

**Zebra Technologies Corporation**

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FOR IMMEDIATE RELEASE

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**Zebra Technologies Announces Record Sales and Earnings per Share  
for the Second Quarter of 2011**

*Strong sales growth in international regions leads to margin improvement  
and record earnings per share from continuing operations*

**Lincolnshire, IL, August 4, 2011** Zebra Technologies Corporation (NASDAQ: ZBRA) today announced 2011 second quarter income from continuing operations of \$33,169,000, or a record \$0.60 per diluted share, compared with \$22,185,000, or \$0.38 per diluted share, for the second quarter of 2010. Net sales for the quarter ended July 2, 2011, increased 12.3% to \$245,541,000 from \$218,558,000 for the corresponding period for 2010. Results for 2010 have been adjusted to account for the sale of Navis Holdings LLC, which was sold on March 18, 2011, and other immaterial operations which have been accounted for as discontinued operations.

| <b>Summary Financial Performance (Unaudited)</b>                 |             |             |               |
|--|-------------|-------------|---------------|
|  | <b>2Q11</b> | <b>2Q10</b> | <b>Change</b> |
| Net sales (in 000s)  | \$245,541   | \$218,558   | 12.3%         |
| Gross margin (%)   | 49.6        | 45.5        | 4.1 pts.      |
| Operating margin (%)   | 19.0        | 14.6        | 4.4 pts.      |
| Income from continuing operations (in 000s)                      | \$33,169    | \$22,185    | 49.5%         |
| Income (loss) from discontinued operations, net of tax (in 000s) | (205)       | 492         | NM            |
| Net income (in 000s)   | \$32,964    | \$22,677    | 45.4%         |
| Diluted earnings per share:                                      |             |             |               |
| Income from continuing operations                                | \$0.60      | \$0.38      | 57.9%         |
| Income from discontinued operations, net of tax                  | 0.00        | 0.01        | (100.0)%      |
| Net income   | \$0.60      | \$0.39      | 53.8%         |

Note: Net sales and results for 2010 have been adjusted for the March 2011 sale of Navis and other immaterial operations which have been reflected as discontinued operations.

“Our investments to extend geographic reach, accelerate the cadence of new product introductions and build more formidable go-to-market channels helped support Zebra’s second quarter results,” stated Anders Gustafsson, Zebra’s chief executive officer. “More Zebra sales representatives in emerging regions enabled us to meet more customers’ needs to identify, track and manage valued assets in complex supply chains. With its scale and multiple competitive advantages, Zebra is extending its global industry leadership. We are optimistic about our further success and capacity for creating greater shareholder value.”

As of July 2, 2011, Zebra had \$342,878,000 in cash and investments, and no long-term debt. Net inventories were \$118,109,000, and net accounts receivable were \$145,991,000.

### **Discussion and Analysis**

- Net sales for the second quarter of 2011, compared with the same quarter for 2010, benefited from strong sales growth in all international geographic regions. The addition of Zebra sales representatives placed in high-growth countries and regions over the past twelve months, and other initiatives as part of the company’s growth strategy, complemented improved business conditions in these territories. Quarterly sales increased 8.0% on a constant-currency basis from a year ago.
- Gross margin of 49.6%, versus 45.5% a year ago, reflects lower costs for raw materials, higher volumes, lower freight charges and favorable movements in foreign exchange rates.
- Operating expense growth of 11.2% includes higher employee-related payroll and benefit costs, in part related to geographic expansion and other growth initiatives.

### **Stock Purchase Update**

During the second quarter of 2011, Zebra repurchased 1,000,000 shares of Zebra Technologies Corporation Class A Common Stock. At July 2, 2011, the company had 2,750,000 shares remaining in its stock buyback authorization, and 54,170,138 shares of common stock were outstanding.

### **Third Quarter Outlook**

Zebra announced its financial forecast for the third quarter of 2011. Net sales are expected within a range of \$245,000,000 to \$255,000,000. Diluted earnings per share from continuing operations are expected within a range of \$0.57 to \$0.64.

### **Conference Call Notification**

Investors are invited to listen to a live webcast of Zebra’s conference call discussing the company’s financial results for the second quarter of 2011. The conference call will be held at 11:00 AM Eastern Time today. To listen to the call, visit the company’s website at <http://www.zebra.com>.

## **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 third quarter of 2011 stated in the paragraph above captioned "Third Quarter Outlook." 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 undertakes no obligation, other than as may be required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this release.

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 customer acceptance of Zebra's hardware and software products and competitors' product offerings, and the potential effects of technological changes. The continued uncertainty over future global economic conditions, the availability of credit, capital markets volatility, may have adverse effects on Zebra, its suppliers and its customers. In addition, a disruption in our ability to obtain products from vendors as a result of supply chain constraints, natural disasters or other circumstances could restrict sales and negatively affect customer relationships. Profits and profitability will be affected by Zebra'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 may be involved is another factor. These and other factors could have an adverse effect on Zebra's sales, 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, 2010.

## **About Zebra Technologies**

Zebra Technologies Corporation offers the broadest range of enabling solutions to identify, track, and manage critical assets, people and transactions for improved business efficiencies. Serving more than 90 percent of Global Fortune 500 companies in more than 100 countries around the world, our specialty on-demand printing, RFID and enterprise location solutions help customers create smarter and more connected infrastructures, resulting in significant improvements in visibility and business performance. For more information about Zebra's solutions, visit <http://www.zebra.com>.

**ZEBRA TECHNOLOGIES CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

(Amounts in thousands)

|  | <b>July 2,<br/>2011</b> | <b>December 31,<br/>2010</b> |
|--|-------------------------|------------------------------|
| <b>ASSETS</b>  | (Unaudited)             |                              |
| Current assets:  |                         |                              |
| Cash and cash equivalents  | \$ 92,956               | \$ 46,175                    |
| Restricted cash  | 65                      | 1,378                        |
| Investments and marketable securities  | 163,509                 | 125,567                      |
| Accounts receivable, net   | 145,991                 | 130,143                      |
| Receivable from buyer  | 13,790                  | —                            |
| Inventories, net   | 118,109                 | 112,970                      |
| Deferred income taxes  | 18,593                  | 15,670                       |
| Prepaid expenses and other current assets                                      | 13,675                  | 11,505                       |
| Assets of discontinued operations  | 1,157                   | 148,169                      |
| Total current assets   | 567,845                 | 591,577                      |
| Property and equipment at cost, less accumulated depreciation and amortization | 93,462                  | 87,093                       |
| Long-term deferred income taxes  | 17,926                  | 21,254                       |
| Goodwill   | 79,703                  | 79,703                       |
| Other intangibles, net   | 8,084                   | 9,755                        |
| Long-term investments and marketable securities                                | 86,348                  | 85,478                       |
| Long-term receivable from buyer  | 13,790                  | —                            |
| Other assets   | 4,211                   | 4,004                        |
| <b>Total assets</b>  | \$ 871,369              | \$ 878,864                   |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                    |                         |                              |
| Current liabilities:   |                         |                              |
| Accounts payable   | \$ 35,728               | \$ 34,578                    |
| Accrued liabilities  | 54,368                  | 65,163                       |
| Deferred revenue   | 11,928                  | 8,966                        |
| Income taxes payable   | 990                     | 5,900                        |
| Liabilities of discontinued operations   | 801                     | 21,827                       |
| Total current liabilities  | 103,815                 | 136,434                      |
| Deferred rent  | 1,810                   | 2,207                        |
| Other long-term liabilities  | 10,044                  | 10,191                       |
| <b>Total liabilities</b>   | 115,669                 | 148,832                      |
| Stockholders' equity:  |                         |                              |
| Preferred Stock  | —                       | —                            |
| Class A Common Stock   | 722                     | 722                          |
| Additional paid-in capital   | 127,004                 | 129,715                      |
| Treasury stock   | (525,002)               | (462,029)                    |
| Retained earnings  | 1,165,571               | 1,070,973                    |
| Accumulated other comprehensive income (loss)                                  | (12,595)                | (9,349)                      |
| <b>Total stockholders' equity</b>  | 755,700                 | 730,032                      |
| <b>Total liabilities and stockholders' equity</b>                              | \$ 871,369              | \$ 878,864                   |

**ZEBRA TECHNOLOGIES CORPORATION**  
**CONSOLIDATED STATEMENTS OF EARNINGS**

(Amounts in thousands, except per share data)

(Unaudited)

|  | <u>Three Months Ended</u> |                     | <u>Six Months Ended</u> |                     |
|--|---------------------------|---------------------|-------------------------|---------------------|
|  | <u>July 2, 2011</u>       | <u>July 3, 2010</u> | <u>July 2, 2011</u>     | <u>July 3, 2010</u> |
| Net sales:   |                           |                     |                         |                     |
| Net sales of tangible products                             | \$ 232,762                | \$ 207,748          | \$ 458,882              | \$ 409,211          |
| Revenue from services and software                         | 12,779                    | 10,810              | 23,960                  | 21,322              |
| Total net sales  | <u>245,541</u>            | <u>218,558</u>      | <u>482,842</u>          | <u>430,533</u>      |
| Cost of sales  |                           |                     |                         |                     |
| Cost of sales of tangible products                         | 117,732                   | 114,081             | 228,513                 | 223,156             |
| Cost of services and software                              | 6,111                     | 5,068               | 12,633                  | 10,205              |
| Total cost of sales  | <u>123,843</u>            | <u>119,149</u>      | <u>241,146</u>          | <u>233,361</u>      |
| Gross profit   | <u>121,698</u>            | <u>99,409</u>       | <u>241,696</u>          | <u>197,172</u>      |
| Operating expenses:  |                           |                     |                         |                     |
| Selling and marketing                                      | 30,950                    | 27,682              | 59,478                  | 52,355              |
| Research and development                                   | 22,487                    | 20,653              | 44,168                  | 38,977              |
| General and administrative                                 | 20,688                    | 17,955              | 43,394                  | 37,273              |
| Amortization of intangible assets                          | 836                       | 740                 | 1,671                   | 1,481               |
| Exit and restructuring costs                               | 66                        | 466                 | 1,952                   | 2,232               |
| Total operating expenses                                   | <u>75,027</u>             | <u>67,496</u>       | <u>150,663</u>          | <u>132,318</u>      |
| Operating income   | <u>46,671</u>             | <u>31,913</u>       | <u>91,033</u>           | <u>64,854</u>       |
| Other income (expense):                                    |                           |                     |                         |                     |
| Investment income  | 656                       | 634                 | 1,216                   | 1,476               |
| Foreign exchange gain (loss)                               | (833)                     | 424                 | (1,127)                 | 592                 |
| Other, net   | (243)                     | (455)               | (497)                   | (725)               |
| Total other income (expense)                               | <u>(420)</u>              | <u>603</u>          | <u>(408)</u>            | <u>1,343</u>        |
| Income from continuing operations before income taxes      | 46,251                    | 32,516              | 90,625                  | 66,197              |
| Income taxes   | <u>13,082</u>             | <u>10,331</u>       | <u>27,328</u>           | <u>18,465</u>       |
| Income from continuing operations                          | 33,169                    | 22,185              | 63,297                  | 47,732              |
| Income (loss) from discontinued operations, net of tax     | <u>(205)</u>              | <u>492</u>          | <u>31,301</u>           | <u>(322)</u>        |
| Net income   | <u>\$ 32,964</u>          | <u>\$ 22,677</u>    | <u>\$ 94,598</u>        | <u>\$ 47,410</u>    |
| Basic earnings per share:                                  |                           |                     |                         |                     |
| Income from continuing operations                          | \$ 0.60                   | \$ 0.38             | \$ 1.15                 | \$ 0.83             |
| Income (loss) from discontinued operations                 | <u>0.00</u>               | <u>0.01</u>         | <u>0.57</u>             | <u>(0.01)</u>       |
| Net income   | <u>\$ 0.60</u>            | <u>\$ 0.39</u>      | <u>\$ 1.72</u>          | <u>\$ 0.82</u>      |
| Diluted earnings per share:                                |                           |                     |                         |                     |
| Income from continuing operations                          | \$ 0.60                   | \$ 0.38             | \$ 1.14                 | \$ 0.83             |
| Income (loss) from discontinued operations                 | <u>0.00</u>               | <u>0.01</u>         | <u>0.57</u>             | <u>(0.01)</u>       |
| Net income   | <u>\$ 0.60</u>            | <u>\$ 0.39</u>      | <u>\$ 1.71</u>          | <u>\$ 0.82</u>      |
| Basic weighted average shares outstanding                  | 54,546                    | 57,489              | 54,981                  | 57,756              |
| Diluted weighted average and equivalent shares outstanding | 54,958                    | 57,737              | 55,395                  | 58,003              |

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

(Amounts in thousands)

(Unaudited)

|   | <b>Six Months Ended</b> |                     |
|---|-------------------------|---------------------|
|   | <b>July 2, 2011</b>     | <b>July 3, 2010</b> |
| Cash flows from operating activities:                                     |                         |                     |
| Net income  | \$ 94,598               | \$ 47,410           |
| Adjustments to reconcile net income to net cash provided by (used in)     |                         |                     |
| Operating activities:   |                         |                     |
| Depreciation and amortization   | 12,151                  | 16,021              |
| Equity-based compensation   | 8,013                   | 5,155               |
| Excess tax benefit from equity-based compensation                         | (1,234)                 | (16)                |
| Loss (gain) on sale of fixed assets                                       | 5                       | (58)                |
| Gain on sale of business  | (68,001)                | —                   |
| Deferred income taxes   | 3,899                   | 2,961               |
| Changes in assets and liabilities:  |                         |                     |
| Accounts receivable, net  | 5,862                   | (1,956)             |
| Inventories, net  | (4,704)                 | (5,383)             |
| Other assets  | (2,319)                 | (8,664)             |
| Accounts payable  | (4,695)                 | 6,672               |
| Accrued liabilities   | (13,614)                | 779                 |
| Deferred revenue  | (14,738)                | (337)               |
| Income taxes  | (4,333)                 | 5,429               |
| Other operating activities  | (3,402)                 | (683)               |
| Net cash provided by operating activities                                 | <u>7,488</u>            | <u>67,330</u>       |
| Cash flows from investing activities:                                     |                         |                     |
| Purchases of property and equipment                                       | (11,232)                | (15,053)            |
| Payments for patents and licensing arrangements                           | —                       | (1,634)             |
| Proceeds from the sale of business  | 161,008                 | —                   |
| Purchases of investments and marketable securities                        | (573,686)               | (200,939)           |
| Maturities of investments and marketable securities                       | 351,722                 | 149,929             |
| Sales of investments and marketable securities                            | 183,485                 | 44,567              |
| Net cash provided (used) by investing activities                          | <u>111,297</u>          | <u>(23,130)</u>     |
| Cash flows from financing activities:                                     |                         |                     |
| Purchase of treasury stock  | (82,388)                | (46,767)            |
| Proceeds from exercise of stock options and stock purchase plan purchases | 8,096                   | 5,033               |
| Excess tax benefit from equity-based compensation                         | 1,234                   | 16                  |
| Net cash (used) in financing activities                                   | <u>(73,058)</u>         | <u>(41,718)</u>     |
| Effect of exchange rate changes on cash                                   | <u>239</u>              | <u>(143)</u>        |
| Net increase (decrease) in cash and cash equivalents                      | 45,966                  | 2,339               |
| Cash balance of discontinued operations at beginning of period            | 1,301                   | 1,693               |
| Cash balance of discontinued operations at end of period                  | (486)                   | (412)               |
| Cash and cash equivalents at beginning of period                          | <u>46,175</u>           | <u>37,250</u>       |
| Cash and cash equivalents at end of period                                | <u>\$ 92,956</u>        | <u>\$ 40,870</u>    |
| Supplemental disclosures of cash flow information:                        |                         |                     |
| Income taxes paid   | \$ 52,819               | \$ 9,472            |

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

(Amounts in thousands)

(Unaudited)

**SALES BY PRODUCT CATEGORY**

| <u>Product Category</u> | <b>Three Months Ended</b> |                     | <b>Percent Change</b> | <b>Percent of Net Sales - 2011</b> | <b>Percent of Net Sales - 2010</b> |
|-------------------------|---------------------------|---------------------|-----------------------|------------------------------------|------------------------------------|
|                         | <b>July 2, 2011</b>       | <b>July 3, 2010</b> |                       |                                    |                                    |
| Hardware                | \$ 181,758                | \$ 162,908          | 11.6                  | 74.0                               | 74.6                               |
| Supplies                | 49,578                    | 43,573              | 13.8                  | 20.2                               | 19.9                               |
| Service and software    | 12,779                    | 10,810              | 18.2                  | 5.2                                | 4.9                                |
| Subtotal products       | 244,115                   | 217,291             | 12.3                  | 99.4                               | 99.4                               |
| Shipping and handling   | 1,426                     | 1,267               | 12.5                  | 0.6                                | 0.6                                |
| Total net sales         | \$ 245,541                | \$ 218,558          | 12.3                  | 100.0                              | 100.0                              |

| <u>Product Category</u> | <b>Six Months Ended</b> |                     | <b>Percent Change</b> | <b>Percent of Net Sales - 2011</b> | <b>Percent of Net Sales - 2010</b> |
|-------------------------|-------------------------|---------------------|-----------------------|------------------------------------|------------------------------------|
|                         | <b>July 2, 2011</b>     | <b>July 3, 2010</b> |                       |                                    |                                    |
| Hardware                | \$ 361,895              | \$ 322,317          | 12.3                  | 75.0                               | 74.8                               |
| Supplies                | 94,213                  | 84,270              | 11.8                  | 19.5                               | 19.6                               |
| Service and software    | 23,960                  | 21,322              | 12.4                  | 4.9                                | 5.0                                |
| Subtotal products       | 480,068                 | 427,909             | 12.2                  | 99.4                               | 99.4                               |
| Shipping and handling   | 2,774                   | 2,624               | 5.7                   | 0.6                                | 0.6                                |
| Total net sales         | \$ 482,842              | \$ 430,533          | 12.1                  | 100.0                              | 100.0                              |

**SALES BY GEOGRAPHIC REGION**

| <u>Geographic Region</u>       | <b>Three Months Ended</b> |                     | <b>Percent Change</b> | <b>Percent of Net Sales - 2011</b> | <b>Percent of Net Sales - 2010</b> |
|--------------------------------|---------------------------|---------------------|-----------------------|------------------------------------|------------------------------------|
|                                | <b>July 2, 2011</b>       | <b>July 3, 2010</b> |                       |                                    |                                    |
| Europe, Middle East and Africa | \$ 85,391                 | \$ 71,238           | 19.9                  | 34.8                               | 32.6                               |
| Latin America                  | 24,065                    | 19,224              | 25.2                  | 9.8                                | 8.8                                |
| Asia-Pacific                   | 38,299                    | 25,614              | 49.5                  | 15.6                               | 11.7                               |
| Total International            | 147,755                   | 116,076             | 27.3                  | 60.2                               | 53.1                               |
| North America                  | 97,786                    | 102,482             | (4.6)                 | 39.8                               | 46.9                               |
| Total net sales                | \$ 245,541                | \$ 218,558          | 12.3                  | 100.0                              | 100.0                              |

| <u>Geographic Region</u>       | <b>Six Months Ended</b> |                     | <b>Percent Change</b> | <b>Percent of Net Sales - 2011</b> | <b>Percent of Net Sales - 2010</b> |
|--------------------------------|-------------------------|---------------------|-----------------------|------------------------------------|------------------------------------|
|                                | <b>July 2, 2011</b>     | <b>July 3, 2010</b> |                       |                                    |                                    |
| Europe, Middle East and Africa | \$ 169,621              | \$ 147,555          | 15.0                  | 35.1                               | 34.3                               |
| Latin America                  | 44,169                  | 38,706              | 14.1                  | 9.1                                | 9.0                                |
| Asia-Pacific                   | 70,794                  | 48,734              | 45.3                  | 14.7                               | 11.3                               |
| Total International            | 284,584                 | 234,995             | 21.1                  | 58.9                               | 54.6                               |
| North America                  | 198,258                 | 195,538             | 1.4                   | 41.1                               | 45.4                               |
| Total net sales                | \$ 482,842              | \$ 430,533          | 12.1                  | 100.0                              | 100.0                              |

**ZEBRA TECHNOLOGIES CORPORATION**  
**PRINTER UNITS and AVERAGE UNIT PRICES**  
(Unaudited)

|   | <b>Three Months Ended</b> |                         |                           |
|---|---------------------------|-------------------------|---------------------------|
|   | <b>July 2,<br/>2011</b>   | <b>July 3,<br/>2010</b> | <b>Percent<br/>Change</b> |
| Total printers shipped                    | 276,563                   | 270,799                 | 2.1                       |
| Average selling price of printers shipped | \$558                     | \$506                   | 10.4                      |

|   | <b>Six Months Ended</b> |                         |                           |
|---|-------------------------|-------------------------|---------------------------|
|   | <b>July 2,<br/>2011</b> | <b>July 3,<br/>2010</b> | <b>Percent<br/>Change</b> |
| Total printers shipped                    | 560,740                 | 515,185                 | 8.8                       |
| Average selling price of printers shipped | \$541                   | \$525                   | 3.0                       |