

## **QUESTIONS AND ANSWERS**

### **Spin-off of Freescale Semiconductor, Inc. Through the Distribution by Motorola, Inc. of Shares of Freescale Semiconductor Class B Common Stock to Motorola Common Shareholders**

#### **WHAT HAPPENS AS A RESULT OF THE DISTRIBUTION?**

Motorola distributed to the holders of its common stock, including holders of restricted stock units and deferred stock units its interest in Freescale Semiconductor comprising shares of Freescale Semiconductor Class B common stock in total. After the spin-off, Motorola no longer owns any shares of Freescale Semiconductor and Freescale Semiconductor will be a fully independent, publicly traded company.

#### **WHAT WILL I RECEIVE IN THE DISTRIBUTION?**

You will receive approximately .110415 of a share of Freescale Semiconductor Class B common stock for each share of Motorola common stock, restricted stock unit and deferred stock unit you owned as of 5:00 p.m. EDT on November 26, 2004 (the record date for the distribution). The distribution was made on December 2, 2004 (the distribution date).

You will receive whole and fractional shares of Freescale Semiconductor Class B common stock, unless the number of shares of Freescale Semiconductor Class B common stock you are entitled to receive is less than one.

#### **HOW DO I GET MORE INFORMATION ON THE DISTRIBUTION?**

An Information Statement will be mailed to Motorola shareholders promptly following the record date. If you would like more information, please call our transfer agent, Mellon Investor Services, toll free at 1-800-704-4098. Shareholders outside the United States can contact Mellon Investor Services at 201-329-8660.

Freescale shareholders can contact Mellon Investor Services at 1-877-300-7200 or outside the U.S. at 201-329-8860.

#### **WHAT HAPPENS IF I AM ONLY ENTITLED TO RECEIVE LESS THAN ONE SHARE OF FREESCALE CLASS B COMMON STOCK?**

If you are entitled to receive less than one share of Freescale Semiconductor Class B Common stock, the transfer and disbursing agent will aggregate your fractional shares with the fractional shares of other shareholders and sell them through an independent agent in the open market. Instead of receiving such fractional shares, you will receive a

check representing your pro rata share of the net proceeds received in such sales approximately two weeks after the December 2, 2004 distribution date.

## **HOW WILL FREESCALE CLASS B COMMON STOCK TRADE FOLLOWING THE DISTRIBUTION?**

Freescale Semiconductor Class B common stock began trading on the New York Stock Exchange under the symbol “FSL.B” on December 3, 2004. Freescale Semiconductor Class A common stock will continue to trade under the symbol “FSL.”

## **WHY ARE THERE TWO CLASSES OF STOCK?**

The dual class structure is structured to preserve the tax free nature of the distribution from Motorola, Inc. The holders of Class A common stock and Class B common stock generally have identical rights except that on all matters to be voted on by stockholders, holders of Class A common stock are entitled to one vote per share while holders of Class B common stock are entitled to five votes per share.

## **WHAT IS FREESCALE’S PROFILE FOLLOWING THE DISTRIBUTION**

Freescale Semiconductor, Inc. (NYSE:FSL, FSL.B) is a global leader in the design and manufacture of embedded semiconductors for the automotive, consumer, industrial, networking and wireless markets. Freescale became a publicly traded company in July 2004 after more than 50 years as part of Motorola, Inc. The company is based in Austin, Texas, and has design, research and development, manufacturing or sales operations in more than 30 countries. Freescale, a member of the S&P 500®, is the third largest independent semiconductor company in the U.S. More information is available at [www.freescale.com](http://www.freescale.com).

## **WHAT DO I HAVE TO DO TO RECEIVE MY SHARES OF FREESCALE SEMICONDUCTOR CLASS B COMMON STOCK?**

Nothing. On the distribution date, Mellon Investor Services, the transfer and disbursing agent, will cause the shares of Freescale Semiconductor Class B common stock to which you are entitled to be registered in your name or in the “street name” of your bank or brokerage firm.

## **WHEN WILL I RECEIVE MY SHARES OF FREESCALE SEMICONDUCTOR CLASS B COMMON STOCK?**

Freescale Semiconductor Class B common stock will be issued as uncertificated shares registered in book-entry form through the direct registration system. No certificates representing your shares of Freescale Semiconductor Class B common stock will be mailed. Under the direct registration system, instead of receiving stock certificates, you will receive a distribution statement reflecting your ownership interest in shares of Freescale Semiconductor Class B common stock. The Freescale Semiconductor transfer agent and registrar will begin mailing distribution statements reflecting your owner-

ship of whole and fractional shares promptly after the distribution date. When you receive your first account statement, you will receive information explaining the direct registration system and detailing the various options of this form of ownership.

If at any time you want to receive a physical certificate evidencing your whole shares of Freescale Semiconductor Class B common stock, you may do so by contacting the Freescale Semiconductor transfer agent and registrar. However, no physical certificates will be issued for any of your fractional shares of Freescale Semiconductor Class B common stock. Such fractional shares must be maintained in book-entry form through the direct registration system.

### **WHAT IF I HOLD MY SHARES OF MOTOROLA COMMON STOCK THROUGH MY BROKER, BANK OR OTHER NOMINEE?**

If you hold your shares of Motorola common stock through a broker, bank or other nominee, you are probably not a registered holder of Motorola common stock and your receipt of Freescale Semiconductor Class B common stock depends on your arrangements with the nominee that holds your shares of Motorola common stock for you. We anticipate that nominees generally will credit their customers' accounts within three to eight business days after the distribution. We encourage you to contact your broker, bank or other nominee if you have any questions regarding the mechanics of having your shares of Freescale Semiconductor Class B common stock posted to your account.

### **WHAT IF I WANT TO SELL MY SHARES OF MOTOROLA COMMON STOCK OR MY SHARES OF FREESCALE SEMICONDUCTOR CLASS B COMMON STOCK AFTER THE DISTRIBUTION?**

You should consult your own financial adviser, such as your broker, bank or tax advisor. We do not make recommendations on the purchase, retention or sale of shares of Motorola common stock or shares of Freescale Semiconductor Class B common stock. If you do decide to sell your shares, you should make sure your broker or bank understands whether you want to sell your shares of Motorola common stock, your shares of Freescale Semiconductor Class B common stock or a combination thereof.

### **HOW DOES THE DISTRIBUTION AFFECT THE NUMBER OF SHARES OF MOTOROLA COMMON STOCK I CURRENTLY HOLD?**

The distribution itself has no effect on the number of shares of Motorola common stock currently held by you. We and Freescale Semiconductor are separate companies and, other than the distribution, Motorola common stock and Freescale Semiconductor common stock are not related.

## **HOW WILL THE SPIN-OFF AFFECT THE MARKET PRICE OF MY SHARES OF MOTOROLA COMMON STOCK?**

When the distribution occurs, the market price of Motorola common stock can be expected to decrease, reflecting the full separation of Freescale Semiconductor from us. The value of our current interest in Freescale Semiconductor will be reflected separately in the value of the Freescale Semiconductor Class B common stock that our shareholders will receive through the distribution.

## **WHAT ARE THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION TO ME AS A MOTOROLA COMMON SHAREHOLDER?**

Information on the U.S. Federal income tax consequences will be provided in the Information Statement which will be mailed to Motorola shareholders promptly following the record date.