

# EXHIBIT 3

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## Google Inc. M&A Call

Google Inc. ([GOOG](#))

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### Executives

Jane Penner - IR & Corporate Communications

Andy Rubin - Senior Vice President of mobile

David Drummond - Chief Legal Officer, Senior Vice President of Corporate Development and Secretary

Patrick Pichette - Chief Financial Officer, Principal Accounting Officer and Senior Vice President

Larry Page - Chief Executive officer, Co-Founder, Member of Acquisition Committee, Director and Member of Executive Committee

Sanjay Jha - Chairman and Chief Executive Officer

### Analysts

Brian Pitz - UBS Investment Bank

Spencer Wang - Crédit Suisse AG

Heather Bellini - Goldman Sachs Group Inc.

Benjamin Schachter - Macquarie Research

Justin Post - BofA Merrill Lynch

Unknown Analyst -

Jason Maynard - Wells Fargo Securities, LLC

Ronald Josey - Barclays Capital

Ross Sandler - RBC Capital Markets, LLC

Mark Mahaney - Citigroup Inc

### Operator

Good day, ladies and gentlemen, and welcome to the Google to Acquire Motorola Mobility Conference Call. [Operator Instructions] As a reminder, today's conference call is being recorded. I'd now like to turn the conference over to your host, Ms. Jane Penner, Head of Google IR. Please go ahead.

**Jane Penner**

Hi, everyone. Welcome to the call, and thanks for joining us on such short notice. I'm Jane Penner, Head of Investor Relations at Google, and I'd like to introduce our speakers today. With us are Larry Page, CEO of Google; Sanjay Jha, Chairman and CEO of Motorola Mobility; Patrick Pichette, Senior Vice President and CFO of Google; David Drummond, Senior Vice President, Corporate Development and Chief Legal Officer of Google; and Andy Rubin, Senior Vice President, Mobile of Google. Larry will begin the call -- and Nikesh Arora is joining us as well. Larry will begin the call with a few remarks and Sanjay and Andy will follow him. Larry, Sanjay, Patrick, David and Andy will then take questions.

In order to use the time we have efficiently, we will not be taking any questions that are not specifically related to the deal today. Before Larry begins, I would like to note that some of the statements we make today may be considered forward-looking, including statements regarding the proposed transaction, financial impact and other statements of management's beliefs, intentions or goals. These statements involve a number of risks and uncertainties that could cause actual results to differ materially. Please note that these forward-looking statements reflect our opinions only as of today, and we undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. Please refer to our and Motorola's SEC filings for a more detailed description of the risks and important factors that may affect our results. In addition, Motorola intends to file with the SEC a proxy statement in connection with the proposed merger with Google. The definitive proxy statement will be sent or given to the stockholders of Motorola and will contain important information about the proposed merger and related matters. With that, we're ready to begin. Over to Larry.

**Larry Page**

Good morning. In fact, a very early good morning to all of you. Thank you for joining us on this call on such short notice. I am very excited to announce that we have entered into an agreement to acquire Motorola Mobility this morning, an agreement that has been unanimously approved by both boards. I believe the combination of the 2 companies is going to create tremendous shareholder value, drive great user experiences and accelerate innovation. In May 2005, I met Andy Rubin for the first time. Andy had a crazy vision for the mobile industry. He wanted to align the standards across the mobile industry and the internet. Andy felt that it was inefficient for each hardware manufacturer to have developed software constantly. Andy had a vision for an open-source platform that would accelerate the pace of innovation in the industry and deliver compelling user experiences. That was just 6 years ago, and Android is now one of the leading platforms in the industry.

Andy has grown tremendously. Or Android, I should say, has grown tremendously since its launch in November of 2007. More than 160 million Android devices have been activated worldwide through a network of 39 manufacturers, 231 carriers in 123 countries. And there's more than 550,000 Android devices are lit up every day. That's just amazing progress.

Turning our attention to Motorola Mobility. They have an amazing track record of over 80 years of innovation in communications technology and the development of intellectual property, which helped drive the remarkable revolution in mobile computing we are all enjoying today.

Motorola's innovation in the mobile space has led to a number of industry milestones, including the introduction of the world's first portable cell phone nearly 30 years ago. And the StarTAC, the smallest and lightest phone on earth at the time of the launch. Not long after the launch of Android, Motorola Mobility had a new CEO, and he got together with Andy and they shared a vision for the mobile industry.

Sanjay made a big bet. He bet big on Android as the sole operating system across all of Motorola's smartphones and tablet devices. That bet has seen him transform Motorola Mobility into one of the leading Android smartphone developers in the world. It's no secret that web usage is increasingly shifting to mobile devices, a trend I expect to continue. With mobility continuing to take center stage in the computing revolution, a combination with Motorola is an extremely important event in Google's continuing evolution that will drive a lot of improvements in our ability to deliver great user experiences.

Motorola Mobility has a great team with experience in developing solutions for mobile computing and for the home devices markets. I'm impressed by the transformation of Motorola Mobility that the team there has initiated. I think they have an exciting product roadmap, a strong vision for the future and are poised for growth. I think there is an opportunity to accelerate innovation in the home business by working together with the cable and telco industry as we go through a transition to Internet protocol.

Motorola also has a strong patent portfolio, which will help protect Android from anti-competitive threats from Microsoft, Apple and other companies. Many hardware partners have contributed to Android's success, and we look forward to continuing our work with all of them on an equal basis to deliver outstanding user experiences.

We built Android as an open-source platform, and it will stay that way. We've committed to that since the formation of the Open Handset Alliance nearly 4 years ago. Our plan is that Motorola will remain a licensee of Android.

Having spoken to some of the key partners of the Android ecosystem, they share our enthusiasm for this combination. I'm really excited about the acquisition and the possibilities it opens up for the Android ecosystem. My intention is to work closely with the Motorola teams and let Sanjay and his management team drive the business; that way we can supercharge both the Android ecosystem as well as the Motorola businesses. Now it's my great pleasure to turn it over to Sanjay.

### **Sanjay Jha**

Thanks, Larry. Good morning. I'm delighted to be here in Mountain View with Larry and the team at Google. Today's announcement offers significant value for Motorola Mobility's shareholders and provide compelling new opportunities for our employees, customers and partners around the world. Together, we will be able to drive faster innovation by taking our rich user experiences and cutting-edge products to the next level with the cooperation of our carrier partner. Additionally, our home business is uniquely positioned to capitalize on the convergence of mobile and home environments in partnership with our key customers.

Our relationship with Android began years ago when we were founding members of the Open Handset Alliance. The vision we saw then is the reality today, an open, innovative and comprehensive platform bringing smartphones to customers around the world. We committed to Android in 2008, and the results speak for themselves.

Motorola Mobility has been able to focus on what we do best: build devices and experiences that delight customers and forge strong relationships with carriers throughout the world. For instance, in U.S., we have strong relationships across the mobile device and home businesses with Verizon, AT&T, Sprint, Comcast and Time Warner, among others. In Latin America, we're #1 in Android smartphones in Brazil and have strong brand and position in smartphone markets in Argentina and Mexico. In China, we're one of the top 2 Android smartphone manufacturers and have been expanding our presence in Japan and Korea. In Europe, we have seen great success with devices like DEFY and ATRIX. In the second half of this year, we anticipate a broader range of products than ever before in Europe.

We will be able to continue to delight customers and push the boundaries of innovation even further, delivering amazing benefits to even more customers around the world. Now I'd like to turn it over to Patrick Pichette.

### **Patrick Pichette**

Thank you, Sanjay. Good morning, everybody. I just wanted to take a moment to just restate a few facts and then a few points as well. So just to restate the key facts, Google will acquire Motorola for \$40 per share in cash, for a total of about \$12.5 billion, a premium of 63% for the closing price of Motorola shares on Friday, August 12, 2011. I just also think it's worth reminding that the transaction was unanimously approved by the Board of Directors of both companies.

So a few points that I wish to mention is: First, we actually expect the deal to be mildly accretive on a non-GAAP basis when excluding amortization of intangibles. Also, we will run Motorola as a separate business and will provide segmented reporting once the transaction is closed. This transaction obviously does not impact in any way our focus on Google's core business, margin and profitability.

This is a significant deal, but it's actually worth noting that even with this deal, we keep plenty of financial flexibility to pursue substantial future opportunities. We have a great proven track record on acquisitions. And again, having completed over 120 of those transactions over the last few years. We see this deal as a tremendous opportunity to increase our value to shareholders.

So with those facts, why don't we now turn it over to the questions. So if everybody wants to take their handset, and then I'll turn it over to the operator to give us the rules.

### **Question-and-Answer Session**

**Operator**

[Operator Instructions] Our first question comes from Ben Schachter of Macquarie.

**Benjamin Schachter - Macquarie Research**

The first question I have is specifically for David. I was wondering if you can help us understand, really, the broad legal ramifications of the patent portfolio, both before the deal closes and post the deal closing in terms of how it changes your legal strategy around how you're dealing with all the lawsuits. And then Patrick [Technical Difficulty]

**Operator**

Pardon the interruption, we'll go to our next question. Our next question comes from Spencer Wang of Crédit Suisse.

**Spencer Wang - Crédit Suisse AG**

I guess my first question is similar to Ben's which is, can we just get an overview of the Motorola patent portfolio? Our understanding is that there's over 15,000 patents with another 7,500 pending? And then secondly for Patrick, our understanding is that there's a deferred tax asset at Motorola. Is this something that you would be able to utilize upon acquisition?

**Larry Page**

Let's have David address the patent question.

[Technical Difficulty]

**Patrick Pichette**

Hello? Can you hear us, Amy? So why don't we actually answer the question on the -- the first 2 questions that we heard, which were about the patents. And then I'll cover the...

[Technical Difficulty]

**David Drummond**

Sorry about that. So just answering the first -- going back to the first question from Ben. I'll let Sanjay speak to the existing Motorola patent portfolio. We've been saying for some time that we intend to protect the Android ecosystem. It's under threat from some companies who are looking to use a patent [indiscernible], and so I think, while I'm not prepared to talk about specific strategies, we think that combining with Motorola and having that kind of a patent portfolio, which Sanjay can talk about in a moment to protect the ecosystem is a good thing.

**Sanjay Jha**

Thanks, David. Just talking about the patent portfolio that we have here at Motorola Mobility, we have over 17,000 issued patents worldwide. We have, on top of that, over 7,500 patent applications in process. We have tremendous strength, not only in wireless standards but also wireless nonessential patents, which are the patents which are required to deliver competitive products in the marketplace. And as a result of the combination of these patents, we believe we'll be able to provide a much better support to the businesses at Motorola Mobility, as well as support the Android ecosystem.

**Patrick Pichette**

On my side for the NOLs. Obviously, Motorola has NOLs and deferred taxes related to them, and we've taken that in consideration in our evaluation.

**Operator**

Our next question comes from Anthony DiClemente of Barclays Capital.

**Ronald Josey - Barclays Capital**

This is actually Ron Josey calling in for Anthony. Just wondering if you can provide maybe a little more details on your conversations with Android partners and if there's a risk to them? I know you said you discussed with them prior to the acquisition. Just wanted a little more information.

**Larry Page**

I'll give that to Andy, who has the most detail there.

**Andy Rubin**

Hi, there. I spoke yesterday to, I think it was the top 5 Android licensees, and they all showed very enthusiastic support for the deal. Android obviously was born as an open platform. It doesn't make sense for it to be a single OEM. We want to go as wide as possible and, obviously, all of our existing OEM partners helped make it what it is today.

**Operator**

Our next question comes from Mark Mahaney of Citigroup.

**Mark Mahaney - Citigroup Inc**

Yes. A broad question for Larry, please. Larry, as you thought about different options here, what convinced you that actually acquiring Motorola was the optimal solution, given you're going to be taking on some competencies that are clearly not core to Google, haven't been core to Google in the past in terms of manufacturing? So when you thought about the different ways that this deal could be struck or partnerships, what made you decide this was the optimal one?

**Larry Page**

I think I'm really excited about this deal, and I think, while there are competencies there that aren't core to us, we're also, as I mentioned, we're operating -- we plan to operate Motorola Mobility as a separate business so that they have competency there. I'm really excited about protecting and supporting the Android ecosystem. And I think that they're back on [ph] Android 2.5 years ago has really paid off and is evident from their success in this marginal space. And we really believe that Motorola Mobility has tremendous opportunity for growth and will really create a lot of value in the future. And we really believe in the plans of the Motorola team, Sanjay and their vision for the future, and we really expect them to be successful. So I think this is a really unique opportunity and one that I'm tremendously excited about.

**Operator**

Your next question comes from Ross Sandler of RBC Asset Management.

**Ross Sandler - RBC Capital Markets, LLC**

Two questions. Patrick, so you mentioned that this will be mildly accretive non-GAAP to Google. Can you just give us a timeframe on that accretion? And then the second question would be around unit economics for Android going forward. So with the patent portfolio, are you likely to have to pay any licensing fees along the lines of what HTC is currently paying? Or do you think that this will remove that risk?

**Larry Page**

Patrick, can you go ahead with the first question from the time of the financials?

**Patrick Pichette**

Yes, the dilution accretion question. So we expect actually that once the deal closes, it will become marginally accretive

immediately on a non-GAAP basis. So we're pretty thrilled about that. For the second question, why don't we let David cover it.

### **David Drummond**

Sure, this is David. I think that we've seen some very aggressive licensing demands in the Android ecosystem. And we think as a result of having the patent portfolio, we'll be able to make sure the Android is open and vibrant and the kind of platform that lots of these players [ph], companies can [indiscernible].

### **Operator**

Our next question comes from Justin Post of Merrill Lynch.

### **Justin Post - BofA Merrill Lynch**

Great. You've had a lot of momentum with Android, obviously. I want to follow up and just, how do you think this changes Android from a partner's perspective? And do you think you'll see your competitors, like Microsoft and others, really focus on how they're an open -- I mean, not an open platform, but kind of a neutral platform? And do you think this really changes the overall mobile ecosystem?

### **Larry Page**

Thanks for your question. I'll give the detail there to Andy, but I would say that we expect no -- there's no change in how we're running Android. Android is still open. Our partners are very excited about this, and we are excited about it, too. Andy?

### **Andy Rubin**

Look, I mean, Motorola existed as one of the really, really early licensees of Android. They were a founding member of the Open Handset Alliance. After this transaction, nothing changes; they're going to be a separate business, and its business as usual for Android. So I see it as basically protecting the ecosystem and extending it as well.

### **Operator**

[Operator Instructions] Our next question comes from Brian Pitz with UBS.

### **Brian Pitz - UBS Investment Bank**

Great, thanks. Two quick questions, your acquisitions have been increasingly drawing FTC focus, AdMob, ITA, Admeld, et cetera. Do you see that as a concern or impacting the timing of the close here? And then secondly, any comments to -- was this a competitive bid process? And are there any change of control provision we should really be focused on?

### **David Drummond**

This is David. On the first question, this is a transaction, obviously, given its size, that will require regulatory approval, and a number of -- certainly in the United States, certainly in Europe and possibly some other jurisdictions. We're quite confident that this will be approved. We believe very strongly this is a pro-competitive transaction, and there are lots of reasons for that. But a couple of them there, Android is clearly added competition, innovation, increased user choice. We think that protecting that ecosystem is pro-competitive almost by definition. This is not a horizontal transaction. Google has not materially been in the handset business, so we think there are -- so this certainly doesn't draw those kinds of concerns. So we certainly think this is a very competitive transaction. In terms of the -- you mentioned terms of the agreement. I think we'll be filing the agreement between Motorola and Google's public filings, we'll have the details of the agreement in those filings, and those will be forthcoming shortly.

### **Operator**

Our next question comes from Ben Schachter of Macquarie.

**Benjamin Schachter - Macquarie Research**

There was some confusion when I asked the original question. Just wanted to repeat them. If you could talk about the legal ramifications both before the deal closes and after the deal closes and how that changes your position with some of the lawsuits that have already been filed? And then also, Patrick, if you could just get the price a little bit more and help us understand how you actually put a price on the strategic value. But clearly, a lot of this is around the portfolio, but how do you actually get to this price that you got? And also, why no stock, why all cash?

**Patrick Pichette**

Look, Ben, let me address the first part of the question and maybe turn it over to Sanjay a little bit. In terms of before the acquisition closes, those lawsuits will continue and be managed by Motorola as they are now. I don't believe that Sanjay has more to add on those. And so, I don't believe there's anything more to add. In terms of post-acquisition, there's no -- we're obviously not going to talk about the legal strategies today, but suffice it to say that we believe we'll be in a very good position to protect the Android ecosystem for all of the partners.

**Patrick Pichette**

It's Patrick. Speaking about the valuation process. Look, I mean, we're kind of clearly delighted that we expect the deal to in fact to be mildly accretive on a non-GAAP basis as I mentioned earlier, right? And then in that context, right, we really believe that we have a fair and full price for this transaction, and it really is a transaction that gives us, when we did the valuation, great opportunity to accelerate the innovation success of Android. So it's in that context that we have the valuation.

**Operator**

Our next question comes from Jason Maynard of Wells Fargo.

**Jason Maynard - Wells Fargo Securities, LLC**

I can appreciate you don't want to talk about the legal strategies at this point, but maybe you can talk about how do you manage, if you will, the business model issues related to your partners. What are the things that you're going to do to make sure that Android is still, at the very least, on an equal playing field? And how do you sort of firewall, if you will, some of the software development issues that are invariably going to come up because you own Motorola now?

**Larry Page**

Yes. Thanks, Jason. I'll let Andy go into some detail now. But I want to say we've had tremendous success on Android because of our ability to manage and run that ecosystem with a number of different partners in the past, and I expect we'll continue to do that as well. And Andy, please go ahead.

**Andy Rubin**

Sure. And to add to Larry's point, we have this strategy where we have a Nexus program and we have this lead device strategy. That strategy has worked quite well to help focus the team. What we do is we select each -- around Christmastime of each year, we select a manufacturer that we work very closely with to release a device in that timeframe. That includes also semiconductor companies and all the components that go in the device. And essentially, our teams huddle together in one building. They jointly work in these development efforts. They go on for 9 to 12 months, and ultimately, at the holiday season or right before it, devices pop out that are based on this effort. We don't expect that to change at all. The acquisition is going to be run as a separate business. They will be a part of that bidding process and part of that lead development process. And obviously, Android remains open to other partners to use as they are today.

**Operator**

Our next question comes from Heather Bellini of Goldman Sachs.

**Heather Bellini - Goldman Sachs Group Inc.**



I actually had 2 this morning. I was wondering, everyone is talking about the handset-related aspect of this deal. I was wondering if you can talk to us a little bit about how this might alter your ability to make a move more aggressively into the living room, given their set-top box strategy. And the second question would be, to the extent you can talk a little bit about how these -- the purchase of these patents might help in your defense in the case versus Oracle.

**Larry Page**

So I'll take a little bit of the first, and Sanjay and David can take the second. I think that Motorola is really a market leader in home devices and video solutions, and we're really excited to work together with them in the industry to really accelerate innovation. Sanjay, would you add a little detail?

**Sanjay Jha**

We have a very close relationship with our carriers in the home space. As you know, there's a secular transition going on from what's called the clam [ph] set-top box world to the Internet Protocol IP world. And I think, in addition to that, there is a great convergence happening between the mobile world and the content that enters the homes with a set-top box. And I think, as a result of this combination and in working with our carriers, we'll be able to accelerate that convergence and deliver products, which will delight customers, quite frankly. So we're very excited about this combination.

**David Drummond**

Sure, this is David. As to the second question, we don't have anything more to add specifically about the Oracle strategy, but we can -- as you may have seen in our blog post recently, we believe that a deal [ph] founded claim against Google and we're defending it very vigorously, and we'll continue to do it.

**Operator**

Our next question comes from Youssef Squali from Jefferies.

**Unknown Analyst -**

This is Akhmed [ph] calling for Youssef. How comfortable would you feel after acquiring these patents about your competitive position? Or in other words, how invisibly would you look to acquire more patents following this acquisition?

**Larry Page**

I'll let David address them.

**David Drummond**

I think we've said for some time that we need to build our patent portfolio to make sure that Android and other businesses can be successful. So we will continue to do that.

**Patrick Pichette**

What I suggest is that if there are no more questions, we'll actually turn it to Larry for his final thoughts, and then we'll close the door for the questions. So Larry, any last thoughts on...

**Larry Page**

Yes, absolutely. Thanks, Patrick. I think, one thing I'd say is that we are really excited about this whole business and working with the Motorola team and all the employees and all the hard work there that's gone over the years. And we at Google, we're very excited about this. And I think the Motorola Mobility folks are as well, and there's tremendous opportunity here. Android is growing like crazy. We think that, that will benefit all partners in the Android ecosystem, including Motorola. And we're very excited about those opportunities going forward. It really allows us to supercharge the whole Android ecosystem. They made a great bet on Android. That was really successful, and that's made them a leading Android smartphone maker. And we really believe that Motorola Mobility is a place for tremendous growth.

And furthermore, I'd say that they're a leading home devices maker, and that's also a big opportunity, and we're working with them in the industry to really accelerate innovation.

So with that, I want to thank everyone for joining us on such short notice. And thank all of the employees at Motorola Mobility and at Google for all their hard work, and for all of you for spending time with us this morning.

**Operator**

Ladies and gentlemen, this does conclude today's conference. You may all disconnect, and have a wonderful day.

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