

Motorola Solutions, Motorola Mobility Fortunes Still Divergent

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Before Motorola split itself apart in early 2011, its infrastructure business had long outperformed its handset division, posting regular profits as its smartphone unit sunk further into the red.

That trend is still in place nearly two years after the company's separation.

Motorola Solutions posted healthy third quarter results today, a marked contrast to the handset business it was once combined with.

Motorola Solutions' profits nearly doubled year-over-year to \$206 million as sales ticked upwards to \$2.15 billion on strength in its government unit. It increased its full-year forecast for sales growth, pegging the increase at between 6 percent and 6.5 percent.

In contrast, Motorola Mobility has lost month in all but two of the past 16 quarters. Its operating loss reached \$527 million during the third quarter as its sales slipped to \$2.58 billion on dwindling demand for its Android smartphones. Motorola Mobility's performance cost its new parent company, Google, \$182 million in amortization expenses, in addition to \$349 million in restructuring charges.

Google is aiming to turn Motorola Mobility around after paying \$12.5 billion for the beleaguered handset maker. It has laid out a restructuring plan designed to return the company to profitability, and plans to lay off 4,000 Motorola Mobility employees and close about one-third of its facilities while shifting the handset maker's focus toward "more innovative and profitable devices."

Motorola Mobility has tried to resurrect its successful RAZR line with a new portfolio of devices branded with the RAZR moniker, including the Droid RAZR HD, Droid RAZR Maxx and Droid RAZR M.

The smartphones face steep competition in the United States from the likes of Samsung, LG and Apple. ComScore pegs Motorola Mobility's share of the U.S. cell phone market at just 11 percent, compared to Samsung's share of nearly 26 percent.

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