

About Zebra

August 2006

Zebra Technologies delivers innovative and reliable specialty digital printing solutions for business improvement and security applications in 100 countries around the world. A broad range of applications benefit from Zebra on-demand thermal bar

code, RFID, wristband and receipt printers, card imaging printers, and high-speed thermal photo printers, resulting in enhanced security, increased productivity, improved quality, lower costs, and better customer service.

Vital Statistics

Number of Employees	2500
Number of Locations	29
Number of Countries	19
Square Footage	732,000
Shares Outstanding	70.5 million
Total Printer Models	48
RFID printer/encoders	4
Mobile printers	10
Card imaging printers	11
All other models	23
% of International Sales	50
% of Hardware Sales	77%
% of Supplies Sales	19%
Fiscal Year	December
Market Capitalization	\$2.2 billion
Research Coverage	10 firms
Stock Symbol	ZBRA
Stock Market	NASDAQ

www.zebra.com



Company Highlights

- **Record sales announced for 2005; 14 out of 15 years of sales growth**
- **More than five million printers shipped**
- **Demonstrated and received certification for Gen 2 EPC UHF printer/encoders**
- **Introduced products specifically targeted at improving patient safety; strategic agreements position Zebra for sales growth in health care**
- **Zebra named to the 2005 *Forbes* annual list of the country's 200 Best Small Companies**
- **Key alliances with leading technology providers SAP, IBM, Oracle and Symbol Technologies**
- **Expanded label manufacturing, including Gen 2 EPC UHF smart labels**

Quick Financial Facts

(in millions, except per share amounts)

As of July 1, 2006

Cash and investments	\$ 585
Total assets	986
Total stockholders' equity	921

Quarter ended July 1, 2006

Net sales	\$ 187
Net income	28
Free cash flow	13
Diluted EPS	0.39



Growth Strategy

- **Invest in new product development**
 - » RFID products and solutions
 - » Mobile and wireless
 - » Expand range of card imaging products
 - » Connectivity and ease of use
 - » Robust software support for printer management, label design and printing in multiple languages
- **Drive down manufacturing costs**
- **Expand international presence: Asia Pacific (China), Latin America, Eastern Europe**
- **Increase focus on business improvement and specialty printing applications**
- **Target high-growth vertical market applications**
 - » Retail, mobile work force, supply chain execution, health care
- **Protect share in bar code compliance labeling**
- **Continue RFID leadership**
- **Pursue strategic acquisitions**

Competitive Advantages

- **Broadest line of thermal, on-demand printers for bar code, mobile and ID card applications**
 - » Most recognized brand
 - » More than five million printers sold
- **Multiple channels of distribution — Value-add resellers, distributors, original equipment manufacturers, direct to user**
- **Global coverage** — presence in 100 countries on all inhabited continents
- **Financial strength**
 - » High cash reserves
 - » No debt
 - » Positive cash generation — average \$20 million per quarter
 - » High profitability

Financial Summary

	Quarter Ended July 1, 2006	Quarter Ended July 2, 2005	Year Ended December 31, 2005
Net Sales	187,421	\$176,614	\$702,271
Gross Profit	89,526	89,147	353,420
» Gross Profit Margin	47.8%	50.5	50.3%
Operating Income	37,830	35,383	146,028
» Operating Profit Margin	20.2%	20.0%	20.8%
Net Income	27,672	25,446	106,184
Diluted EPS	0.39	0.35	1.47
Free Cash Flow	13,148	(4,375)	56,893
Capital Expenditures	5,983	3,761	14,286
Depreciation and Amortization	3,631	3,306	13,104



Zebra Technologies Corporation

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OTHER LOCATIONS
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ASIA-PACIFIC: Australia, China, Japan, Singapore, South Korea
LATIN AMERICA: Mexico
AFRICA/MIDDLE EAST: South Africa, UAE