

**Free Cash Flow**

The management of Zebra Technologies views free cash flow, which reflects the ability of the company to generate cash, as an important measure of the company's operating performance.

We define free cash flow as:

Net cash provided by (used in) operating activities minus purchases of property and equipment

Free cash flow for the three and twelve months ended December 31, 2009 are as follows (in thousands):

	<u>Three Months Ended</u> <u>December 31, 2009</u> <u>(Unaudited)</u>	<u>Twelve Months Ended</u> <u>December 31, 2009</u> <u>(Unaudited)</u>
Net cash provided by operating activities	\$ 42,715	\$ 105,698
Purchases of property and equipment	<u>(5,391)</u>	<u>(24,890)</u>
Free cash flow	<u>\$ 37,324</u>	<u>\$ 80,808</u>

Free cash flow for the three months ended December 31, 2009 is calculated by subtracting free cash flow for the nine months ended October 3, 2009 from free cash flow for the twelve months ended December 31, 2009. These amounts are detailed as follows in the table below (in thousands):

	<u>Total:</u> <u>Twelve Months</u> <u>Ended</u> <u>December 31,</u> <u>2009</u> <u>(Unaudited)</u>	<u>Less Q1,Q2 &amp; Q3:</u> <u>Nine Months Ended</u> <u>October 3,</u> <u>2009</u> <u>(Unaudited)</u>	<u>Equals Q4:</u> <u>Three Months</u> <u>Ended</u> <u>December 31,</u> <u>2009</u> <u>(Unaudited)</u>
Net cash provided by operating activities	\$ 105,698	\$ 62,983	\$ 42,715
Purchases of property and equipment	<u>(24,890)</u>	<u>(19,499)</u>	<u>(5,391)</u>
Free cash flow	<u>\$ 80,808</u>	<u>\$ 43,484</u>	<u>\$ 37,324</u>