

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

	Quarter Ended March 31, 2007	Quarter Ended April 1, 2006
Net sales	\$ 9,433	\$ 9,608
Costs of sales	6,979	6,677
Gross margin	2,454	2,931
Selling, general and administrative expenses	1,313	1,069
Research and development expenditures	1,117	964
Other charges (income)	200	29
Intangibles amortization and IPR&D	190	20
Operating earnings (loss)	(366)	849
Other income (expense):		
Interest income, net	41	67
Gains (loss) on sales of investments and businesses, net	(1)	151
Other	(1)	(19)
Total other income	39	199
Earnings (loss) from continuing operations before income taxes	(327)	1,048
Income tax expense (benefit)	(109)	392
Earnings (loss) from continuing operations	(218)	656
Earnings from discontinued operations, net of tax	37	30
Net earnings (loss)	\$ (181)	\$ 686
 <u>Earnings (loss) per common share</u>		
Basic:		
Continuing operations	\$ (0.09)	\$ 0.26
Discontinued operations	0.01	0.02
	\$ (0.08)	\$ 0.28
Diluted:		
Continuing operations	\$ (0.09)	\$ 0.26
Discontinued operations	0.01	0.01
	\$ (0.08)	\$ 0.27
 <u>Weighted average common shares outstanding</u>		
Basic	2,372.3	2,489.0
Diluted	2,372.3	2,553.6
Dividends paid per share	\$ 0.05	\$ 0.04

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

ASSETS	March 31, 2007	December 31, 2006
Cash and cash equivalents	\$ 2,737	\$ 3,212
Sigma funds	5,417	12,204
Short-term investments	801	224
Accounts receivable, net	6,811	7,509
Inventories, net	3,301	3,162
Deferred income taxes	1,834	1,731
Other current assets	2,818	2,933
Total current assets	<u>23,719</u>	<u>30,975</u>
Property, plant and equipment, net	2,545	2,267
Investments	909	895
Deferred income taxes	2,129	1,325
Other assets	7,078	3,131
Total assets	<u>\$ 36,380</u>	<u>\$ 38,593</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Notes payable and current portion of long-term debt	\$ 1,757	\$ 1,693
Accounts payable	4,010	5,056
Accrued liabilities	9,062	8,676
Total current liabilities	<u>14,829</u>	<u>15,425</u>
Long-term debt	2,596	2,704
Other liabilities	4,177	3,322
Stockholders' equity	<u>14,778</u>	<u>17,142</u>
Total liabilities and stockholders' equity	<u>\$ 36,380</u>	<u>\$ 38,593</u>

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

Summarized below are the Company's net sales and operating earnings (loss) by reportable segment for the quarters ended March 31, 2007 and April 1, 2006.

	Net Sales		
	Quarter Ended March 31, 2007	Quarter Ended April 1, 2006	% Change from 2006
Mobile Devices	\$ 5,412	\$ 6,403	-15%
Networks and Enterprise	3,014	2,520	20%
Connected Home Solutions	1,036	732	42%
Segment Totals	9,462	9,655	-2%
Other and Eliminations	(29)	(47)	38%
Company Totals	<u>\$ 9,433</u>	<u>\$ 9,608</u>	-2%

	Operating Earnings (Loss)	
	Quarter Ended March 31, 2007	Quarter Ended April 1, 2006
Mobile Devices	\$ (260)	\$ 702
Networks and Enterprise	183	307
Connected Home Solutions	142	(4)
Segment Totals	65	1,005
Other and Eliminations	(431)	(156)
Company Totals	<u>\$ (366)</u>	<u>\$ 849</u>