - Capital Expenditures

**Motorola Solutions, Inc. and Subsidiaries**  
**Segment Information**  
(In millions)

**Net Sales**

	<b>Three Months Ended</b>		<b>% Change</b>
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	
Products	\$ 1,233	\$ 1,226	1%
Services	724	657	10%
<b>Total Motorola Solutions</b>	<b>\$ 1,957</b>	<b>\$ 1,883</b>	<b>4%</b>

	<b>Years Ended</b>		<b>% Change</b>
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	
Products	\$ 3,772	\$ 3,649	3%
Services	2,608	2,389	9%
<b>Total Motorola Solutions</b>	<b>\$ 6,380</b>	<b>\$ 6,038</b>	<b>6%</b>

**Operating Earnings**

	<b>Three Months Ended</b>		<b>% Change</b>
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	
Products	\$ 404	\$ 330	22%
Services	107	73	47%
<b>Total Motorola Solutions</b>	<b>\$ 511</b>	<b>\$ 403</b>	<b>27%</b>

	<b>Years Ended</b>		<b>% Change</b>
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	
Products	\$ 914	\$ 734	25%
Services	368	333	11%
<b>Total Motorola Solutions</b>	<b>\$ 1,282</b>	<b>\$ 1,067</b>	<b>20%</b>

**Operating Earnings %**

	<b>Three Months Ended</b>	
	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Products	32.8%	26.9%
Services	14.8%	11.1%
<b>Total Motorola Solutions</b>	<b>26.1%</b>	<b>21.4%</b>

	<b>Years Ended</b>	
	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Products	24.2%	20.1%
Services	14.1%	13.9%
<b>Total Motorola Solutions</b>	<b>20.1%</b>	<b>17.7%</b>

## Motorola Solutions, Inc. and Subsidiaries

## Non-GAAP Adjustments (Intangibles Amortization Expenses, Share-Based Compensation Expense, and Highlighted Items)

Q1 2017					
Non-GAAP Adjustments	Statement Line	PBT (Inc)/Exp	Tax Inc/(Exp)	PAT (Inc)/Exp	EPS impact
Share-based compensation expense	Cost of sales, SG&A and R&D	\$ 17	\$ 6	\$ 11	\$ 0.06
Reorganization of business charges	Cost of sales and Other charges	19	4	15	0.09
Intangibles amortization expense	Intangibles amortization	36	9	27	0.16
Gain on legal settlement	Other charges	(42)	(16)	(26)	(0.15)
Building impairment	Other charges	8	—	8	0.05
Non-US pension settlement loss	Other charges	9	—	9	0.05
Sale of investments	Sale of Investment or Business (Gain) or Loss	(3)	(1)	(2)	(0.01)
Acquisition-related transaction fees	Other charges	1	—	1	0.01
<b>Total impact on Net earnings</b>		<b>\$ 45</b>	<b>\$ 2</b>	<b>\$ 43</b>	<b>\$ 0.26</b>

Q2 2017					
Non-GAAP Adjustments	Statement Line	PBT (Inc)/Exp	Tax Inc/(Exp)	PAT (Inc)/Exp	EPS impact
Share-based compensation expense	Cost of sales, SG&A and R&D	\$ 16	\$ 5	\$ 11	\$ 0.07
Reorganization of business charges	Cost of sales and Other charges	3	—	3	0.02
Intangibles amortization expense	Intangibles amortization	37	9	28	0.17
Non-US pension settlement loss	Other charges	16	—	16	0.08
Gain on legal settlement	Other charges	(1)	—	(1)	(0.01)
Sale of business	Sale of Investment or Business (Gain) or Loss	1	—	1	0.01
<b>Total impact on Net earnings</b>		<b>\$ 72</b>	<b>\$ 14</b>	<b>\$ 58</b>	<b>\$ 0.34</b>

Q3 2017					
Non-GAAP Adjustments	Statement Line	PBT (Inc)/Exp	Tax Inc/(Exp)	PAT (Inc)/Exp	EPS impact
Share-based compensation expense	Cost of sales, SG&A and R&D	\$ 16	\$ 5	\$ 11	\$ 0.07
Reorganization of business charges	Cost of sales and Other charges	8	2	6	0.04
Intangibles amortization expense	Intangibles amortization	39	10	29	0.17
Non-US pension settlement loss	Other charges	21	—	21	0.11
Asset impairment	Other charges	1	—	1	0.01
Tax benefit on U.S. capital loss	Income tax benefit	—	22	(22)	(0.13)
Reserve on unrecognized tax benefit	Income tax expense	—	(1)	1	0.01
<b>Total impact on Net earnings</b>		<b>\$ 85</b>	<b>\$ 38</b>	<b>\$ 47</b>	<b>\$ 0.28</b>

Q4 2017					
Non-GAAP Adjustments	Statement Line	PBT (Inc)/Exp	Tax Inc/(Exp)	PAT (Inc)/Exp	EPS impact
Share-based compensation expense	Cost of sales, SG&A and R&D	\$ 17	\$ 6	\$ 11	\$ 0.07
Reorganization of business charges	Cost of sales and Other charges	12	3	9	0.05
Intangibles amortization expense	Intangibles amortization	39	9	30	0.18
Non-US pension settlement loss	Other charges	2	—	2	0.01
Gain on legal settlements	Other charges	(5)	(2)	(3)	(0.02)
Tax benefit on U.S. capital loss	Income tax benefit	—	1	(1)	(0.01)
Tax reform	Income tax expense	—	(874)	874	5.18
Release of FIN 48 reserve	Income tax benefit	—	1	(1)	(0.01)
Valuation allowance on non-U.S. deferred tax assets	Income tax expense	—	(9)	9	0.05
<b>Total impact on Net earnings</b>		<b>\$ 65</b>	<b>\$ (865)</b>	<b>\$ 930</b>	<b>\$ 5.50</b>

FY 2017					
Non-GAAP Adjustments	Statement Line	PBT (Inc)/Exp	Tax Inc/(Exp)	PAT (Inc)/Exp	EPS impact
Share-based compensation expense	Cost of sales, SG&A and R&D	\$ 66	\$ 22	\$ 44	\$ 0.26
Reorganization of business charges	Cost of sales and Other charges	42	9	33	0.20
Intangibles amortization expense	Intangibles amortization	151	37	114	0.67
Gain on legal settlements	Other charges	(47)	(17)	(30)	(0.18)
Building impairment	Other charges	8	—	8	0.05
Non-US pension settlement loss	Other charges	48	—	48	0.28
Sale of investments or business	Sale of Investment or Business (Gain) or Loss	(2)	(1)	(1)	(0.01)



Acquisition-related transaction fees	Other charges	1	—	1	0.01
Asset impairment	Other charges	1	—	1	0.01
Tax benefit on U.S. capital loss	Income tax benefit	—	23	(23)	(0.14)
Reserve on unrecognized tax benefit	Income tax expense	—	(1)	1	0.01
Tax reform	Income tax expense	—	(874)	874	5.18
Release of FIN 48 reserve	Income tax benefit	—	1	(1)	(0.01)
Valuation allowance on non-U.S. deferred tax assets	Income tax expense	—	(9)	9	0.05
Total impact on Net earnings		\$ 268	\$ (810)	\$ 1,078	\$ 6.38

**Motorola Solutions, Inc. and Subsidiaries**  
**Non-GAAP Segment Information**  
(In millions)

**Net Sales**

	<b>Three Months Ended</b>		<b>% Change</b>
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	
Products	\$ 1,233	\$ 1,226	1%
Services	724	657	10%
Total Motorola Solutions	\$ 1,957	\$ 1,883	4%

	<b>Years Ended</b>		<b>% Change</b>
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	
Products	\$ 3,772	\$ 3,649	3%
Services	2,608	2,389	9%
Total Motorola Solutions	\$ 6,380	\$ 6,038	6%

**Non-GAAP Operating Earnings**

	<b>Three Months Ended</b>		<b>% Change</b>
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	
Products	\$ 425	\$ 407	4%
Services	151	134	13%
Total Motorola Solutions	\$ 576	\$ 541	6%

	<b>Years Ended</b>		<b>% Change</b>
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	
Products	\$ 1,006	\$ 910	11%
Services	546	517	6%
Total Motorola Solutions	\$ 1,552	\$ 1,427	9%

**Non-GAAP Operating Earnings %**

	<b>Three Months Ended</b>	
	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Products	34.5%	33.2%
Services	20.9%	20.4%
Total Motorola Solutions	29.4%	28.7%

	<b>Years Ended</b>	
	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Products	26.7%	24.9%
Services	20.9%	21.6%
Total Motorola Solutions	24.3%	23.6%

**Motorola Solutions, Inc. and Subsidiaries**  
**Operating Earnings after Non-GAAP Adjustments**

<b>Q1 2017</b>			
	<b>TOTAL</b>	<b>Products</b>	<b>Services</b>
Net sales	\$ 1,281	\$ 703	\$ 578
Operating earnings ("OE")	\$ 176	\$ 89	\$ 87
<b>Above-OE non-GAAP adjustments:</b>			
Share-based compensation expense	17	11	6
Reorganization of business charges	19	13	6
Intangibles amortization expense	36	6	30
Acquisition-related transaction fees	1	—	1
Gain on legal settlement	(42)	(30)	(12)
Building impairment	8	6	2
Non-US pension settlement loss	9	6	3
<b>Total above-OE non-GAAP adjustments</b>	<b>48</b>	<b>12</b>	<b>36</b>
Operating earnings after non-GAAP adjustments	\$ 224	\$ 101	\$ 123
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%
<b>Q2 2017</b>			
	<b>TOTAL</b>	<b>Products</b>	<b>Services</b>
Net sales	\$ 1,497	\$ 848	\$ 649
Operating earnings ("OE")	\$ 257	\$ 168	\$ 89
<b>Above-OE non-GAAP adjustments:</b>			
Share-based compensation expense	16	11	5
Reorganization of business charges	3	3	—
Intangibles amortization expense	37	1	36
Gain on legal settlement	(1)	(1)	—
Non-US pension settlement loss	16	11	5
<b>Total above-OE non-GAAP adjustments</b>	<b>71</b>	<b>25</b>	<b>46</b>
Operating earnings after non-GAAP adjustments	\$ 328	\$ 193	\$ 135
Operating earnings as a percentage of net sales - GAAP	17.2%	19.8%	13.7%
Operating earnings as a percentage of net sales - after non-GAAP adjustments	21.9%	22.8%	20.8%
<b>Q3 2017</b>			
	<b>TOTAL</b>	<b>Products</b>	<b>Services</b>
Net sales	\$ 1,645	\$ 989	\$ 656
Operating earnings ("OE")	\$ 338	\$ 253	\$ 85
<b>Above-OE non-GAAP adjustments:</b>			
Share-based compensation expense	16	10	6
Reorganization of business charges	8	6	2
Intangibles amortization expense	39	2	37
Non-US pension settlement loss	21	15	6
Asset impairment	1	1	—
<b>Total above-OE non-GAAP adjustments</b>	<b>85</b>	<b>34</b>	<b>51</b>
Operating earnings after non-GAAP adjustments	\$ 423	\$ 287	\$ 136
Operating earnings as a percentage of net sales - GAAP	20.5%	25.6%	13.0%
Operating earnings as a percentage of net sales - after non-GAAP adjustments	25.7%	29.0%	20.7%
<b>Q4 2017</b>			
	<b>TOTAL</b>	<b>Products</b>	<b>Services</b>
Net sales	\$ 1,957	\$ 1,233	\$ 724
Operating earnings ("OE")	\$ 511	\$ 404	\$ 107
<b>Above-OE non-GAAP adjustments:</b>			
Share-based compensation expense	17	11	6
Reorganization of business charges	12	9	3
Non-U.S. pension settlement loss	2	1	1
Gain on legal settlements	(5)	(3)	(2)
Intangibles amortization expense	39	3	36
<b>Total above-OE non-GAAP adjustments</b>	<b>65</b>	<b>21</b>	<b>44</b>
Operating earnings after non-GAAP adjustments	\$ 576	\$ 425	\$ 151
Operating earnings as a percentage of net sales - GAAP	26.1%	32.8%	14.8%
Operating earnings as a percentage of net sales - after non-GAAP adjustments	29.4%	34.5%	20.9%

**FY 2017**

	<b>TOTAL</b>	<b>Products</b>	<b>Services</b>
Net sales	\$ 6,380	\$ 3,772	\$ 2,608
Operating earnings ("OE")	\$ 1,282	\$ 914	\$ 368
Above-OE non-GAAP adjustments:			
Share-based compensation expense	66	43	23
Reorganization of business charges	42	31	11
Intangibles amortization expense	151	12	139
Acquisition-related transaction fees	1	—	1
Gain on legal settlements	(47)	(34)	(13)
Building impairment	8	6	2
Non-US pension settlement loss	48	33	15
Asset impairment	1	1	—
Total above-OE non-GAAP adjustments	270	92	178
Operating earnings after non-GAAP adjustments	\$ 1,552	\$ 1,006	\$ 546
Operating earnings as a percentage of net sales - GAAP	20.1%	24.2%	14.1%
Operating earnings as a percentage of net sales - after non-GAAP adjustments	24.3%	26.7%	20.9%

**Motorola Solutions, Inc. and Subsidiaries**  
**Non-GAAP Organic Revenue**

<b>Total Motorola Solutions</b>			
<b>Three Months Ended</b>			
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	<b>% Change</b>
Net sales	\$ 1,957	\$ 1,883	4%
Non-GAAP adjustments:			
Acquisitions	(48)	(8)	
Organic revenue	1,909	\$ 1,875	2%
<b>Years Ended</b>			
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	<b>% Change</b>
Net sales	6,380	6,038	6%
Non-GAAP adjustments:			
Acquisitions	(261)	(69)	
Organic revenue	\$ 6,119	\$ 5,969	3%

<b>North America</b>			
<b>Three Months Ended</b>			
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	<b>% Change</b>
Americas net sales	1,351	1,269	6%
Adjustments:			
Latin America net sales	(103)	(99)	
North America acquisitions	(26)	(8)	
North America organic revenue	1,222	1,162	5%
<b>Years Ended</b>			
	<b>December 31, 2017</b>	<b>December 31, 2016</b>	<b>% Change</b>
Americas net sales	4,341	4,074	7%
Adjustments:			
Latin America net sales	(365)	(285)	
North America acquisitions	(67)	(8)	
North America organic revenue	3,909	3,781	3%

**Motorola Solutions, Inc. and Subsidiaries**  
**Non-GAAP Earnings Per Share**

<i>(per diluted common share)</i>	<b>Q4 2017</b>	<b>2017</b>
<b>Basic GAAP Loss from Continuing Operations</b>	\$(3.56)	\$(0.95)
<b>Adjust for dilution*</b>	\$0.16	\$0.03
<b>Diluted Loss from Continuing Operations</b>	\$(3.40)	\$(0.92)
<b>Highlighted Items:</b>		
Share-based compensation expense	0.07	0.26
Reorganization of business charges	0.05	0.20
Intangibles amortization expense	0.18	0.67
Gain on legal settlements	(0.02)	(0.18)
Non-US pension settlement loss	0.01	0.28
Tax reform	5.18	5.18
Release of FIN 48 reserve	(0.01)	(0.01)
Valuation allowance on non-U.S. deferred tax assets	0.05	0.05
Tax benefit on U.S. capital loss	(0.01)	(0.14)
Reserve on unrecognized tax benefit	—	0.01
Acquisition-related transaction fees	—	0.01
Asset impairment	—	0.01
Sale of investments or business	—	(0.01)
Building impairment	—	0.05
<b>Total Highlighted Items</b>	<b>\$5.50</b>	<b>\$6.38</b>
<b>Non-GAAP Diluted EPS from Continuing Operations</b>	<b>\$2.10</b>	<b>\$5.46</b>

\* Under U.S. GAAP, the accounting for a net loss from continuing operations results in the presentation of dilutive earnings per share equal to basic earnings per share, as any increase in basic shares would be anti-dilutive to earnings per share. As a result of the highlighted items identified during Q4 2017, the Company reported a net loss from continuing operations for the three months and year ended December 31, 2017 within our GAAP Consolidated Statement of Operations, while reporting income on a non-GAAP basis over the same periods. An adjustment is reflected to correct for the dilution of 7.2 million dilutive shares outstanding in Q4 2017 and 6.4 million dilutive shares outstanding for the full of 2017.