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**FOR IMMEDIATE RELEASE**

**Zebra Technologies Announces Record Sales and Earnings per Share  
for 2007 Fourth Quarter and Full Year**

*Company completes 3 million share stock buyback;  
Board authorizes additional 3 million share purchase*

**Vernon Hills, IL, February 25, 2008**—Zebra Technologies Corporation (NASDAQ: ZBRA) today announced record net sales of \$233,573,000 for the quarter ended December 31, 2007, up 11.3% from \$209,903,000 for the fourth quarter of 2006. Net income for the period was \$30,803,000, or \$0.45 per diluted share, compared with \$21,446,000, or \$0.30 per diluted share, a year ago.

“Ongoing strong international growth, record sales in North America and increasing contributions from the businesses acquired earlier in 2007 led to solid results for the quarter and provide a favorable outlook for 2008 and beyond,” stated Anders Gustafsson, Zebra’s chief executive officer. “We enter 2008 with many more opportunities to accelerate sales and increase profitability. We will continue to drive more deeply into attractive vertical markets with solutions that deliver a measurable and quick return on investment for our customers. At the same time, our international expansion activities will enable us to provide a broader range of Zebra solutions to businesses in high-growth developing regions. In 2008, we will also take advantage of the business opportunities brought by our acquisitions of WhereNet, proveo and Navis. Together, these companies enable Zebra to provide a broad range of complex enterprise solutions that help our customers identify, track and manage assets, people and transactions within the enterprise and across the supply chain.”

**Discussion and Analysis**

For the fourth quarter of 2007 compared with the fourth quarter of 2006:

- The company had record sales in its North American and EMEA regions, along with high growth in Latin America. Sales from WhereNet Corp., which was acquired in January 2007,

**Zebra Technologies Corporation**

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and proveo, which was acquired in the third quarter of 2007, supplemented sales growth. Revenue from Navis Holdings, LLC, which was acquired on December 14<sup>th</sup>, had a minimal effect on fourth quarter sales. Foreign currency translation also had a favorable effect on sales growth.

- Gross profit margin of 48.5% increased from 46.9%. Profitability was positively affected by the higher sales volume, a favorable product mix and movements in foreign exchange translation, partly offset by increases to inventory reserves and warranty expense.
- Expenses for sales and marketing, research and development, and general and administrative activities increased principally from the addition of personnel and other expenses related to the acquisitions of WhereNet, proveo and Navis. These increases were partially offset by the absence of an insurance receivable reserve, which was established in the fourth quarter of 2006.

For 2007, net sales advanced 14.3% to a record \$868,279,000 from \$759,524,000 for 2006. Net income totaled \$110,113,000, or \$1.60 per diluted share, versus \$70,946,000, or \$1.00 per diluted share, for the prior year.

At December 31, 2007, Zebra had \$281,179,000 in cash and investments, and no long-term debt. Net inventories were \$85,038,000, and accounts receivable, net, were \$150,775,000.

### **First Quarter Outlook**

Zebra announced its financial forecast for the first quarter of 2008. Net sales are expected within a range of \$238,000,000 and \$255,000,000. Earnings are expected within a range of \$0.36 and \$0.44 per diluted share. This outlook excludes approximately \$4,800,000 in deferred software revenue that the company is unable to recognize because of purchase accounting rules. The first quarter outlook includes approximately \$4,700,000 in expenses related to Zebra's initiative to transfer final assembly of thermal printers to a third party. This global supply chain project was announced on February 6, 2008. In combination, these items have the effect of reducing projected first quarter earnings by \$0.09 per diluted share.

### **Stock Purchase Authorization**

The company also announced it completed the purchase of 3 million shares of Zebra Technologies Corporation Common Stock that was previously authorized by its Board of Directors. The Board has authorized the purchase of an additional 3 million shares, which represent approximately 4.5% of

Zebra stock outstanding. These purchases would be made from time to time, in the open market or in private transactions.

### **Conference Call Notification**

Investors are invited to listen to a live Internet broadcast of Zebra's conference call discussing the company's financial results for the fourth quarter of 2007. The conference call will be held at 11:00 A.M. Eastern Time today. To listen to the call, visit the company's Web site at <http://www.zebra.com>.

### **Analyst Day Reminder**

Investors are invited to attend Zebra's Analyst Day, which will be held on February 29, 2008, at the Grand Hyatt New York in New York City. Please visit the company's Web site at <http://www.zebra.com> for details and to register.

### **Forward-looking Statement**

This press release contains forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995, including, without limitation, the statements regarding the company's financial forecast for the first quarter of 2008 stated in the paragraph above. Actual results may differ from those expressed or implied in the company's forward-looking statements. These statements represent estimates only as of the date they were made. Zebra may elect to update forward-looking statements but expressly disclaims any obligation to do so, even if the company's estimates change.

These forward-looking statements are based on current expectations, forecasts and assumptions and are subject to the risks and uncertainties inherent in Zebra's industry, market conditions, general domestic and international economic conditions, and other factors. These factors include market conditions in North America and other geographic regions and market acceptance of Zebra's printer and software products and competitors' product offerings and the potential effects of technological changes. Other factors include U.S. and foreign regulations that pertain to electrical and electronic equipment, including European Union and other country directives relating to the collection, recycling, treatment and disposal of products and the reduction or elimination of certain specified materials in such products. Zebra's failure to comply with these regulations may subject Zebra to penalties, prevent Zebra from selling its products in a certain country, or increase the cost of supplying the products. Profits and profitability will be affected by the company's ability to control manufacturing and operating costs. Because of a large investment portfolio, interest rates and

financial market conditions will also have an impact on results. Foreign exchange rates will have an effect on financial results because of the large percentage of our international sales. The outcome of litigation in which Zebra is involved, and particularly litigation or claims related to alleged infringement of third-party intellectual property rights, is another factor. In addition, the acquisitions of WhereNet, which was completed in January 2007, proveo, which was completed in the third quarter of 2007, and Navis, which was completed in December 2007, have risks relating to integrating these companies' businesses and operations with Zebra's. These and other factors could have an adverse effect on Zebra's revenues, gross profit margins and results of operations and increase the volatility of our financial results. When used in this release and documents referenced, the words "anticipate," "believe," "estimate," and "expect" and similar expressions, as they relate to the company or its management, are intended to identify such forward-looking statements, but are not the exclusive means of identifying these statements. Descriptions of the risks, uncertainties and other factors that could affect the company's future operations and results can be found in Zebra's filings with the Securities and Exchange Commission. In particular, readers are referred to Zebra's Form 10-K for the year ended December 31, 2006.

Zebra Technologies Corporation helps companies identify, track and manage assets, transactions and people with on-demand specialty digital printing and automatic identification solutions. In more than 100 countries around the world, more than 90% of Fortune 500 companies use innovative and reliable Zebra printers, supplies, RFID products and software to increase productivity, improve quality, lower costs, and deliver better customer service. Information about Zebra and Zebra-brand products can be found at <http://www.zebra.com>.

**ZEBRA TECHNOLOGIES CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands)

|  | <u>December 31,</u><br><u>2007</u> | <u>December 31,</u><br><u>2006</u> |
|--|------------------------------------|------------------------------------|
| <b>ASSETS</b>  |                                    |                                    |
| Current assets:  |                                    |                                    |
| Cash and cash equivalents  | \$ 38,211                          | \$ 39,648                          |
| Restricted cash  | 2,497                              | 1,366                              |
| Investments and marketable securities  | 98,438                             | 219,930                            |
| Accounts receivable, net   | 150,775                            | 122,540                            |
| Inventories, net   | 85,038                             | 81,190                             |
| Deferred income taxes  | 14,772                             | 9,464                              |
| Prepaid expenses and other current assets                                      | 31,101                             | 5,552                              |
| Total current assets   | <u>420,832</u>                     | <u>479,690</u>                     |
| Property and equipment at cost, less accumulated depreciation and amortization | 67,686                             | 57,431                             |
| Long-term deferred income taxes  | 28,407                             | 11,917                             |
| Goodwill   | 246,510                            | 70,714                             |
| Other intangibles, net   | 119,424                            | 34,025                             |
| Long-term investments and marketable securities                                | 142,033                            | 298,245                            |
| Other assets   | 9,386                              | 11,120                             |
| <b>Total assets</b>  | <u><u>\$1,034,278</u></u>          | <u><u>\$ 963,142</u></u>           |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                    |                                    |                                    |
| Current liabilities:   |                                    |                                    |
| Accounts payable   | \$ 42,351                          | \$ 28,980                          |
| Accrued liabilities  | 79,070                             | 43,191                             |
| Income taxes payable   | 751                                | 2,683                              |
| Total current liabilities  | <u>122,172</u>                     | <u>74,854</u>                      |
| Deferred rent  | 961                                | 638                                |
| Other long-term liabilities  | 8,452                              | 9,969                              |
| <b>Total liabilities</b>   | <u><u>131,585</u></u>              | <u><u>85,461</u></u>               |
| Stockholders' equity:  |                                    |                                    |
| Preferred Stock  | —                                  | —                                  |
| Class A Common Stock   | 722                                | 722                                |
| Additional paid-in capital   | 141,522                            | 139,083                            |
| Treasury stock   | (205,058)                          | (119,335)                          |
| Retained earnings  | 960,512                            | 850,399                            |
| Accumulated other comprehensive income   | 4,995                              | 6,812                              |
| <b>Total stockholders' equity</b>  | <u>902,693</u>                     | <u>877,681</u>                     |
| <b>Total liabilities and stockholders' equity</b>                              | <u><u>\$1,034,278</u></u>          | <u><u>\$ 963,142</u></u>           |

**ZEBRA TECHNOLOGIES CORPORATION**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
(Amounts in thousands, except per share data)

|  | <u>Three Months Ended</u>    |                              | <u>Year Ended</u>            |                              |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
|  | <u>December 31,<br/>2007</u> | <u>December 31,<br/>2006</u> | <u>December 31,<br/>2007</u> | <u>December 31,<br/>2006</u> |
| Net sales  | \$ 233,573                   | \$ 209,903                   | \$ 868,279                   | \$ 759,524                   |
| Cost of sales  | 120,275                      | 111,493                      | 451,161                      | 401,104                      |
| Gross profit   | 113,298                      | 98,410                       | 417,118                      | 358,420                      |
| Operating expenses:  |                              |                              |                              |                              |
| Selling and marketing  | 35,683                       | 27,702                       | 121,996                      | 96,788                       |
| Research and development   | 15,642                       | 12,768                       | 57,600                       | 48,959                       |
| General and administrative   | 21,854                       | 18,284                       | 81,356                       | 62,656                       |
| Amortization of intangible assets  | 3,257                        | 1,394                        | 11,128                       | 3,653                        |
| Insurance receivable reserve   | —                            | 12,543                       | —                            | 12,543                       |
| Litigation settlement  | —                            | —                            | —                            | 53,392                       |
| Acquired in-process research and development                             | —                            | —                            | 1,853                        | —                            |
| Total operating expenses   | <u>76,436</u>                | <u>72,691</u>                | <u>273,933</u>               | <u>277,991</u>               |
| Operating income (loss)  | <u>36,862</u>                | <u>25,719</u>                | <u>143,185</u>               | <u>80,429</u>                |
| Other income (expense):  |                              |                              |                              |                              |
| Investment income  | 8,545                        | 6,980                        | 23,966                       | 23,182                       |
| Interest expense   | 49                           | (16)                         | (44)                         | (252)                        |
| Foreign exchange gains   | 553                          | (822)                        | 523                          | (635)                        |
| Other, net   | 182                          | (170)                        | (255)                        | (1,082)                      |
| Total other income   | <u>9,329</u>                 | <u>5,972</u>                 | <u>24,190</u>                | <u>21,213</u>                |
| Income before income taxes and cumulative effect of accounting change    | 46,191                       | 31,691                       | 167,375                      | 101,642                      |
| Income tax   | <u>15,388</u>                | <u>10,245</u>                | <u>57,262</u>                | <u>32,015</u>                |
| Income before cumulative effect of accounting change                     | 30,803                       | 21,446                       | 110,113                      | 69,627                       |
| Cumulative effect of accounting change (net of tax effect of \$694)      | <u>—</u>                     | <u>—</u>                     | <u>—</u>                     | <u>1,319</u>                 |
| Net income   | <u>\$ 30,803</u>             | <u>\$ 21,446</u>             | <u>\$ 110,113</u>            | <u>\$ 70,946</u>             |
| Basic earnings per share before cumulative effect of accounting change   | \$ 0.46                      | \$ 0.31                      | \$ 1.61                      | \$ 0.99                      |
| Diluted earnings per share before cumulative effect of accounting change | \$ 0.45                      | \$ 0.30                      | \$ 1.60                      | \$ 0.98                      |
| Basic earnings per share   | \$ 0.46                      | \$ 0.31                      | \$ 1.61                      | \$ 1.01                      |
| Diluted earnings per share   | \$ 0.45                      | \$ 0.30                      | \$ 1.60                      | \$ 1.00                      |
| Basic weighted average shares outstanding                                | 67,472                       | 70,108                       | 68,463                       | 70,516                       |
| Diluted weighted average and equivalent shares outstanding               | 67,913                       | 70,499                       | 68,908                       | 70,956                       |

**ZEBRA TECHNOLOGIES CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in thousands)

|   | <b>Year Ended December 31,</b> |             |
|---|--------------------------------|-------------|
|   | <b>2007</b>                    | <b>2006</b> |
| Cash flows from operating activities:   |                                |             |
| Net income  | \$ 110,113                     | \$ 70,946   |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                |             |
| Depreciation and amortization   | 26,902                         | 16,087      |
| Share-based compensation  | 15,067                         | 7,540       |
| Excess tax benefit from share-based compensation                                  | (921)                          | (1,514)     |
| Cumulative effect of accounting change (net of tax)                               | —                              | (1,319)     |
| Acquired in-process technology  | 1,853                          | —           |
| Insurance receivable reserve  | —                              | 12,543      |
| Deferred income taxes   | (5,477)                        | (6,737)     |
| Changes in assets and liabilities, net of businesses acquired:                    |                                |             |
| Accounts receivable, net  | 4,453                          | (4,292)     |
| Inventories   | (134)                          | (13,430)    |
| Other assets  | (1,321)                        | (483)       |
| Accounts payable  | (3,418)                        | (1,869)     |
| Accrued liabilities   | 16,479                         | 8,559       |
| Income taxes payable  | (1,337)                        | 2,586       |
| Other operating activities  | (26,064)                       | (552)       |
| Net cash provided by operating activities   | 136,195                        | 88,065      |
| Cash flows from investing activities:   |                                |             |
| Purchases of property and equipment   | (22,070)                       | (19,197)    |
| Acquisition of businesses, net of cash acquired                                   | (286,761)                      | (2,681)     |
| Acquisition of intangible assets  | (4,800)                        | (18,091)    |
| Purchases of investments and marketable securities                                | (1,009,196)                    | (1,110,472) |
| Maturities of investments and marketable securities                               | 913,904                        | 757,249     |
| Sales of investments and marketable securities                                    | 374,107                        | 374,666     |
| Net cash used in investing activities   | (34,816)                       | (18,526)    |
| Cash flows from financing activities:   |                                |             |
| Purchase of treasury shares   | (107,390)                      | (68,221)    |
| Proceeds from exercise of stock options and stock purchase plan purchases         | 3,671                          | 10,402      |
| Excess tax benefit from share-based compensation                                  | 921                            | 1,514       |
| Net cash used in financing activities   | (102,798)                      | (56,305)    |
| Effect of exchange rate changes on cash   | (18)                           | 1,972       |
| Net increase (decrease) in cash and cash equivalents                              | (1,437)                        | 15,206      |
| Cash and cash equivalents at beginning of year                                    | 39,648                         | 24,442      |
| Cash and cash equivalents at end of year  | \$ 38,211                      | \$ 39,648   |
| Supplemental disclosures of cash flow information:                                |                                |             |
| Interest paid   | \$ 44                          | \$ 252      |
| Income taxes paid   | 62,130                         | 33,070      |
| Supplemental disclosures of non-cash transaction:                                 |                                |             |
| Purchase of treasury shares not paid until 2007                                   | \$ —                           | \$ 4,704    |

**ZEBRA TECHNOLOGIES CORPORATION**  
**SUPPLEMENTAL SALES INFORMATION**

(Amounts in thousands)  
(Unaudited)

**Sales by Product Category**

|                                   | <b>Three Months Ended</b> |                      | <b>Percent Change</b> | <b>Percent of Total Sales</b> |
|-----------------------------------|---------------------------|----------------------|-----------------------|-------------------------------|
|                                   | <b>Dec. 31, 2007</b>      | <b>Dec. 31, 2006</b> |                       |                               |
| Hardware                          | \$ 177,394                | \$ 163,081           | 8.8                   | 75.9                          |
| Supplies                          | 41,580                    | 38,578               | 7.8                   | 17.8                          |
| Service and software              | 14,120                    | 6,954                | 103.0                 | 6.0                           |
| Shipping and handling             | 1,744                     | 1,610                | 8.3                   | 0.8                           |
| Cash flow from hedging activities | (1,265)                   | (320)                | NM                    | (0.5)                         |
| Total sales                       | \$ 233,573                | \$ 209,903           | 11.3                  | 100.0                         |

**Sales by Geographic Region**

|                                | <b>Three Months Ended</b> |                      | <b>Percent Change</b> | <b>Percent of Total Sales</b> |
|--------------------------------|---------------------------|----------------------|-----------------------|-------------------------------|
|                                | <b>Dec. 31, 2007</b>      | <b>Dec. 31, 2006</b> |                       |                               |
| Europe, Middle East and Africa | \$ 93,895                 | \$ 74,440            | 26.1                  | 40.2                          |
| Latin America                  | 15,452                    | 13,854               | 11.5                  | 6.6                           |
| Asia-Pacific                   | 16,100                    | 16,723               | (3.7)                 | 6.9                           |
| Total international            | 125,447                   | 105,017              | 19.5                  | 53.7                          |
| North America                  | 108,126                   | 104,886              | 3.1                   | 46.3                          |
| Total sales                    | \$ 233,573                | \$ 209,903           | 11.3                  | 100.0                         |

**Sales by Product Category**

|                                   | <b>Year Ended</b>    |                      | <b>Percent Change</b> | <b>Percent of Total Sales</b> |
|-----------------------------------|----------------------|----------------------|-----------------------|-------------------------------|
|                                   | <b>Dec. 31, 2007</b> | <b>Dec. 31, 2006</b> |                       |                               |
| Hardware                          | \$ 660,034           | \$ 578,002           | 14.2                  | 76.1                          |
| Supplies                          | 161,678              | 150,709              | 7.3                   | 18.6                          |
| Service and software              | 42,801               | 25,664               | 66.8                  | 4.9                           |
| Shipping and handling             | 6,826                | 6,022                | 13.4                  | 0.8                           |
| Cash flow from hedging activities | (3,060)              | (873)                | NM                    | (0.4)                         |
| Total sales                       | \$ 868,279           | \$ 759,524           | 14.3                  | 100.0                         |

**Sales by Geographic Region**

|                                | <b>Year Ended</b>    |                      | <b>Percent Change</b> | <b>Percent of Total Sales</b> |
|--------------------------------|----------------------|----------------------|-----------------------|-------------------------------|
|                                | <b>Dec. 31, 2007</b> | <b>Dec. 31, 2006</b> |                       |                               |
| Europe, Middle East and Africa | \$ 320,225           | \$ 264,711           | 21.0                  | 36.9                          |
| Latin America                  | 60,090               | 53,619               | 12.1                  | 6.9                           |
| Asia-Pacific                   | 71,871               | 61,374               | 17.1                  | 8.3                           |
| Total international            | 452,186              | 379,704              | 19.1                  | 52.1                          |
| North America                  | 416,093              | 379,820              | 9.6                   | 47.9                          |
| Total sales                    | \$ 868,279           | \$ 759,524           | 14.3                  | 100.0                         |

