



MOTOROLA

annual report 1957

TELEVISION

HOME AND
PORTABLE
RADIOS

CAR RADIOS

TWO-WAY
RADIO AND
MICROWAVE

MILITARY
ELECTRONICS

TRANSISTORS

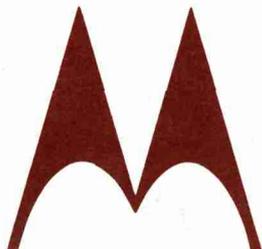
MOTOROLA

4545 AUGUSTA BOULEVARD
CHICAGO 51, ILLINOIS



MOTOROLA®

WORLD'S LARGEST EXCLUSIVE ELECTRONICS MANUFACTURER



DIRECTORS and OFFICERS of MOTOROLA

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Executive Vice President
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and Military Electronics Divisions

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Automotive Products Division

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and Automotive Production

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Treasurer and Secretary

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Vice President, Western Area
Military Electronics

John I. Davis
Vice President
Consumer Product Engineering

Sylvester R. Herkes
Vice President
Consumer Product Marketing

Arthur L. Reese
Vice President, Communications
and Industrial Electronics

Alex Arnold
Controller

*The annual meeting will be held on Monday, May 5, 1958.
A notice of the meeting, together with a form of proxy and a proxy
statement, will be mailed to shareholders on or about April 7, 1958,
at which time proxies will be solicited by the management.*

TRANSFER AGENTS

Chemical Corn Exchange Bank
30 Broad Street, New York 15, New York

Harris Trust and Savings Bank
115 West Monroe Street, Chicago 90, Illinois

REGISTRARS

Irving Trust Company
One Wall Street, New York 15, New York

**Continental Illinois National Bank
and Trust Company of Chicago**
231 South La Salle Street, Chicago 90, Illinois

10**year financial summary**

YEAR	NET SALES	EARNINGS BEFORE TAXES ON INCOME	NET EARNINGS	NET EARNINGS PER SHARE ¹	WORKING CAPITAL	INVESTMENT IN PLANT AND EQUIPMENT ²	SHAREHOLDERS' EQUITY
1948³	\$61,981,442	\$ 5,755,347	\$ 3,550,347	\$1.83	\$11,088,342	\$ 3,148,206	\$13,085,196
1949⁴	81,803,358	8,585,696	5,280,196	2.73	14,558,505	4,071,987	17,165,391
1950	177,104,669	27,368,061	13,130,246	6.78	20,731,871	5,794,309	26,895,638
1951	135,285,086	14,020,739	7,240,452	3.74	29,851,003	9,005,880	31,920,882
1952	168,734,653	15,576,165	7,012,700	3.62	38,007,247	11,429,532	41,755,780
1953	217,964,074	15,512,489	7,076,335	3.66	38,222,001	14,301,004	45,929,419
1954	205,226,077	16,523,889	7,572,024	3.91	38,308,612	16,579,531	50,598,747
1955	226,653,953	18,740,426	8,490,539	4.39	42,892,165	19,179,992	56,186,590
1956⁵	227,562,168	16,887,834	7,966,817	4.12	50,882,200	25,388,866	61,305,080
1957	226,361,190	15,597,031	7,824,431	4.04	52,215,832	27,167,597	66,172,446

¹Earnings per share of common stock based upon the 1,935,131 shares outstanding at December 31, 1957.

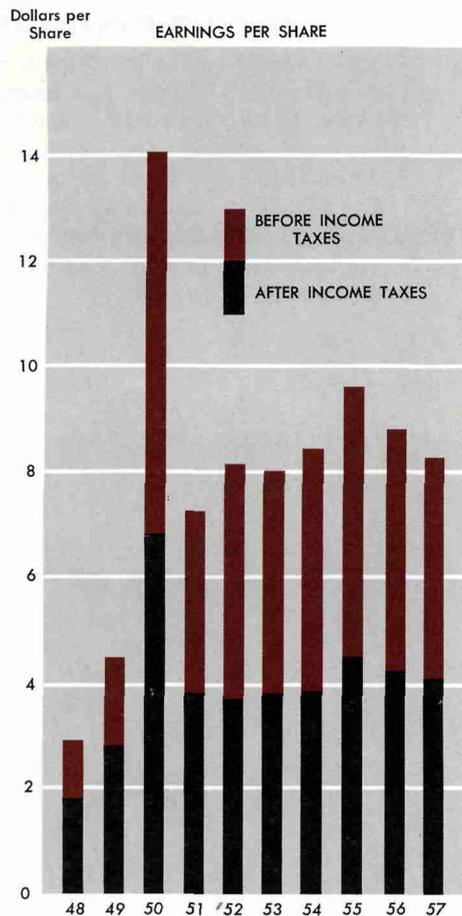
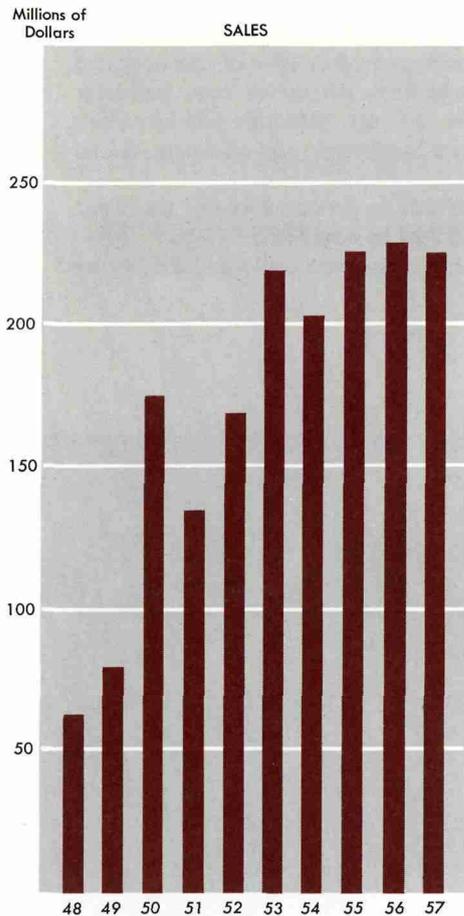
²Net investment after deduction of depreciation reserves.

³Thirteen month period ended December 31, 1948.

⁴Consolidated information including financial data of wholly-owned subsidiaries in 1949 and subsequent years.

⁵Motorola Finance Corporation, a subsidiary formed in 1956, is not included in consolidation in 1956 and 1957.

To the shareholders of **MOTOROLA**



SALES and EARNINGS

Consolidated sales in 1957 were \$226,361,000, which compares with \$227,562,000 in 1956. Sales of two-way radio and microwave communication systems increased substantially, and so did sales of car radios to the automobile manufacturers. Sales of consumer products declined primarily as a result of generally lower television sales. Auto and home radio sales were about even with 1956, but high fidelity and other phonograph sales increased substantially. Military business was about the same as for 1956. Transistor production for our own use more than doubled, and for the first time transistors were sold to other manufacturers. The consolidated sales figures are not quite comparable with last year's because several of the company's distributor subsidiaries were liquidated by converting to independent distributors, and this had the effect of reducing consolidated sales.

Consolidated earnings in 1957, before provision for income taxes, were \$15,597,031 compared with \$16,887,834 in 1956. After taxes, we earned \$7,824,431 or \$4.04 per share of common stock compared with \$7,966,817 or \$4.12 per share in 1956. The decline in earnings occurred primarily in military products. All other product lines experienced improved earnings or small declines.

TELEVISION

Despite about 13% lower industry production of television sets in 1957, the state of the industry improved. While prices and margins remained very depressed in the first half of the year, some relief through higher prices was achieved in the last half. However, the hesitancy in the general economy affected sales adversely in the final quarter.

Our new line of television sets, introduced in mid-year, included important new features and improved performance. The "Tube Sentry" restrains the power surge when a set is turned on until the tubes have a few moments to warm up. The result is a striking reduction in tube failures, fewer service calls and greater reliability.

Improved versions of our "Golden Satellite" wireless remote control unit for automatically changing channels from a distance, and the "Instamatic" automatic and rapid fine tuning built into our sets have provided the ultimate in comfortable viewing and precision tuning.

Other TV improvements included new horizontal chassis with greater power, efficiency and dependability, new thin line cabinet styling, an improved 4-wafer cascade tuner and high fidelity speaker systems.



Completely Transistorized, Battery Operated, Portable TV

In January of this year we displayed a new first in television, a completely transistorized, fully portable, battery energized TV set. While the cost of this unit is excessive under today's state of the transistor art, it marks a new development which in a few years will become available at a practical cost.

We continued to produce limited quantities of high quality, fine performing color TV receivers. While public interest and consumer demand showed some increase over the preceding year, it is clear that a strong demand for color is still somewhere in the future.

RADIOS and PHONOGRAPHS

Sales of portable, clock and home radio and high-fidelity and other phonographs increased substantially over 1956. The star performer was, again, high fidelity and other phonographs.

Motorola had a particularly strong line of high-fidelity phonographs. Their performance and styling were outstanding. Our line of portable phonographs initiated a new idea in the form of fiber-glass cabinets which are attractive and durable.

Portable radios—long one of Motorola's strong categories—were further strengthened by the introduction of new transistorized models, including the "Weatherama" which appeals to airplane pilots, sportsmen and outdoorsmen.

This unit is equipped to receive U.S. Government weather reports as well as standard broadcasts.

All portable, clock and home radios provided better performance as a result of improved antennas.

A fully transistorized car radio and special car radios to fit into foreign cars, trucks and boats were introduced during the year.

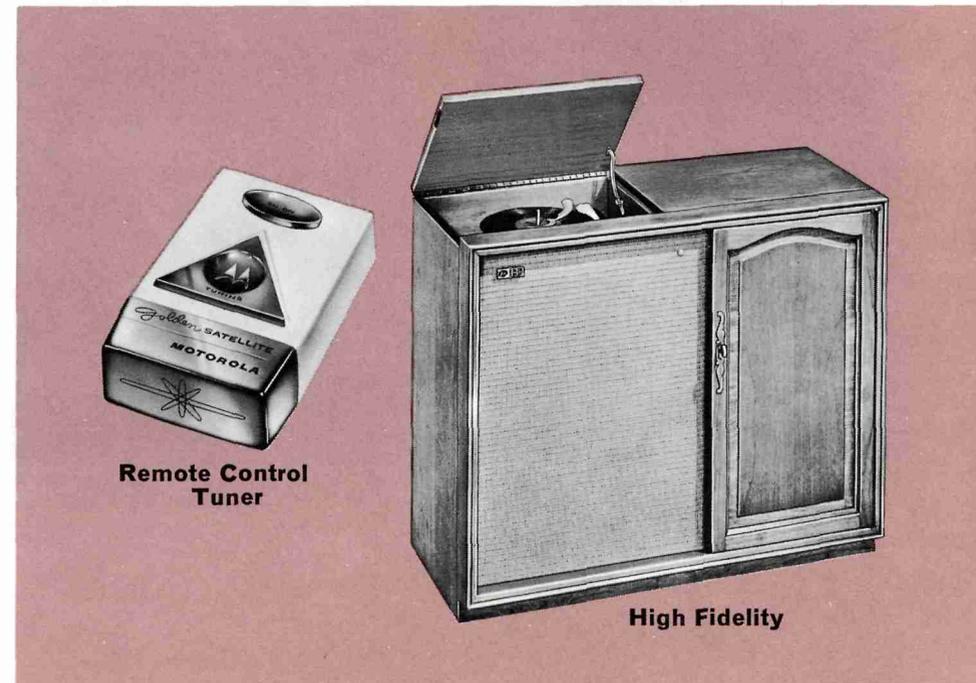
We also introduced several new AM-FM receivers in response to consumer interest in fine tone reproduction. These include an attractive table model as well as separate units for combination in high fidelity phonographs.

AUTOMOTIVE DIVISION

Contract car radio sales benefitted from the improved volume of our principal customers, Ford, Chrysler and American Motors. All radios were transistor powered. In the 1959 radios, already under contract, Motorola will introduce the next major development, an "audio driver" transistor, and all sets produced will include this new development.

The transistors required for this purpose will be produced in our transistor plant whose production for auto radios will thus be doubled.

We continue to produce the push-button transmission controls for Chrysler and American Motors cars.



Remote Control Tuner

High Fidelity

COMMUNICATIONS and INDUSTRIAL ELECTRONICS

New all-time highs in sales and earnings were recorded by the communications and industrial electronics division. Substantial increases in sales of transistorized, portable two-way radio and microwave systems were made, and two-way mobile systems continued their growth in volume aided by the new "Private Line" advanced design. The purchase by the State of Ohio of 1300 two-way mobile units and associated station equipment for the Highway Department represented the largest single order for commercial mobile units during peace-time.

Sales of microwave systems for both military and civilian use increased. It is hoped that current hearings by the Federal Communications Commission will result in liberalizing the eligibility rules for private microwave systems so that this potential medium of communications may be used by others than the present small category of approved users. We have spent many years in preparation for this event.

The new "T-Power" two-way units, which feature a completely transistorized power supply, were introduced late in 1957. For the first time the vibrator as a prime power source was eliminated. Other new products included a new transistorized motorcycle radio, a transistor powered megaphone and transistorized "Dispatcher" industrial radio equipment. These new products have already

established their merits and are expected to be a factor in the increased sales anticipated in 1958 by this division.

Several experiments suggest the growing uses for radio. We are now prepared to offer a pushbutton-dialing radio telephone system, developed for the Rural Electrification Administration, which enables telephone companies with automatic telephone exchanges to provide radiotelephone service to both home and mobile users in sparsely populated areas. Previously it was necessary to have an operator on duty in order to provide radiotelephone service. In an entirely different field, Motorola has recently supplied Wayne County, Michigan, with the country's first radio control for a traffic light system operating in the 960 mc band. With this system the traffic pattern can be changed instantly from central traffic headquarters, adjusting to rush hours, bad weather or other conditions affecting the traffic flow.

An example of a new application of existing equipment was the installation of two-way radio on airport runway sweepers. Jet planes must have clean runways so that debris isn't sucked into a jet engine's intake. The "Dispatcher" 2-way radio is used to maintain communications between the sweeper operator and the control tower or supervisory personnel.

It is expected this division will continue in 1958 an unbroken record of growth.



Portable Hi-Fidelity



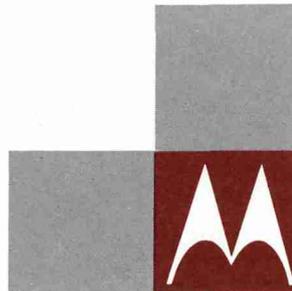
Transistorized Car Radios



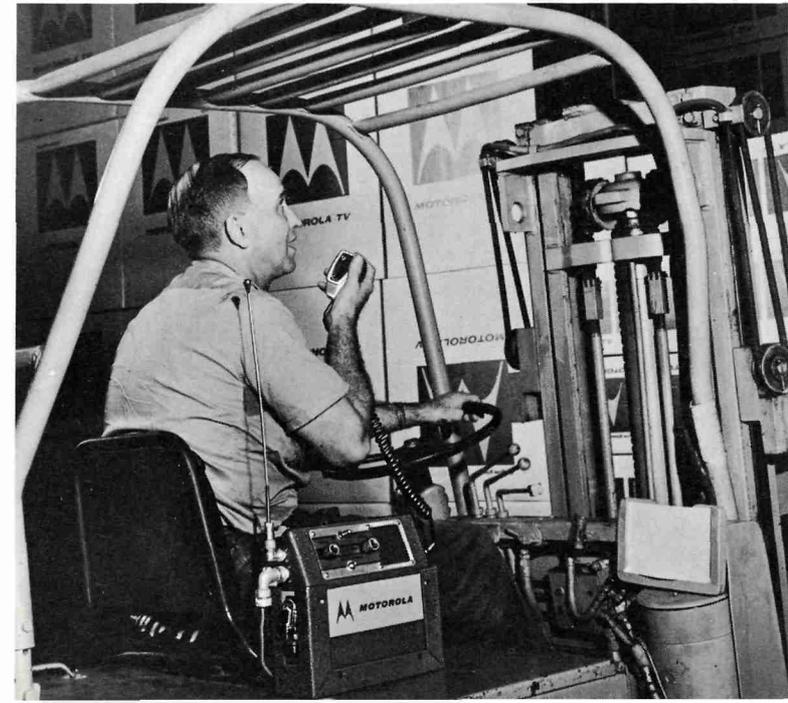
AM-FM Radio



Portable Radio



Industrial Dispatcher Radiophone



MILITARY ELECTRONICS

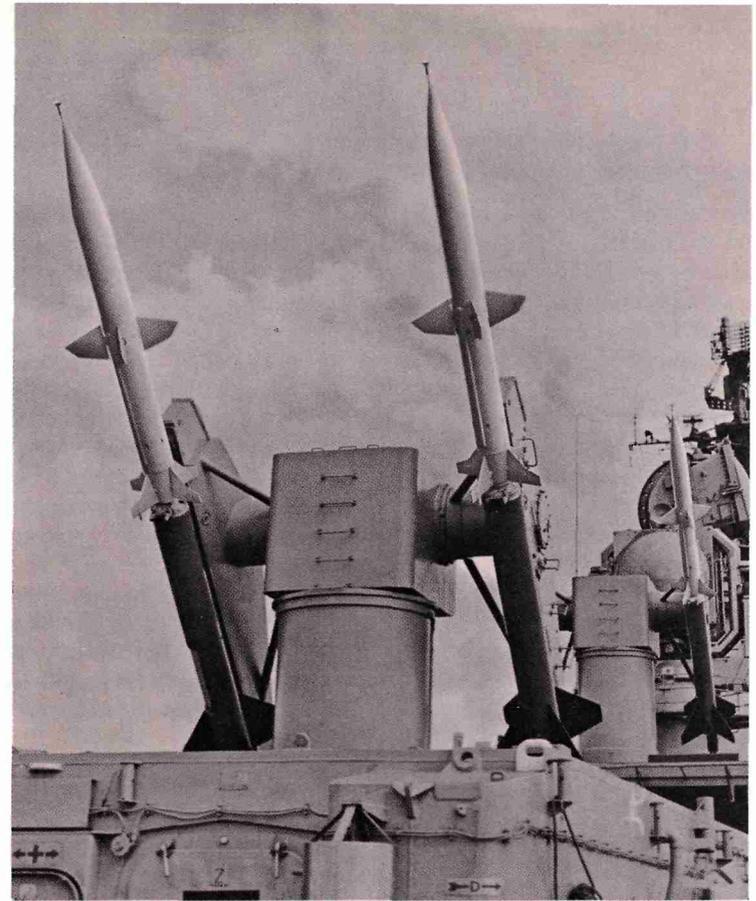
Sales of military electronic equipment and services were about the same in 1957 as in 1956. The trend toward a larger proportion of research and development services and lower margins on production contracts had the effect of reducing the earnings of this division. As is well known, the letting of military contracts was substantially reduced in the last half of 1957 and this will have a delayed effect on our 1958 military production. Despite this our billings in 1958 should exceed last year's.

Our principal work has been in the fields of data link systems, airborne navigation equipment, missile guidance systems, radar beacons, electronic data handling systems, airborne radar, countermeasures and ground communications.

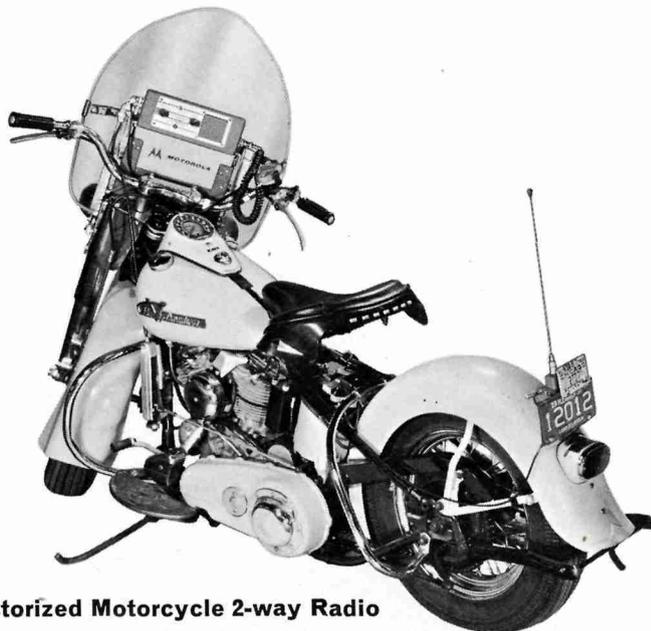
TRANSISTORS

Production of Motorola power transistors about doubled in 1957. Production of germanium switching transistors and silicon power rectifiers was started, and pilot production of a diffused base radio frequency transistor was in progress. A high voltage version of the power transistor was also introduced.

We have continued our heavy development expenditures in semi-conductors for which the pay-off is still in the future. But the fabulous future for semi-conductors is suggested by industry output of some 12 million in 1956, 30 million in 1957 and probably over 50 million units in 1958. A transistorized television set would use about 31 transistors as of today, and if the economics of production can be solved in the next ten years, so as to make transistorization of television sets practical, the volume, assuming 5,000,000 sets were then transistorized, would be 155,000,000 transistors for this one application alone. Perhaps the greatest use of transistors will be in achieving things electronically which are now done less effectively otherwise.



U. S. Navy Terrier Missiles

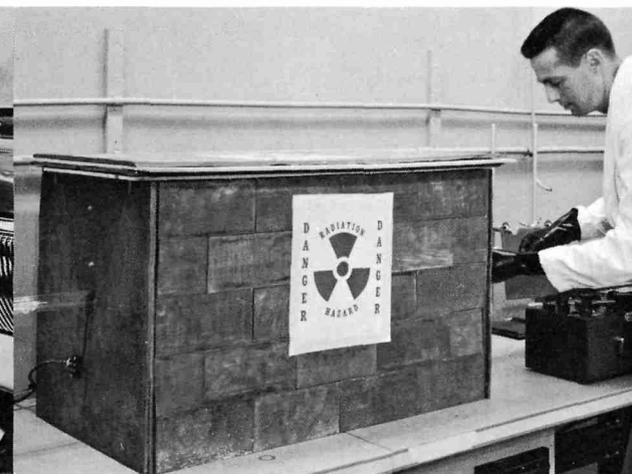


Transistorized Motorcycle 2-way Radio

Pushbutton Dial Radiotelephone



Investigating diffusion characteristics of transistors by radio-active tracer measurement.



FINANCES

At the end of 1957 consolidated working capital was \$52,215,382 compared with \$50,882,200 at 1956 year-end, and net worth was \$66,172,000 compared with \$61,305,000 in 1956.

Largely as a result of pressure to control inventories, incoming materials were at a low rate in December, and year-end accounts payable were therefore \$5,793,000 compared with \$9,328,000 a year previous, a decrease of \$3,535,000. Special payment terms for consumer products shipped in December 1957 were partly responsible for the increase in trade receivables of \$3,925,000. Inventories rose \$3,192,000 over the previous year-end. Partly as a result of slower payment terms under government contracts, the costs recoverable under such contracts increased \$1,305,000 over the previous year-end and government receivables increased \$710,000. The result of these and other changes was year-end bank loans of \$9,000,000 for the parent company.

Plant expansion plans for 1957 were in part deferred into 1958 although at year-end an addition of about 100,000 square feet to our Franklin Park television plant was in progress, and occupancy will be had about mid-year 1958. A number of major shifts within our Chicago facilities and an added administrative and engineering building for the consumer product and automotive divisions is in prospect for 1958.

While the accounts of Motorola Finance Corporation are reported separately herein and are not consolidated, the net earnings of this subsidiary have been taken into the consolidated earnings of the parent company because of the large amount of capital devoted to the finance company and its prospective earning power. This accounted for 11% of the reported 1957 consolidated earnings of \$4.04 per share.

A conservative dividend policy was maintained in 1957 in light of the continued capital needs of the company. Dividends totalling \$1.50 per common share were paid in 1957.

At the close of the year there were 4,819 Motorola stockholders. Directors, officers and their relatives owned, directly or beneficially, 707,011 shares of Motorola stock.

FUTURE

The year 1958 will be strongly influenced by general economic conditions and new products.

Our consumer products and automotive products divisions anticipate a lower volume in 1958 compared to last year. The degree of this downturn will, however, be favorably influenced by the introduction of new types of products in the latter half of the year.

In our communications and industrial electronics, military electronics and semi-conductor divisions, we expect increases in volume of our business. All of these increases are substantially influenced by products recently introduced or new products expected this year.

The net effect will be somewhat reduced sales and earnings for the corporation in the year 1958.

Our long-term confidence in the stability and growth of each of our divisions is illustrated by the completion in early 1958 of a new television production plant and a new laboratory and administration building for our consumer products and automotive divisions.

• • • •

We are very grateful for the fine cooperation on the part of Motorola employees, distributors and suppliers in making 1957 a good year.

For the Board of Directors,

March 12, 1958

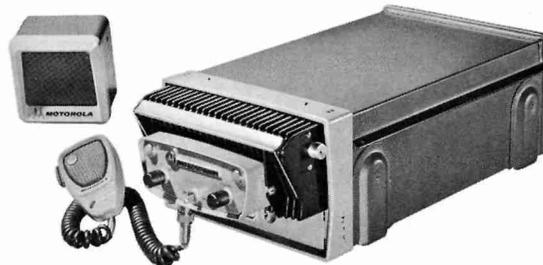
P. V. Galvin Chairman

Robert W. Galvin President

Transistor Production Line

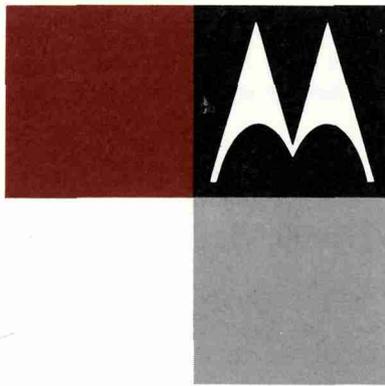


2-Way Mobile Radio with Transistorized Power Supply



"POWER VOICE"
Transistorized Megaphone





MOTOROLA, INC. AND CONSOLIDATED SUBSIDIARIES

Balance sheets as of December 31, 1957 and 1956

December 31,

ASSETS

1957

1956

Cash.....	\$ 6,656,337	\$ 10,724,488
Accounts and notes receivable:		
United States Government.....	12,240,018	11,530,446
Other trade receivables (less reserve for bad debts— 1957, \$753,000; 1956, \$825,000).....	27,332,457	23,335,735
Other current receivables.....	1,106,828	1,179,240
Costs recoverable under United States Government contracts, less progress billings.....	14,403,634	13,098,183
Inventories—at the lower of prime cost or market.....	25,323,676	22,131,776
Prepaid expenses.....	558,259	515,517
TOTAL CURRENT ASSETS.....	<u>\$ 87,621,209</u>	<u>\$ 82,515,385</u>
Investment in Motorola Finance Corporation, subsidiary not consolidated—at cost plus undistributed earnings (see accompanying balance sheet).....	4,209,528	4,054,369
Other assets.....	2,635,640	1,542,865
Plant, equipment and leasehold improvements—less reserves for depreciation (Note C).....	27,167,597	25,388,866
Patents and trademarks—less amortization.....	245,323	219,663
	<u>\$121,879,297</u>	<u>\$113,721,148</u>

LIABILITIES

Notes payable, banks—short term.....	
Current maturities of long-term debt.....	
Accounts payable—trade.....	
Accrued taxes.....	
Reserves for product and service warranties.....	
Other current liabilities.....	
TOTAL CURRENT LIABILITIES.....	
Long-term debt, less current maturities above:	
Notes payable:	
Due November 1, 1966, 3¾%, with annual prepay- ment requirements of \$500,000.....	
Due July 1, 1972, 3¾%, with annual prepayment re- quirements of \$500,000.....	
Due November 1, 1976, 4¾%, with annual prepay- ment requirements of \$500,000 commencing No- vember 1, 1963.....	
Real estate mortgages of subsidiaries, principally matur- ing after 1965.....	
Total liabilities.....	
DEFERRED INCOME.....	
SHAREHOLDERS' EQUITY	
Capital stock, \$3.00 par value—authorized, 3,000,000 shares; issued and outstanding, 1,935,131 shares.....	
Capital surplus.....	
Retained earnings.....	
Undistributed earnings of Motorola Finance Corporation (in 1957, included in retained earnings).....	
Total shareholders' equity.....	

BSIDIARIES

December 31,

1957

1956

\$ 9,000,000	
1,005,647	\$ 505,399
5,793,250	9,328,831
7,683,304	9,476,859
927,166	1,037,638
10,996,010	11,284,458
<u>\$ 35,405,377</u>	<u>\$ 31,633,185</u>
4,500,000	5,000,000
7,000,000	7,500,000
7,000,000	7,000,000
554,756	560,404
<u>\$ 54,460,133</u>	<u>\$ 51,693,589</u>
<u>\$ 1,246,718</u>	<u>\$ 722,479</u>
\$ 5,805,393	\$ 5,805,393
9,018,506	9,018,506
51,348,547	46,426,812
	54,369
<u>\$ 66,172,446</u>	<u>\$ 61,305,080</u>
<u>\$121,879,297</u>	<u>\$113,721,148</u>

Notes to financial statements

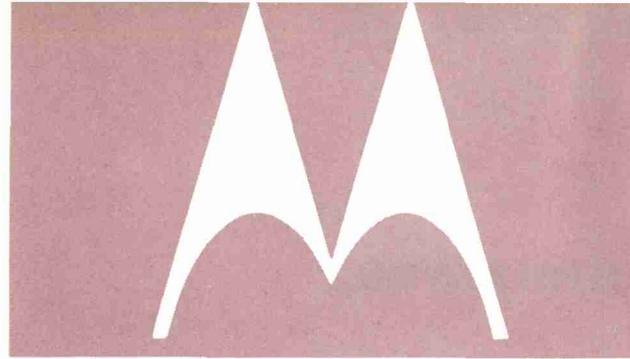
A—The company's business under United States Government contracts is subject to price renegotiation, in accordance with federal statute. The company's renegotiation status has been reviewed by the Government for years to and including 1953, and no refund was required. It is believed that no excessive profits were realized in subsequent years which would be required to be refunded under general price renegotiation.

B—In connection with the financing of sales of products to consumers the companies are obligated under repurchase and other agreements. It is believed that these obligations will have no material effect on the business of the companies.

C—The companies' investment in plant, equipment and leasehold improvements on December 31, 1957 and 1956 was as follows:

	December 31,	
	1957	1956
Land—at cost.....	\$ 2,472,582	\$ 2,464,020
Buildings, machinery and equipment—at cost (less reserves for depreciation— 1957, \$8,842,253; 1956, \$6,783,669).....	22,596,005	20,582,289
Dies, tools, and leasehold improvements—at cost, less amortization.....	2,099,010	2,342,557
Total.....	<u>\$27,167,597</u>	<u>\$25,388,866</u>

D—The company has heretofore treated as expense in each year the manufacturing overhead incurred in that year. It is contemplated that in 1958 such overhead will be included as part of the cost of products as they are manufactured. If this had been done in 1957, the estimated manufacturing overhead would have been approximately \$1,225,000 in the opening inventory and \$1,625,000 in the closing inventory which in turn would have increased 1957 earnings before contribution to the profit sharing fund and before Federal income taxes by \$400,000. The net effect would have been to increase the reported earnings by approximately \$153,000 or from \$4.04 to \$4.12 per share.



MOTOROLA, INC. AND CONSOLIDATED SUBSIDIARIES
Statement of consolidated income and retained earnings

	Year Ended December 31,	
	1957	1956
Sales.....	\$226,361,190	\$227,562,168
Net income of Motorola Finance Corporation—subsidiary not consolidated	209,528	
Other income.....	1,326,201	1,420,685
Total income.....	<u>\$227,896,919</u>	<u>\$228,982,853</u>
Manufacturing and other costs of sales.....	\$178,403,747	\$180,683,026
Selling, service and administrative expenses.....	26,177,101	23,925,552
Depreciation and amortization of leasehold improvements....	2,809,715	2,245,173
Contribution to employees' profit-sharing fund.....	2,333,463	2,872,056
Interest and other expenses.....	2,575,862	2,369,212
Total costs and other expenses.....	<u>\$212,299,888</u>	<u>\$212,095,019</u>
Net income before provision for taxes on income.....	\$ 15,597,031	\$ 16,887,834
Provision for federal income taxes.....	7,772,600	8,921,017
Earnings..(per common share—1957, \$4.04; 1956, \$4.12)..	\$ 7,824,431	\$ 7,966,817
Retained earnings, beginning of year.....	46,426,812	41,362,691
Total,.....	<u>\$ 54,251,243</u>	<u>\$ 49,329,508</u>
Deduct dividends—\$1.50 per share.....	2,902,696	2,902,696
Retained earnings, end of year.....	<u>\$ 51,348,547</u>	<u>\$ 46,426,812</u>

See the accompanying notes to financial statements.

MOTOROLA FINANCE CORPORATION

Balance sheets as of December 31, 1957 and 1956

	DECEMBER 31,	
ASSETS	1957	1956
Cash.....	\$ 1,782,395	\$ 1,542,198
Receivables:		
Lease and conditional sales contracts (including, at December 31, 1957, instalments of \$8,932,489 maturing in 1959 and thereafter).....	\$13,021,557	\$ 9,225,362
Notes receivable, distributors—maturing within one year....	3,921,399	3,186,717
Total.....	<u>\$16,942,956</u>	<u>\$12,412,079</u>
Less unearned income on lease and conditional sales contracts... .	2,315,824	1,656,826
Net.....	<u>\$14,627,132</u>	<u>\$10,755,253</u>
Other assets.....	\$ 137,947	\$ 94,656
	<u>\$16,547,474</u>	<u>\$12,392,107</u>
LIABILITIES		
Notes payable, banks—short term.....	\$12,000,000	\$ 8,000,000
Accounts payable to Motorola, Inc. and consolidated subsidiaries	188,525	271,735
Accrued taxes.....	144,763	48,500
Other current liabilities.....	4,658	17,503
Total current liabilities.....	<u>\$12,337,946</u>	<u>\$ 8,337,738</u>
SUBORDINATED DEBT AND NET WORTH		
Subordinated note payable to Motorola, Inc.—due 1959.....	\$ 2,000,000	\$ 2,000,000
Capital stock, \$1.00 par value—authorized and issued, 20,000 shares.....	20,000	20,000
Paid in surplus.....	1,980,000	1,980,000
Retained earnings (net income since inception, March 7, 1956)...	209,528	54,369
Total subordinated debt and net worth.....	<u>\$ 4,209,528</u>	<u>\$ 4,054,369</u>
	<u>\$16,547,474</u>	<u>\$12,392,107</u>

Note: All receivables of Motorola Finance Corporation are covered by the repurchase and other obligations discussed in Note "B" of Notes to Financial Statements.

auditors' report

BAUMANN, FINNEY & CO.

Certified Public Accountants

208 SOUTH LA SALLE STREET
CHICAGO 4, ILLINOIS

February 21, 1958

To the Board of Directors and
Stockholders of Motorola, Inc.:

We have examined the balance sheet of Motorola, Inc. and consolidated subsidiaries as of December 31, 1957 and the related statement of income and retained earnings for the year then ended, and the balance sheet of Motorola Finance Corporation as of December 31, 1957.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. It was not practicable to attempt to obtain confirmations of certain receivables from the United States Government, but we satisfied ourselves as to their substantial accuracy by means of other auditing procedures.

In our opinion, the accompanying financial statements present fairly (a) the financial condition of Motorola, Inc. and consolidated subsidiaries as of December 31, 1957 and the results of their operations for the year then ended, and (b) the financial condition of Motorola Finance Corporation as of December 31, 1957, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Baumann, Finney & Co.

HUMAN RELATIONS: *Building people and a spirit of partnership*



It is important that the people who create, make and sell our products work and live in an atmosphere that offers each individual an opportunity for growth, expression and participation. And then, through good leadership and a spirit of partnership, we unify our efforts for the several fields of competition in which we engage.

Motorola employs just about 12,000 people, of

whom some 3500 are engaged in engineering, design, research and development activities. Although these Motorola people work in 15 facilities in Illinois, New York, Michigan, Arizona and California, they all enjoy identical benefits of the company's human relations program.

Our program of human relations is practical and substantial. The company, since its inception, has

dealt directly with its people and has never experienced a work stoppage.

Motorola's human relations program is well integrated and covers all important phases of personnel activities. Among them, the following four selected areas well illustrate the nature and depth of the program: recognition of the individual, communications, profit sharing and executive development.



EXECUTIVE DEVELOPMENT PROGRAM

“Pointing out those areas in which he can improve is one of the greatest services an executive can render a man who reports to him.”

This reflects the Motorola philosophy of executive development. A key to the success of any company is the technical and middle management group that must be developed in order to perpetuate a strong organization. Each individual in this important group is evaluated by his superior who in turn is himself evaluated by the man to whom he reports. The result is better performance and leadership by executives and the building of people of executive stature.

Eight years ago, as one arm of our executive development program, the Advisory Council to the Board of Directors was formed. Consisting of 15 men from middle management, its purpose is to investigate and recommend action in every sphere of Motorola operations. Since its inception this “junior board of directors” has worked on more than 300 different projects, and four of its members have become Motorola vice presidents.

Members of 15-man advisory council, shown here with three associate members representing remote plant locations, develop broader company perspective, learn techniques of problem-solving at top policy level, form a pool of potentially promotable executives.



Executive development work books are provided to instruct Motorola executives in the techniques required for proper evaluation of personnel, and describe in detail all aspects of executive development program.



All Motorola employees are encouraged to seek further education. Currently, 250 Motorolans are enrolled in universities and colleges such as shown above. The training department also provides an extensive program of vocational guidance courses in electronics.

HUMAN RELATIONS: *Building people and a spirit of partnership*

RECOGNITION OF THE INDIVIDUAL

The heart of a sound human relations program is recognition of the individual. This starts with proper attention to and acknowledgment of his job performance by supervision. There must follow practical rewards for this performance, recognition of his family responsibility, and opportunities to play his role as a community citizen. It is equally important that he be provided outlets for self-expression. With regard to the latter point, there are 75 different activities, each of which appeals to the many and varied preferences encountered in a family of 12,000 persons. Every one of these activities is conceived and executed by its own members.

Motorola men and women may participate in as many of these activities as they wish. Recreational activities include sportsmen's clubs and old-timers' clubs, toastmasters' clubs and stock investment clubs, foremen's clubs and engineering clubs. Last year alone these organizations, whose programs reach out to include employees' families, enjoyed more than 200,000 hours of participation.

Such company-identified activities, each with a constructive purpose, each with its own leadership, make it possible for anyone to find extra personal satisfaction in his association with Motorola.

Largest of all Motorola clubs, the Service Club sponsors an annual banquet honoring its 10, 15, 20 and 25 year members. Below, Robert Galvin, Motorola President, addresses last year's banquet at which a record 424 service awards were distributed.



Public speaking ability is developed through membership in Toastmaster's Clubs. Clubs meet once a week. There are three of them with total membership of 75.



Gals get together, too. Here women members of the Engineering Club are shown at their annual dinner meeting at which officers for the forthcoming year are elected.

PARTICIPATION IN MOTOROLA-SPONSORED CLUBS AND ACTIVITIES

This is but a partial list of Motorola clubs and other activities with the number of current participants.

BASKETBALL LEAGUE—120 participants
BOWLING LEAGUE—1,579 participants
ENGINEERING CLUB—3 Chapters—250 members
EYES OF MOTOROLA (Inspection Department personnel)—75 members
FINANCE CLUB—150 members
FIREMAN'S CLUB—3 Chapters—250 members
FOREMEN'S CLUB—3 Chapters—275 members

INVESTMENT CLUB—4 Chapters—60 members
PRESS CLUB—5 Chapters—100 members
SERVICE CLUB—1,400 members
SOFTBALL LEAGUE—265 participants
SPORTSMEN'S CLUB—52 members
TOASTMASTER'S CLUB—3 Chapters—75 members
TRAIL DUSTERS—50 members

COMPLETE AND CONTINUING COMMUNICATIONS

The objectives of a company communication program must be to provide thorough two-way communications thruout the company. Strong emphasis is placed on making available acceptable channels of communications for all employees. In addition, the company provides a number of formal methods of communications to all the people. In all, each year approximately 50 communications are sent to the home of every Motorola man and woman.

From the day a person joins Motorola, he is kept in touch. Upon employment, he is given a booklet "Welcome to Motorola;" then, for the first 10 weeks, he receives at home a series of "Going Our Way" letters which explain fully the principal employee benefits to the employee's family.

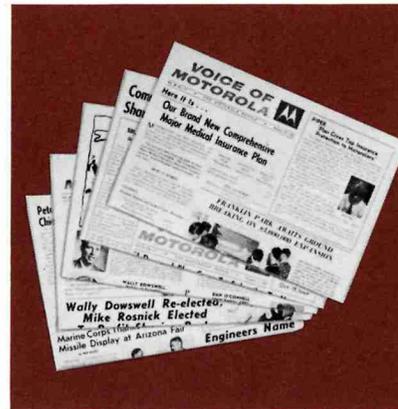
All Motorola employees receive regular copies of the "Voice of Motorola" and the President's Letter. The "Newsgram," a technical publication, goes to all technical and engineering personnel. Regular issues of the Motorola Management Newsletter are received by all administrative, supervisory and technical people. Beyond this, frequent talks by top officers are made to employee groups.



Welcome to Motorola booklet fully answers all of the new employee's questions.



Each new employee's family receives at home, 10 weekly "Going Our Way" letters explaining the human relations program.

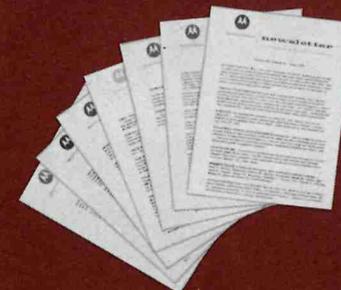


Voice of Motorola. 22 issues a year. News from everywhere and everybody in Motoroland.

Motorola technicians and engineers find the bi-monthly publications "Newsgram" helpful in keeping everybody informed.



The Management Newsletter is mailed once every month to the homes of all administrative, supervisory and technical personnel.



HUMAN RELATIONS: *Building people and a spirit of partnership*

PROFIT SHARING

Sharing in the profit-success of the company is part of the basic partnership philosophy of the founder of the company. This is expressed in Motorola's program through our profit sharing plan which is a contributory, deferred distribution trust fund with a current value of \$30,000,000.

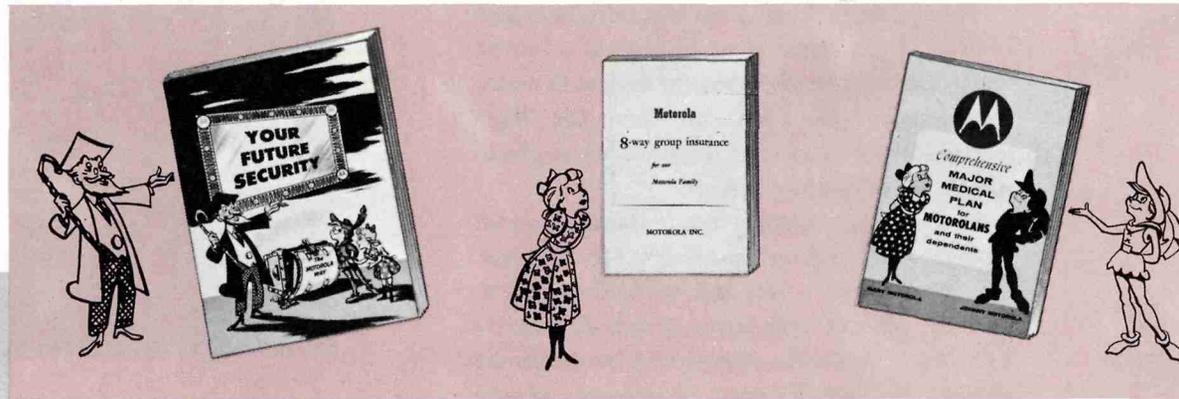
Under the plan every Motorola employee contributes between 2% and 5% of earnings, but not more than a total of \$200 per year. Currently over 99% of participating employees contribute the maximum. Each year the company contributes 20% of profits before taxes, after allowing for a return on stockholders' investment. This contribution and the earnings of the fund are allocated to the participants' accounts on the basis of their savings and their credit balance. Since no one in the company shares in the plan with respect to his earnings in excess of \$4,000, a supplementary, contributory retirement plan is available to provide retirement benefits in a fair proportion to earnings.

The funds are administered by the Profit Sharing Advisory Committee consisting of two elected employee representatives, two management appointees and the trustee, Paul V. Galvin, Chairman of the Board. This governing board makes decisions pertaining to fund investments and acts on all employee loan applications.

Profit-sharing is a Motorola plus. So is the 8-Way Motorola Insurance Plan which provides for eight forms of coverage, including a company-paid basic hospital plan. Also, Motorola employees and their families may be covered by the Major Medical Policy which provides coverage up to \$10,000 for any one cause with a \$25.00 deductible.



Profit-sharing plan of Motorola permits home loans at low interest rates. Applicants may borrow up to 75% of vested interest for home loans.



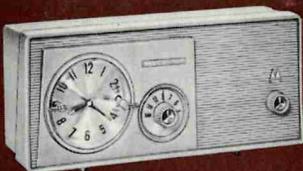
The Motorola Way to profit-sharing is simply and easily explained.

8-Way Group Coverage includes: life insurance; accidental death; doctor's fees; maternity benefits; accident or illness; hospitalization; special hospital charges; surgical fees.

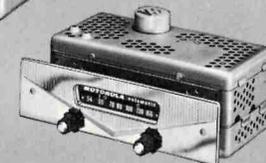
Motorola's Major Medical Plan guards every participating employee and family up to \$10,000 for a low monthly employee cost of just \$7.95.

The up-dating of profit sharing books is dramatized annually with the appearance of Prof Sharin together with helpers "Johnny and Mary" Motorola. Here Director of Human Relations, Kenneth M. Piper, receives notice of increased profit sharing and savings balance.





CLOCK RADIOS



CAR RADIOS

PHONOGRAPHS



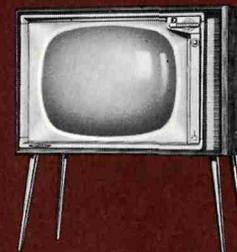
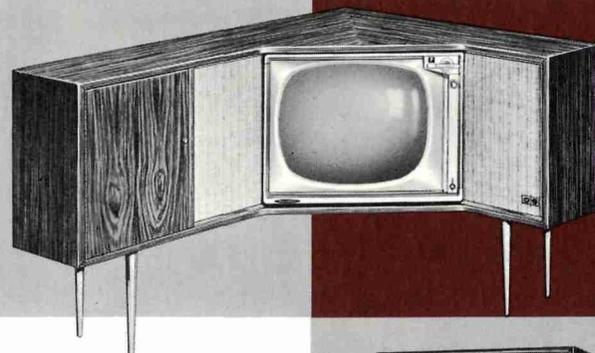
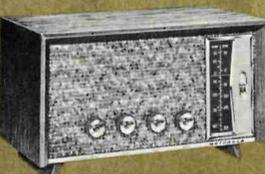
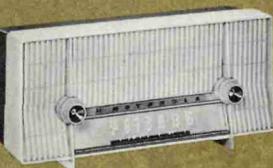
**PORTABLE
RADIOS**



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TABLE RADIOS

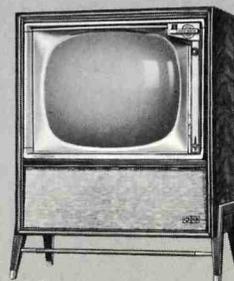


**BLACK AND
WHITE
TELEVISION**

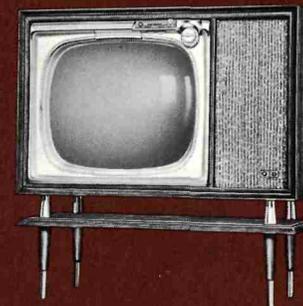
**PORTABLE
TELEVISION**



*Quality
is engineered
into every
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TELEVISION**





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