Motorola Solutions Sees 1Q Profit Drop, Stock Dives

Associated Press

SCHAUMBURG, Ill. (AP) — Motorola Solutions Inc. said Thursday that its net income fell 34 percent as sales fell at its North American government unit and its enterprise business, which it is currently selling.

The communication equipment maker's second-quarter outlook came in below expectations. The company's shares fell $2.31, or 3.6 percent, to $61.27 in morning trading.

Earlier this month, the company said that it plans to sell its enterprise business, which makes business equipment including hand-held bar-code scanners and mobile and tablet computers, to Zebra Technologies for more than $3 billion.

Motorola Solutions, which is based in in Schaumburg, Illinois, plans to focus on its voice and data communication products for government and public safety customers.

Motorola Solutions said its net income fell to $127 million, or 49 cents per share, in quarter that ended March 29, from $192 million, or 68 cents per share, in the same quarter a year ago. Excluding one-time items, it earned 50 cents per share. Revenue fell 9 percent to $1.8 billion from $1.97 billion. Analysts expected earnings of 51 cents per share and revenue of $1.82 billion, according to FactSet.

For the second quarter, the company expects earnings between 58 cents and 64 cents per share and revenue to fall between 5 percent and 8 percent to between about $1.9 billion and $2 billion. That's below the 85 cents per share and $2.1 billion analysts expected.

For the full year, the company reaffirmed its projection that revenue will fall by a percentage in the low single digits from 2013 revenue.

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