

Motorola, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In millions, except per share amounts)

	Quarter Ended October 1, 2005	Quarter Ended October 2, 2004
Net sales	\$ 9,424	\$ 7,499
Costs of sales	6,396	4,926
Gross margin	3,028	2,573
Selling, general and administrative expenses	1,021	1,042
Research and development expenditures	857	771
Other charges	50	116
Operating earnings	1,100	644
Other income (expense):		
Interest income (expense), net	20	(48)
Gains on sales of investments and businesses	1,266	195
Other	(105)	(98)
Total other income (expense)	1,181	49
Earnings from continuing operations before income taxes	2,281	693
Income tax expense	531	267
Earnings from continuing operations	1,750	426
Earnings from discontinued operations, net of tax	1	53
Net earnings	\$ 1,751	\$ 479
 <u>Earnings per common share</u>		
Basic:		
Continuing operations	\$ 0.71	\$ 0.18
Discontinued operations	-	0.02
	\$ 0.71	\$ 0.20
Diluted:		
Continuing operations	\$ 0.69	\$ 0.18
Discontinued operations	-	0.02
	\$ 0.69	\$ 0.20
 <u>Weighted average common shares outstanding</u>		
Basic	2,480.6	2,359.6
Diluted	2,547.0	2,466.0
Dividends paid per share	\$ 0.04	\$ 0.04
	Nine Months Ended October 1, 2005	Nine Months Ended October 2, 2004
Net sales	\$ 26,410	\$ 22,481
Costs of sales	17,835	14,939
Gross margin	8,575	7,542
Selling, general and administrative expenses	3,048	3,108
Research and development expenditures	2,519	2,244
Other charges	61	76
Operating earnings	2,947	2,114
Other income (expense):		
Interest expense, net	16	(175)
Gains on sales of investments and businesses	1,930	348
Other	(93)	(118)
Total other income	1,853	55
Earnings from continuing operations before income taxes	4,800	2,169
Income tax expense	1,411	657
Earnings from continuing operations	3,389	1,512
Loss from discontinued operations, net of tax	(13)	(626)
Net earnings	\$ 3,376	\$ 886
 <u>Earnings (loss) per common share</u>		
Basic:		
Continuing operations	\$ 1.38	\$ 0.64
Discontinued operations	(0.01)	(0.26)
	\$ 1.37	\$ 0.38
Diluted:		
Continuing operations	\$ 1.35	\$ 0.63
Discontinued operations	(0.01)	(0.26)
	\$ 1.34	\$ 0.37
 <u>Weighted average common shares outstanding</u>		
Basic	2463.4	2,349.6
Diluted	2514.7	2,463.3
Dividends paid per share	\$ 0.12	\$ 0.12

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

ASSETS	October 1, 2005	December 31, 2004
Cash & cash equivalents	\$ 2,856	\$ 2,846
Sigma funds	9,732	7,710
Short-term investments	143	152
Accounts receivable, net	5,660	4,525
Inventories, net	2,302	2,546
Deferred income taxes	966	1,541
Other current assets	2,163	1,795
Total current assets	<u>23,822</u>	<u>21,115</u>
Property, plant and equipment, net	2,303	2,332
Investments	2,477	3,241
Deferred income taxes	2,930	2,353
Other assets	1,930	1,881
Total assets	<u>\$ 33,462</u>	<u>\$ 30,922</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Notes payable and current portion of long-term debt	\$ 344	\$ 717
Accounts payable	3,597	3,330
Accrued liabilities	7,417	6,559
Total current liabilities	<u>11,358</u>	<u>10,606</u>
Long-term debt	3,975	4,578
Other liabilities	2,363	2,407
Stockholders' equity	<u>15,766</u>	<u>13,331</u>
Total liabilities and stockholders' equity	<u>\$ 33,462</u>	<u>\$ 30,922</u>

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

Summarized below are the Company's net sales by reportable segment for the quarters and nine months ended October 1, 2005 and October 2, 2004.

	Segment Net Sales		
	Quarter Ended October 1, 2005	Quarter Ended October 2, 2004	% Change from 2004
Mobile Devices	\$ 5,603	\$ 3,987	41%
Networks	1,565	1,462	7%
Government & Enterprise Mobility Solutions	1,620	1,565	4%
Connected Home Solutions	710	556	28%
Other/Eliminations	(74)	(71)	4%
Segment Totals	<u>\$ 9,424</u>	<u>\$ 7,499</u>	<u>26%</u>

	Segment Net Sales		
	Nine Months Ended October 1, 2005	Nine Months Ended October 2, 2004	% Change from 2004
Mobile Devices	\$ 14,918	\$ 12,091	23%
Networks	4,838	4,477	8%
Government & Enterprise Mobility Solutions	4,781	4,552	5%
Connected Home Solutions	2,090	1,545	35%
Other/Eliminations	(217)	(184)	18%
Segment Totals	<u>\$ 26,410</u>	<u>\$ 22,481</u>	<u>17%</u>

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

Summarized below are the Company's operating earnings (loss) by reportable segment for the quarters and nine months ended October 1, 2005 and October 2, 2004.

	Segment Operating Earnings (Loss)	
	GAAP Results	
	Quarter Ended October 1, 2005	Quarter Ended October 2, 2004
Mobile Devices	\$ 597	\$ 394
Networks	268	159
Government & Enterprise Mobility Solutions	180	197
Connected Home Solutions	59	40
Other & Eliminations	(4)	(146)
Segment Totals	<u>\$ 1,100</u>	<u>\$ 644</u>

	Segment Operating Earnings (Loss)	
	GAAP Results	
	Nine Months Ended October 1, 2005	Nine Months Ended October 2, 2004
Mobile Devices	\$ 1,535	\$ 1,196
Networks	765	443
Government & Enterprise Mobility Solutions	568	620
Connected Home Solutions	125	103
Other & Eliminations	(46)	(248)
Segment Totals	<u>\$ 2,947</u>	<u>\$ 2,114</u>