

Motorola Solutions Profits Slide

Maisie Ramsay

Motorola Solutions saw its profits nearly halved during its second quarter, a decline stemming the sale of its networks business last year.

The Illinois-based infrastructure provider made \$182 million last quarter, down from \$349 million during the same period in 2011.

Last year, the company's financial results included \$291 million in earnings from discontinued operations related to the sale of its networks business to Nokia Siemens Networks.

The \$1.2 billion transaction closed in April 2011 and provided Nokia Siemens with an opportunity to expand after its failed bid for Nortel's assets. At the time the sale was announced two years ago, Motorola had 41 WiMAX contracts, 30 active CDMA networks and more than 80 active GSM networks worldwide.

Motorola's operating earnings rose 75 percent year-over-year to \$278 million.

Sales rose slightly to \$2.15 billion as an increase in its government segment offset a slump in its enterprise segment, where Sprint's decision to decommission its iDEN network is affecting sales.

Motorola's government division contributed \$1.5 billion to sales as it landed new contracts to provide telecommunications equipment for public safety and transportation. Its enterprise segment added \$689 million to revenue as a dip in iDEN was offset by new deals with retail customers including Tesco, CVS Caremark and Dunkin' Donuts.

Motorola announced last month it had reached an agreement to buy ruggedized mobile device company Psion for about \$200 million in cash. The deal will strengthen Motorola's presence in the market for ruggedized devices favored by its customers.

Looking ahead, Motorola said it expected its third quarter sales to rise 3 percent year-over-year and increased its full-year revenue forecast despite pressure from the European economic crisis. It now expects year-over-year sales growth of up to 6 percent for 2012, up from its previous forecast of 5 percent.

Source URL (retrieved on 06/12/2013 - 5:54pm):

<http://www.wirelessweek.com/news/2012/07/motorola-solutions-profits-slide>

Motorola Solutions Profits Slide

Published on Wireless Week (<http://www.wirelessweek.com>)
