

Motorola Solutions 4Q Sales Strong, But Profits Hit

Maisie Ramsay

Motorola Solutions posted healthy sales figures for the fourth quarter of last year on an increase in revenue from both its government and enterprise segments, but one-time charges took a chunk out of profits.

The cost of restructuring its business, legal fees, amortization and stock-based compensation stole about 33 cents per share from earnings.

Including the expenses, Motorola Solutions made \$184 million, or 54 cents per share, compared to the previous year's profit of \$292 million.

Sales rose to \$2.3 billion for the three months ended Dec. 31, up from \$2.18 billion during the same period in 2010. For the full year 2011, Motorola Solutions made \$1.16 billion on sales of \$8.2 billion, up from 2010 profits of \$633 million on sales of \$7.6 billion.

Company Chairman and CEO Greg Brown said 2011 was a "very strong and exciting year" for Motorola Solutions as it pushed forward with a plan to streamline its business. It closed the \$975 million sale of its wireless network infrastructure business to **Nokia Siemens Networks** [1] in April and announced in August it was selling off its point-to-point and point-to-multipoint divisions to Vector Capital.

The divestitures leave Motorola Solutions playing mainly in the government and enterprise space, making it depend on federal customers for its revenue. With government spending under pressure and Sprint cutting back on its use of the company's iDEN technology, Motorola Solutions will be relying more on the gear it manufactures for public safety networks and international markets to maintain its top line.

Looking ahead, Motorola Solutions expects to grow revenues 4 percent year-over-year during the first quarter of this year, pegging earnings per share from continuing operations at between 50 cents and 55 cents per share.

For the full-year 2012, the company estimates sales will grow about 5 percent over 2011, with operating earnings of about 17 percent of sales, excluding one-time charges.

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