# Five Year Summary of Selected Financial Data

*Symbol Technologies, Inc. and Subsidiaries*

*(in thousands, except per share data)*

| Year Ended December 31, | 1993 | 1992 (1) | 1991 | 1990 | 1989 |
|---|---|---|---|---|---|
| Operating Results: | | | | | |
| Net Revenues | **$359,980** | $344,940 | $319,376 | $231,496 | $222,346 |
| Earnings (Loss) Before Cumulative Effect of Accounting Change | **$ 12,445** | ($ 15,506) | $ 22,768 | $ 7,576 | $ 18,968 |
| Net Earnings (Loss) | **$ 12,445** | ($ 16,250) | $ 22,768 | $ 7,576 | $ 18,968 |
| Earnings (Loss) Per Share: | | | | | |
| Primary | | | | | |
| Earnings (Loss) Before Cumulative Effect of Accounting Change | **$0.50** | ($0.65) | $0.91 | $0.33 | $0.91 |
| Net Earnings (Loss) | **$0.50** | ($0.68) | $0.91 | $0.33 | $0.91 |
| Fully-Diluted | | | | | |
| Earnings (Loss) Before Cumulative Effect of Accounting Change | **$0.50** | ($0.65) | $0.90 | $0.33 | $0.91 |
| Net Earnings (Loss) | **$0.50** | ($0.68) | $0.90 | $0.33 | $0.91 |
| Financial Position: | | | | | |
| Total Assets | **$419,615** | $378,666 | $354,357 | $315,131 | $295,709 |
| Long-term Liabilities, including Current Maturities | **$ 84,924** | $ 40,161 | $ 46,105 | $ 42,224 | $ 39,424 |
| Working Capital | **$141,739** | $ 88,623 | $122,812 | $ 99,138 | $ 94,282 |
| Stockholders' Equity | **$258,746** | $244,961 | $262,791 | $226,239 | $216,875 |
| Weighted Average Number of Common Shares Outstanding: | | | | | |
| Primary | **24,661** | 24,028 | 25,013 | 22,949 | 20,893 |
| Fully-diluted | **25,072** | 24,028 | 25,295 | 23,216 | 20,893 |

(1) Includes cumulative effect of a change in accounting for income taxes of $744,000 or ($0.03) per share and a pre-tax charge of $40,933,000 related to a workforce reduction and a program to consolidate and restructure the Company's operations as described in the Notes to the Consolidated Financial Statements.

# Consolidated Balance Sheets

*Symbol Technologies, Inc. and Subsidiaries*

*(All amounts in thousands, except stock par value)*

| As of December 31, | 1993 | 1992 |
|---|---|---|
| **Assets** | | |
| **Current Assets:** | | |
| Cash, including temporary investments of $1,326 and $2,019, respectively | $ 7,499 | $ 6,867 |
| Accounts receivable, less allowance for doubtful accounts of $5,112 and $4,893, respectively | 90,106 | 78,514 |
| Inventories, net | 82,885 | 60,783 |
| Deferred income taxes | 29,166 | 31,565 |
| Prepaid expenses and other current assets | 10,614 | 7,084 |
| **Total Current Assets** | 220,270 | 184,813 |
| **Property, Plant and Equipment, net** | 63,200 | 58,042 |
| **Intangible Assets, net** | 99,887 | 103,687 |
| **Software Development Costs, net** | 17,276 | 18,485 |
| **Other Assets** | 18,982 | 13,639 |
| | $419,615 | $378,666 |
| **Liabilities and Stockholders' Equity** | | |
| **Current Liabilities:** | | |
| Notes payable | $ — | $ 7,500 |
| Accounts payable and accrued expenses | 56,642 | 38,398 |
| Current portion of long-term debt | 2,586 | 2,646 |
| Income taxes payable | 3,283 | 6,299 |
| Deferred revenues | 5,477 | 6,819 |
| Accrued restructuring costs | 10,543 | 34,528 |
| **Total Current Liabilities** | 78,531 | 96,190 |
| **Long-Term Debt, less current maturities** | 62,077 | 14,582 |
| **Deferred Revenues** | 2,981 | 1,010 |
| **Other Liabilities** | 17,280 | 21,923 |
| **Commitments and Contingencies** | | |
| **Stockholders' Equity:** | | |
| Preferred stock, par value $1.00; authorized 10,000 shares, none issued or outstanding | — | — |
| Common stock, par value $.01; authorized 40,000 shares; issued 24,716 shares and 24,336 shares, respectively | 247 | 243 |
| Additional paid-in capital | 201,885 | 197,623 |
| Cumulative translation adjustments | (5,317) | (4,272) |
| Retained earnings | 74,605 | 62,160 |
| | 271,420 | 255,754 |
| **Less:** | | |
| Treasury stock at cost, 717 shares and 573 shares, respectively | (12,674) | (10,793) |
| | 258,746 | 244,961 |
| | $ 419,615 | $378,666 |

See notes to consolidated financial statements.

# Consolidated Statements of Operations

*Symbol Technologies, Inc. and Subsidiaries*

*(All amounts in thousands, except per share data)*

| Year Ended December 31, | 1993 | 1992 | 1991 |
|---|---|---|---|
| **Net Revenues** | **$359,980** | $344,940 | $319,376 |
| **Cost of Revenues** | **185,617** | 173,567 | 153,519 |
| **Amortization of Software Development Costs** | **6,799** | 4,398 | 1,927 |
| **Gross Profit** | **167,564** | 166,975 | 163,930 |
| **Operating Expenses:** | | | |
| Engineering | **34,788** | 31,326 | 25,066 |
| Selling, general and administrative | **106,412** | 111,362 | 97,604 |
| Amortization of excess of cost over fair value of net assets acquired | **2,793** | 2,697 | 2,653 |
| Restructuring costs | — | 40,933 | — |
| | **143,993** | 186,318 | 125,323 |
| **Earnings (Loss) From Operations** | **23,571** | (19,343) | 38,607 |
| **Other (Expense)/Income:** | | | |
| Other income | — | 3,200 | — |
| Other expense | — | (4,768) | — |
| Interest income | **537** | 472 | 933 |
| Interest expense | **(4,663)** | (2,067) | (2,817) |
| | **(4,126)** | (3,163) | (1,884) |
| Earnings (Loss) Before Income Taxes and Cumulative Effect of Accounting Change | **19,445** | (22,506) | 36,723 |
| Provision (Benefit) For Income Taxes | **7,000** | (7,000) | 13,955 |
| Earnings (Loss) Before Cumulative Effect of Accounting Change | **12,445** | (15,506) | 22,768 |
| Cumulative Effect of Accounting Change | — | 744 | — |
| **Net Earnings (Loss)** | **$ 12,445** | ($ 16,250) | $ 22,768 |
| **Earnings (Loss) Per Share:** | | | |
| On Earnings (Loss) before Cumulative Effect of Accounting Change: | | | |
| Primary | **$0.50** | ($0.65) | $0.91 |
| Fully-diluted | **$0.50** | ($0.65) | $0.90 |
| On Cumulative Effect of Accounting Change: | | | |
| Primary | — | ($0.03) | — |
| Fully-diluted | — | ($0.03) | — |
| On Net Earnings (Loss): | | | |
| Primary | **$0.50** | ($0.68) | $0.91 |
| Fully-diluted | **$0.50** | ($0.68) | $0.90 |
| **Weighted Average Number of Common Shares Outstanding:** | | | |
| Primary | **24,661** | 24,028 | 25,013 |
| Fully-diluted | **25,072** | 24,028 | 25,295 |

See notes to consolidated financial statements

# Consolidated Statements of Cash Flows

*Symbol Technologies, Inc. and Subsidiaries*

*(All amounts in thousands)*

| Year Ended December 31, | 1993 | 1992 | 1991 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Net earnings (loss) | **$12,445** | ($16,250) | $22,768 |
| Adjustments to reconcile net earnings (loss) to net cash from operating activities: | | | |
| Cumulative effect of accounting change | — | 744 | — |
| Depreciation and amortization of property, plant and equipment | **12,671** | 15,240 | 12,423 |
| Other amortization | **13,576** | 10,040 | 6,067 |
| Provision for losses on accounts receivable | **1,823** | 2,119 | 1,585 |
| Deferred income taxes | **1,906** | (18,560) | 2,517 |
| Changes in assets and liabilities, net of effects from acquisitions: | | | |
| Accounts receivable | **(13,610)** | (16,829) | (3,707) |
| Inventories | **(22,195)** | 2,365 | (17,917) |
| Prepaid expenses and other current assets | **(3,530)** | 2,837 | (5,023) |
| Software development costs | **(5,590)** | (9,058) | (9,349) |
| Intangible assets | **(1,862)** | (4,938) | (2,080) |
| Other assets | **(6,458)** | (7,321) | (4,700) |
| Accounts payable and accrued expenses | **18,104** | 1,604 | (1,275) |
| Income taxes payable | **(3,016)** | 3,849 | (141) |
| Accrued restructuring costs | **(23,985)** | 34,528 | — |
| Other liabilities and deferred revenues | **(3,671)** | 2,774 | (1,891) |
| Net cash (used in) provided by operating activities | **(23,392)** | 3,144 | (723) |
| Cash flows from investing activities: | | | |
| Expenditures for property, plant and equipment | **(18,084)** | (14,974) | (17,170) |
| Other investing activities, net | **186** | 170 | 362 |
| Net cash used in investing activities | **(17,898)** | (14,804) | (16,808) |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of notes payable | **50,000** | 7,500 | — |
| Principal repayments of notes payable and long-term debt | **(10,065)** | (6,860) | (389) |
| Exercise of stock options and warrants | **4,266** | 5,088 | 20,783 |
| Purchase of treasury shares | **(1,881)** | (3,461) | (4,474) |
| Net cash provided by financing activities | **42,320** | 2,267 | 15,920 |
| Effects of exchange rate changes on cash | **(398)** | (1,043) | (114) |
| Net increase/(decrease) in cash and temporary investments | **632** | (10,436) | (1,725) |
| Cash and temporary investments, beginning of year | **6,867** | 17,303 | 19,028 |
| Cash and temporary investments, end of year | **$ 7,499** | $ 6,867 | $17,303 |
| Supplemental disclosures of cash flow information: | | | |
| Cash paid during the year for: | | | |
| Interest | **$ 5,172** | $ 1,983 | $ 3,127 |
| Income taxes | **$ 4,714** | $ 2,711 | $ 5,933 |

See notes to consolidated financial statements

# Consolidated Statements of Stockholders' Equity

*Symbol Technologies, Inc. and Subsidiaries*

| *(All amounts in thousands, except stock par value)* | *Common Stock $.01 Par Value* Shares Issued | Amount | *Additional Paid-in Capital* | *Cumulative Translation Adjustments* | *Retained Earnings* | *Treasury Stock* | *Total Stockholders' Equity* |
|---|---|---|---|---|---|---|---|
| **Balance, December 31, 1990** | 22,334 | $223 | $171,772 | $1,460 | $55,642 | ($2,858) | $226,239 |
| Exercise of stock options | 1,589 | 16 | 20,492 | — | — | — | 20,508 |
| Exercise of warrants | 25 | — | 275 | — | — | — | 275 |
| Purchase of treasury shares | — | — | — | — | — | (4,474) | (4,474) |
| Translation adjustments | — | — | — | (2,525) | — | — | (2,525) |
| Net earnings | — | — | — | — | 22,768 | — | 22,768 |
| **Balance, December 31, 1991** | 23,948 | 239 | 192,539 | (1,065) | 78,410 | (7,332) | 262,791 |
| Exercise of stock options | 375 | 4 | 5,044 | — | — | — | 5,048 |
| Exercise of warrants | 13 | — | 40 | — | — | — | 40 |
| Purchase of treasury shares | — | — | — | — | — | (3,461) | (3,461) |
| Translation adjustments | — | — | — | (3,207) | — | — | (3,207) |
| Net loss | — | — | — | — | (16,250) | — | (16,250) |
| **Balance, December 31, 1992** | 24,336 | 243 | 197,623 | (4,272) | 62,160 | (10,793) | 244,961 |
| Exercise of stock options | 376 | 4 | 4,239 | — | — | — | 4,243 |
| Exercise of warrants | 4 | — | 23 | — | — | — | 23 |
| Purchase of treasury shares | — | — | — | — | — | (1,881) | (1,881) |
| Translation adjustments | — | — | — | (1,045) | — | — | (1,045) |
| Net earnings | — | — | — | — | 12,445 | — | 12,445 |
| **Balance, December 31, 1993** | 24,716 | $247 | $201,885 | ($5,317) | $74,605 | ($12,674) | $258,746 |

See notes to consolidated financial statements

## 1. Summary of Significant Accounting Policies

**a. Principles of Consolidation** The consolidated financial statements include the accounts of Symbol Technologies, Inc. and its subsidiaries (the "Company"), substantially all of which are wholly-owned. Significant intercompany transactions and balances have been eliminated in consolidation.

**b. Temporary Investments** Temporary investments with original maturities of three months or less are considered cash equivalents and consist of municipal bond funds, money market funds and time deposits at December 31, 1993, and 1992. Temporary investments are stated at cost, which approximates market value. These investments are not subject to significant market risk. The Company has not incurred losses related to these investments.

**c. Inventories** Inventories are stated at the lower of cost (determined on a first-in, first-out basis) or market.

**d. Property, Plant and Equipment** Property, plant and equipment is recorded at cost. Depreciation and amortization is provided on a straight-line basis over the following estimated useful lives:

| | |
|---|---|
| Buildings and improvements: | 15 to 40 years |
| Machinery and equipment: | 2 to 5 years |
| Furniture, fixtures and office equipment: | 5 to 10 years |
| Leasehold improvements (limited to terms of the leases): | 2 to 10 years |

**e. Intangible Assets** The excess of cost over fair value of net assets acquired is generally being amortized on the straight-line method over forty years.

Patents and trademarks, including costs incurred in connection with the protection of patents, are amortized over their estimated useful lives, not exceeding 17 years, using the straight-line method.

**f. Software Development Costs** The Company capitalizes costs incurred for internally developed product software where economic and technological feasibility has been established and for qualifying purchased product software. Capitalized software costs are amortized on a straight-line basis over the estimated useful product lives (normally three years).

**g. Research and Development Expenses** The Company expenses all research and development costs as incurred. The Company incurred research and development expenses of approximately $16,258,000, $13,581,000 and $9,965,000 for the years ended December 31, 1993, 1992 and 1991, respectively, which are classified in engineering expenses.

**h. Revenue Recognition** Revenues for sales of the Company's products are recognized upon shipment. In conjunction with these sales, field service maintenance agreements are sold for certain products. When such revenues are recorded prior to providing repair and maintenance service, they are deferred and recognized over the term of the related agreements.

**i. Income Taxes** In 1992, the Company adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"), which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Company's financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial accounting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Prior to 1992, the provision for income taxes was based on income and expenses included in the Company's consolidated statements of operations. Differences between taxes so computed and taxes payable under applicable statutes and regulations were classified as deferred taxes arising from timing differences. Prior year financial statements have not been restated.

Investment, research and development and other tax credits are accounted for by the flow-through method.

The cumulative amount of undistributed earnings of foreign subsidiaries at December 31, 1993, approximates $7,921,000. The Company does not provide deferred taxes on undistributed earnings of foreign subsidiaries since the Company anticipates no significant incremental U.S. income taxes on the repatriation of these earnings as tax rates in foreign jurisdictions generally approximate or exceed the U.S. Federal rate.

**j. Earnings Per Share** Primary and fully-diluted earnings per share are based on the weighted average number of shares of common stock and common stock equivalents (options and warrants) outstanding during the period, computed in accordance with the treasury stock method. In 1992, weighted average common stock equivalents were excluded from the loss per share calculation as their inclusion would have been anti-dilutive.

**k. Foreign Currency Translation and Transactions** Assets and liabilities of foreign subsidiaries are translated at year-end exchange rates. Results of operations are translated using the average exchange rates prevailing throughout the year. Gains and losses from foreign currency transactions are included in net earnings for the year and are not material. Exchange rate changes arising from translation are included in the cumulative translation adjustments component of stockholders' equity. The Company enters into foreign exchange contracts as a hedge against certain foreign intercompany receivables. Market value gains and losses are recognized and the credit or debit offsets foreign exchange gains or losses on related intercompany receivables. As of December 31, 1993, the Company had no material foreign exchange contracts outstanding.

**l. Reclassifications** Certain reclassifications have been made to the prior year consolidated financial statements and notes thereto to conform with the current year presentation.

## 2. Inventories

| December 31, | 1993 | 1992 |
|---|---|---|
| | *(in thousands)* | |
| Raw materials | **$48,463** | $34,262 |
| Work-in-process | **4,887** | 5,529 |
| Finished goods | **29,535** | 20,992 |
| | **$82,885** | $60,783 |

## 3. Property, Plant and Equipment

| December 31, | 1993 | 1992 |
|---|---|---|
| | *(in thousands)* | |
| Land | **$ 4,869** | $ 9,409 |
| Buildings and improvements | **12,781** | 14,693 |
| Machinery and equipment | **57,883** | 64,364 |
| Furniture, fixtures and office equipment | **30,089** | 15,177 |
| Leasehold improvements | **5,572** | 2,726 |
| Assets held for sale | **4,723** | — |
| | **115,917** | 106,369 |
| Less: Accumulated depreciation and amortization | **52,717** | 48,327 |
| | **$ 63,200** | $ 58,042 |

Assets held for sale, stated at the lower of cost or estimated realizable value, include land and a building in Costa Mesa, California that will be sold as a result of the consolidation and restructuring discussed in Note 7.

## 4. Intangible Assets

| December 31, | 1993 | 1992 |
|---|---|---|
| | *(in thousands)* | |
| Excess of cost over fair value of net assets acquired | **$102,695** | $101,843 |
| Patents, trademarks and purchased technologies | **16,264** | 15,141 |
| Executive retirement plan unrecognized prior service costs | **1,286** | 1,399 |
| | **120,245** | 118,383 |
| Less: Accumulated amortization | **20,358** | 14,696 |
| | **$ 99,887** | $103,687 |

On May 3, 1992, the Company completed the acquisition of certain assets and liabilities of True Data Corporation for approximately $1,600,000, resulting in an increase in purchased technologies of approximately $4,000,000.

## 5. Software Development Costs

| December 31, | 1993 | 1992 | 1991 |
|---|---|---|---|
| | | *(in thousands)* | |
| Beginning of year | **$18,485** | $13,825 | $ 6,403 |
| Amounts capitalized | **5,590** | 9,058 | 9,349 |
| | **24,075** | 22,883 | 15,752 |
| Less: Amortization | **6,799** | 4,398 | 1,927 |
| End of year | **$17,276** | $18,485 | $13,825 |

## 6. Accounts Payable and Accrued Expenses

| December 31, | 1993 | 1992 |
|---|---|---|
| | *(in thousands)* | |
| Accounts payable | **$29,261** | $19,992 |
| Accrued payroll, bonuses, fringe benefits and payroll taxes | **13,286** | 11,312 |
| Other accrued expenses | **14,095** | 7,094 |
| | **$56,642** | $38,398 |

## 7. Restructuring Costs

In December 1992, the Company announced a program to restructure its operations by consolidating engineering and manufacturing operations and streamlining the sales, marketing and finance and administrative departments along functional lines. A pre-tax charge of $34,933,000 was accrued to cover costs of the program including associate severance and related costs, lease terminations, transfer of manufacturing and engineering operations and losses on asset dispositions.

In August 1992, the Company implemented a workforce reduction designed to reduce costs and improve operating efficiencies. Pre-tax costs of $6,000,000, principally for associate severance and other related costs, were recorded in connection with this program.

## 8. Long-Term Debt

| December 31, | 1993 | 1992 |
|---|---|---|
| | *(in thousands)* | |
| Senior Notes (a) | **$50,000** | $ — |
| Industrial Development Bonds (b) | **14,213** | 16,581 |
| Other | **450** | 647 |
| | **64,663** | 17,228 |
| Less: Current maturities | **2,586** | 2,646 |
| | **$62,077** | $14,582 |

(a) In March, 1993 the Company issued $25,000,000 of its 7.76% Series A Senior Notes due February 15, 2003 and $25,000,000 of its 7.76% Series B Senior Notes due February 15, 2003 to four insurance companies. The Series A Senior Notes will be repaid in equal annual installments beginning in February 1995. The Series B Senior Notes will be repaid in equal annual installments beginning in February 1997. Interest is payable quarterly for these Notes. The financing agreements contain certain covenants regarding the maintenance of a minimum level of tangible net worth, as well as certain financial ratios, as defined, and certain restrictions including limitations on indebtedness.

(b) Borrowings under the Industrial Development Bond financings accrue interest at the rate of 8.95%, payable quarterly, and the loan is being repaid in equal annual installments of $2,368,000 which began in October 1992. The Company's principal New York facilities are pledged as collateral for this debt. The financing agreements contain certain covenants regarding the maintenance of a minimum level of tangible net worth and working capital, as well as certain financial ratios, as defined, and limitations on investments, dividends and indebtedness.

Based on the borrowing rates currently available to the Company for bank loans with similar terms, the fair value of long-term debt approximates the carrying value.

Long-term debt maturities are:

| Year ending December 31, | (in thousands) |
|---|---|
| 1994 | $ 2,586 |
| 1995 | 5,193 |
| 1996 | 5,197 |
| 1997 | 8,773 |
| 1998 | 8,763 |
| Thereafter | 34,151 |
| | $64,663 |

## 9. Income Taxes

The provision/(benefit) for income taxes consists of:

| Year ended December 31, | 1993 | 1992 | 1991 |
|---|---|---|---|
| | | (in thousands) | |
| *Current:* | | | |
| Federal | **$ 3,270** | $ 4,036 | $ 7,044 |
| State and local | **1,177** | 1,091 | 1,997 |
| Foreign | **647** | 2,386 | 2,397 |
| | **5,094** | 7,513 | 11,438 |
| *Deferred:* | | | |
| Federal | **1,481** | (11,648) | 2,163 |
| State and local | **233** | (2,589) | 143 |
| Foreign | **192** | (276) | 211 |
| | **1,906** | (14,513) | 2,517 |
| | **$ 7,000** | ($ 7,000) | $13,955 |

As described in Note 1, the Company adopted SFAS 109 during 1992. This accounting change resulted in a restatement of the Company's deferred tax accounts as of January 1, 1992, which resulted in a charge of $744,000 ($0.03 per share) which is reflected as a cumulative effect of accounting change in the Company's consolidated statement of operations. Additionally, the adoption of SFAS 109 resulted in an increase in the income tax benefit recognized during 1992 and, therefore, a decrease in the loss before cumulative effect of accounting change of $9,110,000 ($0.38 per share).

A reconciliation between the statutory U.S. Federal income tax rate and the Company's effective tax rate is:

| Year ended December 31, | 1993 | 1992 | 1991 |
|---|---|---|---|
| Statutory U.S. Federal rate | **34.0%** | (34.0%) | 34.0% |
| State taxes, net of Federal tax effect | **4.8** | (4.0) | 3.8 |
| Tax credits | **(7.3)** | — | (2.7) |
| Tax-exempt interest income | — | (0.3) | (0.5) |
| Amortization of excess of cost over fair value of net assets acquired | **4.9** | 4.1 | 2.5 |
| Exempt income of foreign sales corporation | **(2.3)** | — | (1.5) |
| Income of foreign subsidiaries taxed at higher tax rates | **1.8** | 1.9 | 0.3 |
| Losses of foreign subsidiaries for which no benefit is recognized | — | 1.5 | — |
| Release of excess reserves for contingencies | — | (4.8) | — |
| Settlement of lawsuits | — | 1.2 | — |
| Other, net | **0.1** | 3.3 | 2.1 |
| | **36.0%** | (31.1%) | 38.0% |

At December 31, 1993 and 1992 other liabilities include deferred income taxes of $7,236,000 and $6,893,000, respectively. The deferred tax assets and liabilities at December 31, 1993 and 1992, respectively, are comprised of:

| | December 31, 1993 | | December 31, 1992 | |
|---|---|---|---|---|
| | *Deferred Tax Assets* | *Deferred Tax Liabilities* | *Deferred Tax Assets* | *Deferred Tax Liabilities* |
| | | *(in thousands)* | | |
| Receivables | **$ 3,405** | **$ —** | $ 3,043 | $ — |
| Inventory | **11,677** | **—** | 8,094 | — |
| Net investment in sales-type leases | **—** | **1,722** | — | 817 |
| Accrued compensation and associate benefits | **3,307** | **—** | 2,153 | — |
| Other accrued liabilities | **3,037** | **—** | 2,469 | — |
| Accrued restructuring costs | **4,338** | **—** | 13,807 | — |
| Deferred revenues —current | **1,902** | **—** | 1,324 | — |
| Deferred revenues —noncurrent | **1,204** | **—** | 379 | — |
| Deferred patent and product development costs | **—** | **9,809** | — | 9,854 |
| Property, plant and equipment | **—** | **1,851** | — | 1,664 |
| Investments | **1,181** | **—** | 390 | — |
| Cumulative translation adjustments | **3,411** | **—** | 2,731 | — |
| Tax credit carryforwards | **2,163** | **—** | 2,071 | — |
| Other, net | **350** | **—** | 1,106 | — |
| | **35,975** | **13,382** | 37,567 | 12,335 |
| Less: Valuation allowance | **663** | **—** | 560 | — |
| Total Deferred Taxes | **$35,312** | **$13,382** | $37,007 | $12,335 |

The valuation allowance increased by $103,000 during 1993 and decreased by $45,000 during 1992. The valuation allowance relates to state investment tax credit carryforwards which are likely to be subject to recapture. No other valuation allowances for deferred tax assets are necessary due to the Company's history of profitability and anticipated future profitability.

The sources of the deferred provision representing the tax effects of timing differences between financial and taxable income for the year ended December 31, 1991 are as follows:

| Year ended December 31, | 1991 |
|---|---|
| | *(in thousands)* |
| Allowance for doubtful accounts | ($467) |
| Adjustment to inventory for uniform capitalization rules | 553 |
| Reserve for inventory obsolescence | (1,524) |
| Compensation and associate benefits not currently deductible | (745) |
| Deferred revenues | 1,969 |
| Depreciation and amortization | (262) |
| Deferred patent and other costs | 3,756 |
| Intercompany profit in ending inventory of foreign subsidiaries | (350) |
| Tax credits | (346) |
| Other, net | (67) |
| | $2,517 |

## 10. Commitments and Contingencies

**a. Lease Agreements** Future minimum annual rental payments required under noncancelable operating leases are:

| Year ending December 31, | |
|---|---|
| | *(in thousands)* |
| 1994 | $ 4,661 |
| 1995 | 3,216 |
| 1996 | 2,879 |
| 1997 | 2,201 |
| 1998 | 1,081 |
| Thereafter | 1,171 |
| | $15,209 |

Rent expense under substantially all operating leases was $5,465,000, $4,734,000 and $3,582,000 for the years ended December 31, 1993, 1992 and 1991, respectively.

**b. Credit Facilities** The Company has loan agreements with three banks pursuant to which the banks have agreed to provide lines of credit totalling $30,000,000. As of December 31, 1993, the Company had no outstanding borrowings under these lines. Such borrowings would bear interest at the bank's cost of funds rate, which approximated 4.0% at December 31, 1993. These agreements expire between June 30, 1994 and December 31, 1994. As of December 31, 1992, the Company had outstanding borrowings totalling $7,500,000 reflected as notes payable, which were repaid during 1993.

**c. Capital Expenditures** The Company has an agreement to acquire a forty acre parcel of land in Suffolk County, New York for $5,000,000. The Company intends to commence construction of a corporate headquarters and manufacturing facility on this site by the end of 1995.

**d. Legal Matters** The Company is currently involved in matters of litigation arising from the normal course of business. Management is of the opinion that such litigation will have no material adverse effect on the Company's consolidated financial position or results of operations.

In March 1993, the Company and certain of its officers received a purported first Consolidated Amended Class Action Complaint in the action entitled *In re* Symbol Technologies Class Action Litigation ("First Complaint") which essentially asserted the same alleged violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder as had been contained in six separate purported class action suits previously filed, and alleged a class period of March 17, 1992 through September 14, 1992. Defendants moved to dismiss the First Complaint for failure to state a cause of action and for failure to allege fraud with particularity. On September 14, 1993, the Court granted defendants' motion and dismissed the First Complaint. However, the Court granted plaintiffs leave to file a new complaint within 30 days. On October 14, 1993, a Second Consolidated Amended Class Action Complaint ("Second Complaint") was served. It alleges essentially similar violations as had the prior complaints but alleges a class period from June 8, 1992 to September 14, 1992. Defendants moved to dismiss the Second Complaint. That motion is currently pending. The Company believes that the litigation is without merit and intends to defend it vigorously.

During 1989 and 1990, the Company, its directors and certain of its officers were named as defendants in shareholder class action and derivative lawsuits in connection with complaints principally alleging violations of federal securities laws and misrepresentation regarding the Company's August 1989 sale of Common Stock and statements made to the investing public. On March 3, 1992, the Company agreed to settle the lawsuits. A settlement fund of $11,500,000, which is comprised of $7,250,000 of cash and six-year warrants valued at $4,250,000 will be created to settle the litigation. The $7,250,000 cash portion of the settlement has been provided by an unaffiliated insurance company. In January 1994, the Company exercised its option of paying $4,250,000 in cash in lieu of issuing the warrants. This liability was included in accounts payable and accrued expenses at December 31, 1993. The cost of the settlement and related legal fees, totalling $4,768,000, was recorded as other expense for the year ended December 31, 1992.

**e. Employment Contracts** The Company has executed employment contracts with certain senior executives that vary in length for which the Company has a minimum commitment aggregating approximately $2,900,000 at December 31, 1993.

## 11. Stockholders' Equity

**a. Stock Option Plans** There are a total of 5,321,000 shares of Common Stock reserved for issuance under the Company's stock option plans at December 31, 1993.

A summary of changes in the stock option plans is:

| | *Shares Under Option* | |
|---|---|---|
| | *Option Price per Share* | *Number of Shares (in thousands)* |
| Shares under option at December 31, 1991 | | 4,609 |
| Granted | $14.25 to $22.13 | 738 |
| Exercised | $ 5.31 to $15.50 | (375) |
| Cancelled | $ 8.00 to $23.75 | (361) |
| Shares under option at December 31, 1992 | | 4,611 |
| Granted | $12.00 to $18.25 | 1,287 |
| Exercised | $ 5.50 to $14.88 | (376) |
| Cancelled | $ 7.63 to $23.75 | (356) |
| Shares under option at December 31, 1993 | | 5,166 |
| Shares exercisable at December 31, 1993 | $ 5.50 to $23.75 | 2,514 |

At December 31, 1993, an aggregate of 155,000 shares remain available for grant under the stock option plans. The tax benefits arising from stock option exercises during the years ended December 31, 1993, 1992 and 1991, in the amount of $1,062,000, $1,460,000 and $8,949,000, respectively, were recorded in stockholders' equity as additional paid-in capital.

**b. Treasury Stock** Treasury stock is comprised of Common Stock purchased in prior years from certain officers related to the exercise of stock options and 401,900 shares purchased in open market transactions at a total cost of $5,342,000 pursuant to the stock repurchase program authorized by the Board of Directors on May 4, 1992.

**c. Stock Purchase Warrants** The following table indicates the number of common shares issuable upon exercise and exercise price per share of all outstanding Directors' warrants as of December 31, 1993:

| *Exercisable to* | *Number of Shares Issuable Upon Exercise* | *Exercise Price per Share* | *Shares Vested at December 31, 1993* |
|---|---|---|---|
| 1997 | 45,000 | $11.00 | 45,000 |
| 2000 | 39,000 | $8.13 to $15.50 | 33,000 |
| | 84,000 | | 78,000 |

## 12. Associate Benefit Plans

**a. Profit Sharing Retirement Plan** The Company maintains a 401(k) profit sharing retirement plan for all U.S. associates meeting certain service requirements. The Company contributes monthly 50% of associates' contributions up to a maximum of 6% of annual compensation. Plan expense for the years ended December 31, 1993, 1992 and 1991 was $2,336,000, $2,358,000 and $1,812,000, respectively.

**b. Health Benefits** The Company pays substantially all costs incurred in connection with providing associate health benefits through a program administered by an insurance company. Such costs amounted to $10,275,000, $8,905,000 and $7,177,000, for the years ended December 31, 1993, 1992 and 1991, respectively.

**c. Executive Retirement Plan** The Company maintains an Executive Retirement Plan (the "Plan") in which certain highly compensated associates are eligible to participate. Participants are selected by a committee of the Board of Directors. Benefits vest after five years of service and are based on a percentage of average compensation for the three years immediately preceding termination of the participant's full-time employment. As of December 31, 1993, 11 officers were participants in the Plan. The Company's obligations under the Plan are not funded apart from the Company's general assets. The Company's funding policy is to set aside assets for the Plan based on the annual net periodic pension expense. The funded assets are classified in other assets.

Plan costs are:

| Year ended December 31, | 1993 | 1992 | 1991 |
|---|---|---|---|
| | | *(in thousands)* | |
| Service cost-benefits earned during the period | **$ 513** | $ 708 | $ 608 |
| Interest cost on projected benefit obligation | **488** | 530 | 374 |
| Amortization of unfunded prior service costs and unrecognized loss | **150** | 303 | 179 |
| Net periodic pension expense | **$1,151** | $1,541 | $ 1,161 |

The Plan's funded status is as follows:

| Year ended December 31, | 1993 | 1992 |
|---|---|---|
| | *(in thousands)* | |
| Accumulated benefit obligation | **$5,007** | $5,496 |
| Projected benefit obligation | **($7,003)** | ($7,567) |
| Unrecognized net loss | **1,120** | 3,099 |
| Unrecognized prior service costs | **1,286** | 1,399 |
| Accrued pension costs | **($4,597)** | ($3,069) |

The Plan had $4,578,000 and $5,113,000 of vested benefit obligations at December 31, 1993 and 1992, respectively. The projected benefit obligation at December 31, 1993, 1992 and 1991 was determined using an assumed discount rate of 7.0%, 7.0% and 8.0%, respectively, and an assumed increase in the long-term rate of compensation of 5.0%, 5.0% and 6.0%, respectively.

## 13. Selected Quarterly Financial Data (unaudited)

The following tables set forth unaudited quarterly financial information for the years ended December 31, 1993 and 1992:

| *Quarter Ended* | *March 31* | *June 30* | *September 30* | *December 31* |
|---|---|---|---|---|
| **Year Ended December 31, 1993** | *(In thousands, except per share amounts)* | | | |
| Net revenues | $83,719 | $89,936 | $92,378 | $93,947 |
| Gross profit | 38,185 | 41,523 | 43,133 | 44,723 |
| Net earnings | 727 | 2,249 | 4,625 | 4,844 |
| Primary earnings per share: | $0.03 | $0.09 | $0.19 | $0.19 |
| Fully-diluted earnings per share: | $0.03 | $0.09 | $0.19 | $0.19 |
| **Year Ended December 31, 1992** | | | | |
| Net revenues | $89,043 | $94,881 | $78,419 | $82,596 |
| Gross profit | 45,071 | 46,951 | 37,941 | 37,013 |
| Earnings (loss) before cumulative effect of accounting change | 5,485 | 6,194 | (3,407) | (23,778) |
| Net earnings (loss) | 4,741 | 6,194 | (3,407) | (23,778) |
| Earnings (loss) per share: | | | | |
| On earnings (loss) before cumulative effect of accounting change: | | | | |
| Primary | $0.22 | $0.25 | ($0.14) | ($0.99) |
| Fully-diluted | $0.22 | $0.25 | ($0.14) | ($0.99) |
| On net earnings (loss): | | | | |
| Primary | $0.19 | $0.25 | ($0.14) | ($0.99) |
| Fully-diluted | $0.19 | $0.25 | ($0.14) | ($0.99) |

The Company accounts for interim inventories using the gross profit method. The results of operations in the quarters ended December 31, 1993, and 1992 reflect adjustment of gross profit estimates based upon the actual physical inventory valuation.

The quarterly earnings (loss) per share information is computed separately for each period. Therefore, the sum of such quarterly per share amounts may differ from the total for the year.

## 14. Operations By Geographic Area

The Company is engaged in one industry, specifically, the design, manufacture and marketing of bar code reading equipment, portable data collection systems and radio frequency data communications products. Operations in this business segment are summarized below by geographic area. The Company's operations in Western Europe generally consist of selling and performing field service maintenance on products designed and manufactured primarily in the United States.

| *(In thousands)* | *North America* | *Western Europe* | *Other* | *Eliminations* | *Consolidated* |
|---|---|---|---|---|---|
| **Year Ended December 31, 1993** | | | | | |
| Sales to unaffiliated customers | $247,448 | $98,188 | $14,344 | — | $359,980 |
| Transfers between geographic areas | 56,244 | — | — | (56,244) | — |
| Total net revenues | $303,692 | $98,188 | $14,344 | ($56,244) | $359,980 |
| Earnings before provision for income taxes | $ 18,152 | $ 1,062 | $ 180 | $ 51 | $ 19,445 |
| Identifiable assets | $274,032 | $50,919 | $ 1,738 | — | $326,689 |
| Corporate assets | | | | | 92,926 |
| Total assets | | | | | $ 419,615 |
| **Year Ended December 31, 1992** | | | | | |
| Sales to unaffiliated customers | $223,427 | $106,794 | $14,719 | $ — | $344,940 |
| Transfers between geographic areas | 66,692 | — | — | (66,692) | — |
| Total net revenues | $290,119 | $106,794 | $14,719 | ($66,692) | $344,940 |
| (Loss) earnings before benefit for income taxes | ($ 15,406) | $ 4,141 | ($ 652) | ($10,589) | ($22,506) |
| Identifiable assets | $232,868 | $49,792 | $ 1,449 | $ — | $ 284,109 |
| Corporate assets | | | | | 94,557 |
| Total assets | | | | | $378,666 |
| **Year Ended December 31, 1991** | | | | | |
| Sales to unaffiliated customers | $224,418 | $81,956 | $13,002 | $ — | $319,376 |
| Transfers between geographic areas | 50,308 | — | — | (50,308) | — |
| Total net revenues | $274,726 | $81,956 | $13,002 | ($50,308) | $319,376 |
| Earnings before provision for income taxes | $ 39,807 | $ 7,287 | ($ 42) | ($10,329) | $ 36,723 |
| Identifiable assets | $196,092 | $52,089 | $ 647 | $ — | $248,828 |
| Corporate assets | | | | | 105,529 |
| Total assets | | | | | $354,357 |

In determining earnings before provision for income taxes for each geographic area, sales and purchases between areas have been accounted for on the basis of internal transfer prices set by the Company. Certain U.S. operating expenses are allocated between geographic areas based upon the percentage of geographic area revenues to total revenues. This allocation has the effect of reducing reported European and other operating profit.

Identifiable assets are those tangible and intangible assets used in operations in each geographic area. Corporate assets are principally temporary investments and the excess of cost over fair value of net assets acquired.

The Company's export sales, primarily to Europe, approximated $112,532,000, $121,513,000 and $94,958,000 for the years ended December 31, 1993, 1992 and 1991, respectively.

The Company has customers in the retail industry which accounted for approximately $41,798,000 in accounts receivable at December 31, 1993. The carrying amounts of accounts receivable approximate fair value because of the short maturity of these instruments.

# Independent Auditors' Report

To the Board of Directors and Stockholders of
Symbol Technologies, Inc.
Bohemia, New York

We have audited the accompanying consolidated balance sheets of Symbol Technologies, Inc. and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Symbol Technologies, Inc. and subsidiaries as of December 31, 1993, and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

As discussed in Note 9 to the consolidated financial statements, in 1992 the Company changed its method of accounting for income taxes to conform with Statement of Financial Accounting Standards No. 109.

Deloitte & Touche

Jericho, New York
February 14, 1994

**Market for the Registrant's Common Equity and Related Security Holder Matters**

The Company's Common Stock is listed on the New York Stock Exchange. The following table sets forth, for each quarter period of the last two fiscal years, the high and low sales prices as reported by the New York Stock Exchange.

| Year Ending: | | High | Low |
|---|---|---|---|
| December 31, 1992 | First Quarter | 26½ | 18⅜ |
| | Second Quarter | 23⅛ | 17⅜ |
| | Third Quarter | 18¾ | 10⅜ |
| | Fourth Quarter | 15⅛ | 10 |
| December 31, 1993 | First Quarter | 15⅞ | 11½ |
| | Second Quarter | 15⅛ | 12⅛ |
| | Third Quarter | 14 | 11¼ |
| | Fourth Quarter | 19¾ | 13⅛ |

As of February 1, 1994, there were 1,870 holders of record of the Company's Common Stock.

Historically, changes in the Company's results of operations or projected results of operations have resulted in significant changes in the market price of the Company's Common Stock. As a result, the Company's Common Stock is highly volatile.

To date, the Company has not paid any cash dividends to its shareholders. Under certain of the Company's loan agreements, the Company may pay cash dividends subject to certain limitations, the most restrictive of which would limit dividends payable in any year to an amount not greater than 50% of the Company's cumulative net income. Any future declaration of cash dividends will depend upon the Company's earnings and financial condition, capital requirements and other relevant factors. The Company does not intend to propose the declaration of any cash dividends in the foreseeable future but intends to retain its earnings for use in its business.

**Products**

The Company is engaged in one industry segment; the design, manufacture and marketing of bar code reading equipment, portable data collection systems and radio frequency data communications products which are used as strategic building blocks in data collection systems in retail, parcel delivery and postal service, warehousing and distribution, factory automation and many other applications.

Within this single industry segment, the Company's principal products are its bar code reading equipment and portable data collection systems. Revenues of the Company's bar code reading equipment products have accounted for approximately one-half of the Company's revenues for the year ended December 31, 1993, and for more than one-half of the Company's revenues in the years ended December 31, 1992, and 1991. Revenues of the Company's portable data collection systems accounted for approximately two-fifths of the Company's total revenues for the fiscal years ended December 31, 1993, and 1992 and one-third of the Company's total revenue for the fiscal year ended December 31, 1991.

# directors and executive officers

## Executives

**Dr. Jerome Swartz**
*Chairman of the Board and Chief Executive Officer*

**Raymond R. Martino**
*President and Chief Operating Officer*

**Dr. Frederic P. Heiman**
*Executive Vice President - Chief Technology Officer*

**Thomas G. Amato**
*Senior Vice President - Chief Financial Officer*

**Richard Bravman**
*Senior Vice President - Marketing*

**Brian T. Burke**
*Vice President - Chief Accounting Officer*

**Allen C. Creveling**
*Senior Vice President - Human Resources*

**Leonard H. Goldner**
*Senior Vice President - General Counsel*

**Jack Lieberman**
*Senior Vice President - Products Group*

**Anthony J. Patrone**
*Executive Vice President - Operations*

**Tomo Razmilovic**
*Senior Vice President - Worldwide Sales and Services*

## Directors

**Dr. Jerome Swartz**
*Chairman of the Board and Chief Executive Officer*

**Dr. George Bugliarello**
*President Polytechnic University*

**Lowell C. Freiberg**
*Senior Vice President and Chief Financial Officer Reliance Group Holdings, Inc.*

**Dr. Frederic P. Heiman**
*Executive Vice President - Chief Technology Officer*

**Harvey P. Mallement**
*Managing General Partner Harvest Ventures, Inc.*

**Raymond R. Martino**
*President and Chief Operating Officer*

**Saul P. Steinberg**
*Chairman and Chief Executive Officer Reliance Group Holdings, Inc.*

## Shareholder Information

Requests for interim and annual reports, Form 10K, or more information about the company should be directed to:
Investor Relations Dept.
Symbol Technologies, Inc.
116 Wilbur Place
Bohemia, NY 11716

## Transfer Agent/Registrar

Continental Stock
Transfer & Trust Co.
2 Broadway
New York, NY 10004

## Stock

New York Stock Exchange
Stock Symbol:SBL
The common stock is also traded on the Boston, Philadelphia, Midwest and Pacific stock exchanges.

## Independent Auditors

Deloitte & Touche

Symbol Technologies is an Equal Opportunity and Affirmative Action Employer

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symbol®

**Symbol Technologies, Inc.**
116 Wilbur Place
Bohemia, New York 11716
516 563 2400

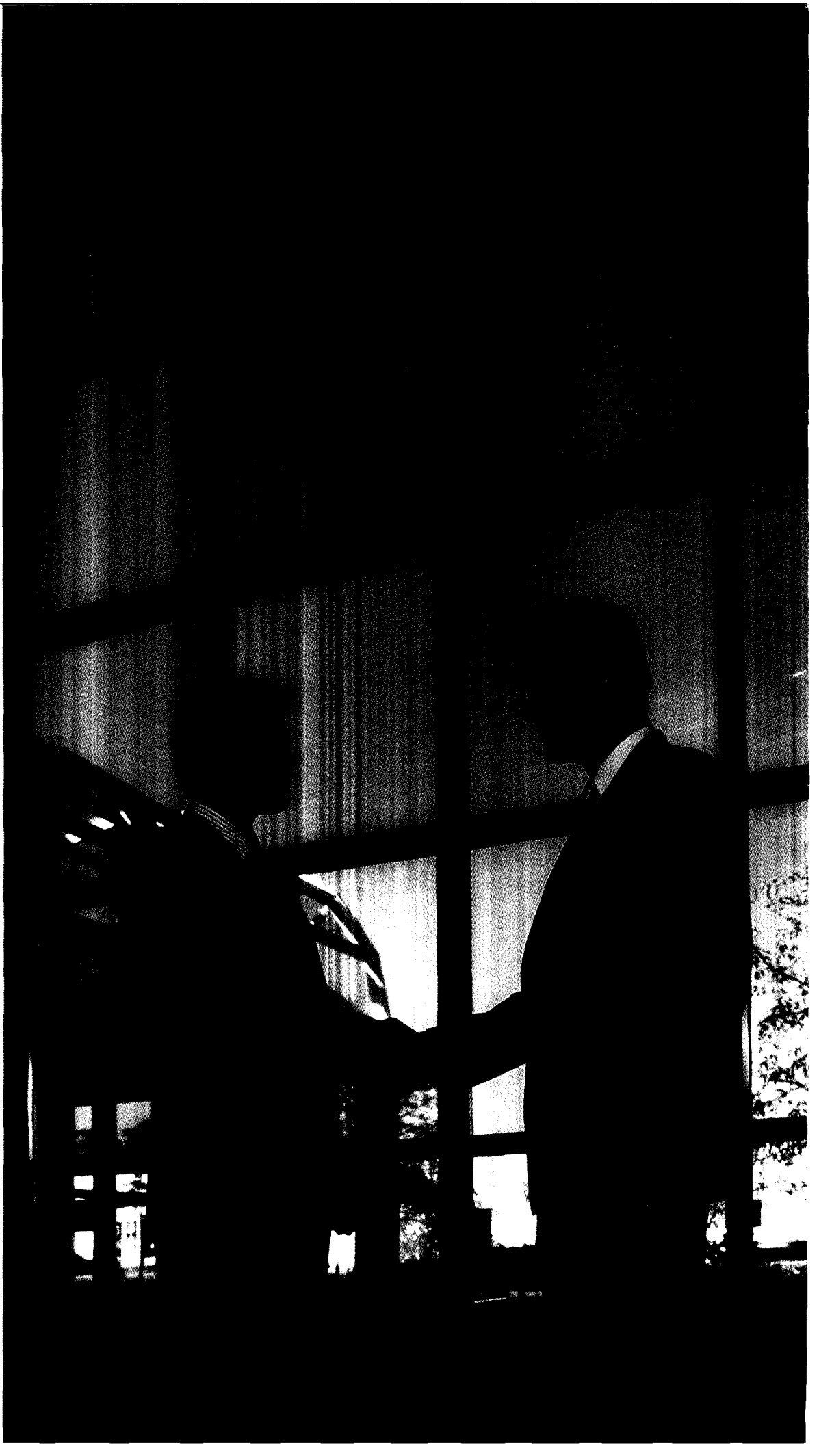
symbol

THE BAR

IN THE COMPUTER AGE, COMPANIES DEPEND ON INFORMATION. OUR BUSINESS IS ENABLING CUSTOMERS TO OPTIMIZE THEIR ACCESS TO, AND UTILIZATION OF, THAT INFORMATION THROUGH THE USE OF AUTOMATIC BAR CODE DATA CAPTURE TECHNOLOGY.

WE'RE SYMBOL TECHNOLOGIES, AND WE BELIEVE THAT BAR CODE DATA CAPTURE IS A STRATEGIC TECHNOLOGY THAT OFFERS COMPANIES, LARGE AND SMALL, A COMPETITIVE ADVANTAGE: IMPROVED OPERATING EFFICIENCY AND PRODUCTIVITY FOR GREATER PROFITABILITY.

SYMBOL IS THE WORLD LEADER IN BAR CODE DATA CAPTURE WITH A RECORD OF INNOVATIVE PRODUCTS AND DYNAMIC GROWTH. OUR PRODUCTS ARE BASED ON EXPERTISE IN THREE CORE TECHNOLOGIES: BAR CODE LASER SCANNING, PORTABLE COMPUTING, AND RF DATA COMMUNICATIONS. AS THE ONLY COMPANY TO DEVELOP, MANUFACTURE, AND SUPPORT THOSE KEY PRODUCT BUILDING BLOCKS, WE HAVE BEEN ABLE TO CREATE A STRONG TECHNOLOGY PARTNERSHIP WITH OUR CUSTOMERS IN THE DEVELOPMENT AND APPLICATION OF BAR CODE DATA CAPTURE SOLUTIONS.



*Symbol Corporate Headquarters, Bohemia, New York*

# *Symbol...Technology Partnership in the '90s*

*Symbol Associate checks bar code specifications*

Viewing our relationship with our customers as a technology partnership, we have developed a consistent, focused approach to helping them solve their critical business issues.

We begin by gaining an understanding of their business in the context of its fundamental requirement for timely and accurate information. We then work with them to design a system to gather and manage the information critical to the profitability of their business.

From reading item numbers to recording inventories to reconciling baggage to tracking shipments to verifying medication...Symbol products play a vital role in managing businesses on a day-to-day basis.

Our client list is expanding all the time, with many of the world's most respected corporate names working with us to develop solutions they can count on.

## A COMMITMENT TO CUSTOMER SATISFACTION AND SUPPORT

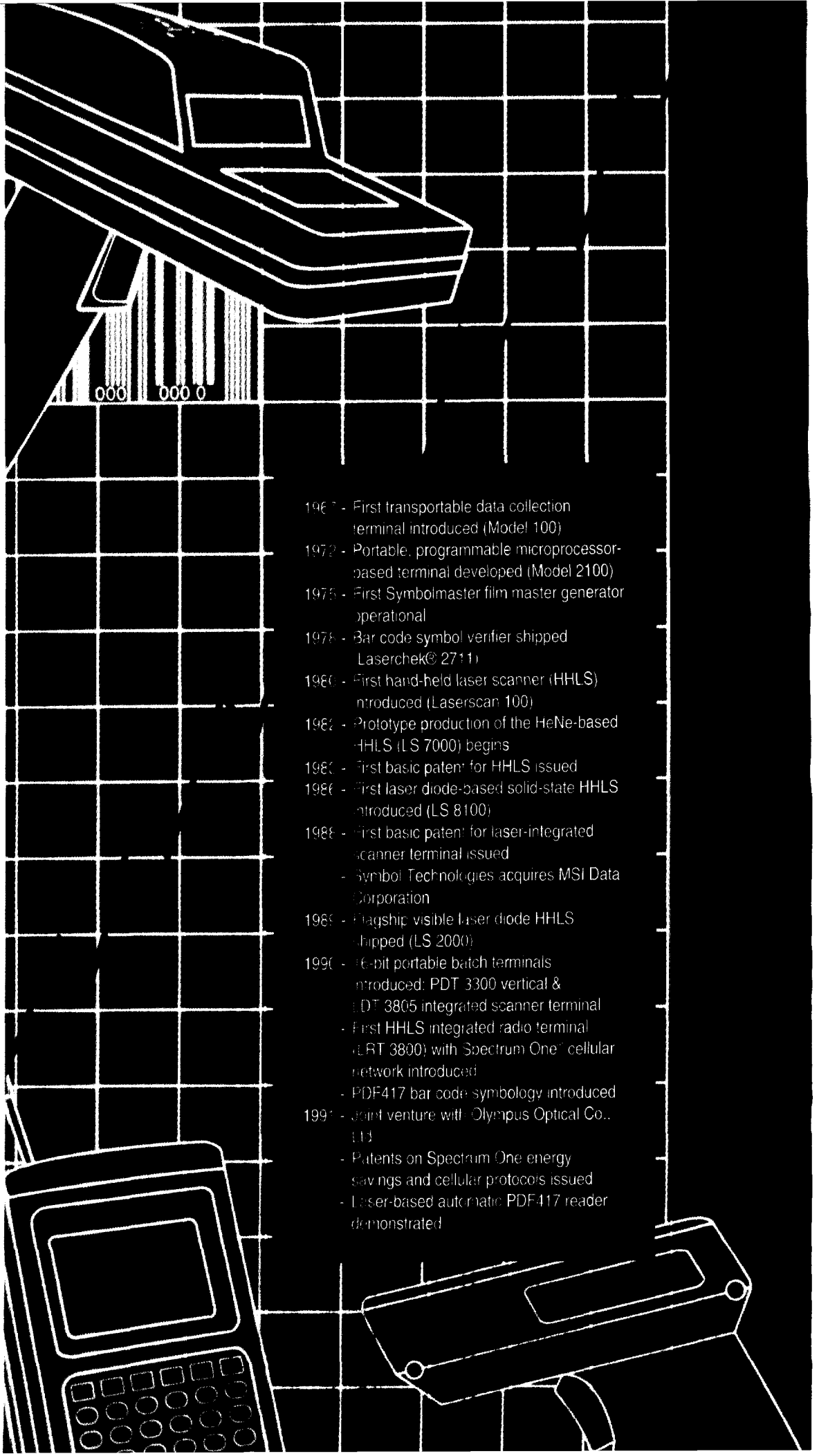
We are dedicated to a business philosophy of delivering superior value, quality, and service in response to the needs of our customers. We maintain state-of-the-art facilities to develop and manufacture products, not just to meet your requirements but to exceed your expectations. And we strive to ensure the successful implementation of your bar code data capture system through comprehensive consulting, service, training, software, and bar code implementation programs.

FOUNDED IN 1973, SYMBOL TECHNOLOGIES HAS EVOLVED THROUGH A SERIES OF INNOVATIONS. IN 1988, WE MERGED WITH MSI, A LEADING EDGE COMPANY IN THE FIELD OF PORTABLE HAND-HELD COMPUTERS. AS THE LEADER IN OUR INDUSTRY, WE CONTINUE TO EVOLVE, OFFERING YOUR BUSINESS NEW WAYS TO COMPETE IN TODAY'S ECONOMY. HIGHLIGHTS OF OUR CORPORATE HISTORY INCLUDE MILESTONES IN THE HISTORY OF AUTOMATIC BAR CODE DATA CAPTURE:

THE FIRST PORTABLE DATA TERMINAL, WHICH EXTENDED THE BENEFITS OF COMPUTERIZATION BEYOND THE DESK.

THE FIRST HAND-HELD LASER SCANNER, WHICH ENABLED BUSINESSES TO EXPAND THE POSSIBLE USES FOR BAR CODE DATA CAPTURE.

A SPREAD SPECTRUM RF SYSTEM FOR DATA COLLECTION WHICH PROVIDES A REAL-TIME DATA LINK BETWEEN A HOST COMPUTER AND REMOTE LOCATIONS, SUCH AS HAND-HELD DEVICES OR WIRELESS POINT-OF-SALE CASH REGISTERS.




*Symbol Timeline*

# *A Partnership for Success*

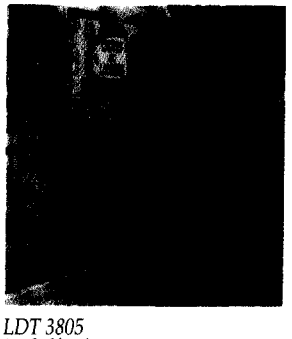
**SYMBOL AND YOU... CHANGING THE WAY BUSINESS WORKS**

Symbol's technology partnership with its customers; the strategic nature of the information provided through Symbol's bar code data capture products; the many business applications for which Symbol and its customers have found innovative solutions... when you add them up, all these factors have had the effect of producing fundamental changes in the way business works.

In areas as diverse as Retail, Manufacturing, Transportation, Utilities, and Government, Symbol has worked in partnership with its customers to help managers make strategic changes in their operations and thereby improve customer satisfaction, raise productivity, and increase profits.

Benefiting from the experience of having installed over one million scanners and terminals around the world, we have over the years continually listened to our customers to develop new products to help them excel in their competitive industries.

And through an extensive research and development program, we are pursuing new ways to leverage the technological trends in our industry – such as enhanced machine vision, miniaturization, and advanced levels of integration – to continue to improve our products, further expand the potential of bar code data capture, and help you make the changes needed to meet your rapidly evolving demands for information management in the future.



*LDT 3805 in shelf-price audit*

ON A DAY-TO-DAY BASIS, FEW BUSINESSES ARE MORE DYNAMIC THAN THAT OF THE RETAILER. SUCCESSFUL MANAGERS REALIZE THAT RAPID DATA CAPTURE, PROCESSING AND TRANSMISSION ARE CRUCIAL TO PROFITABILITY AND SATISFIED CUSTOMERS. THROUGH THE USE OF AUTOMATIC BAR CODE DATA CAPTURE TECHNOLOGY, WE'RE HELPING TO CHANGE THE WAY THE RETAIL BUSINESS WORKS.

FROM THE WAREHOUSE TO THE SELLING FLOOR TO THE POINT-OF-SALE TO CORPORATE HEADQUARTERS, OUR PRODUCTS HELP YOU STREAMLINE ALL YOUR BUSINESS TRANSACTIONS. THE RETAIL STORE OF THE FUTURE WILL USE OUR BAR CODE DATA CAPTURE TECHNOLOGIES TO IMPLEMENT SUCH INNOVATIONS AS WIRELESS POINT-OF-SALE TERMINALS, ESCORTED SHOPPERS, "PAPERLESS" SHIPPING DOCUMENTS, AND SHOPPER IDENTIFICATION PROGRAMS.

IN PARTNERSHIP WITH YOU, SYMBOL TECHNOLOGIES WILL HELP YOU MEET THE DEMANDS OF DOING BUSINESS IN THE FUTURE.

*SL 9000 in use at retail point of sale*

*LS 2000 and LL 500 at the point of sale*

# General Merchandising

**POINT-OF-SALE** The point-of-sale is the threshold where automatic bar code data capture can improve customer satisfaction, inventory control and employee productivity at once. With fast, accurate scanning, retailers can reduce checkout time dramatically. This capability eliminates the errors associated with manual data entry and requires virtually no employee training. We produce the broadest range of scanning products in the business, to support any POS application from front-end checklanes to department store wrapstands. Automating the entire process, our hand-held scanners, scanlamps, and fixed-mount scanners interface with credit card readers, check readers, scales, and other POS devices.

**MARKDOWNS AND PRICE CHANGES** Labor costs can be reduced substantially by automating the markdown and price change function with one of our systems. Conserving your salesperson's time for more productive activities, one of our hand-held computers can virtually cut the time required in half! First, the salesperson scans each item's bar code, then the hand-held unit accesses the markdown file, searching for price-change items. When the unit locates one of these items, the new price tickets or shelf labels are printed on the spot via a Symbol portable printer.

**INVENTORY CONTROL** Physical inventories consume countless hours when they are performed manually. With our systems, you can automate your inventory control operations to reduce labor expenses dramatically. Our easy-to-use bar code laser scanners and hand-held computers help you conduct counts more frequently to track merchandising trends on an accurate, timely basis.

**ITEM FILE VERIFICATION** Auditing prices on a periodic basis ensures that merchandise is accurately priced and that item descriptions are precise. By matching shelf tags and item tickets against the host database with one of our hand-held computers, you will make certain that profits aren't lost; and your customers will know they'll never be overcharged. As in the markdown/price change process, salespeople scan items to verify database information; when necessary, new labels are printed on the spot with a Symbol portable printer. For retailers with frequent price changes, a radio-based, hand-held computer brings this application on-line in real time, further enhancing employee productivity.

**RECEIVING** This stage of the retail pipeline can often make or break a business. With our automated systems, you can get your merchandise from the back door to the sales floor in much less time. In addition, you'll reduce trucking time and streamline your inventory control program. With our rugged, hand-held scanners and RF or batch portable computing capability, you can speed incoming goods processing. Ultimately, you'll eliminate out-of-stock situations and improve the shelf replenishment process.

**DISTRIBUTION CENTER** The goals of most retailers depend on expediting merchandise through their distribution centers as quickly as possible. The right combination of Symbol hand-held computers and scanners can be integrated into all your sorting, "pick and put away," and shipping operations. With fast, accurate merchandise ID, you'll prevent the loss of sales due to out-of-stocks; and you'll eliminate the costly need for excess inventory at the store level.

*SL 6700 at point of sale*

**QUICK RESPONSE** An automated link between the retail operation and its many suppliers can improve response time to consumer demand, thereby increasing productivity and profitability on a daily basis. With our data networks supported by hand-held scanners, work-in-process, shipping, receiving, packing, and inventory counting can be monitored to keep both the retailer and supplier operating at peak efficiency.

UP-TO-DATE, ACCURATE INFORMATION ABOUT PRICES, STOCK AND BUYING PATTERNS IS KEY TO A SUCCESSFUL RETAIL FOOD BUSINESS. WITH SLIM PROFIT MARGINS, THIS INDUSTRY WAS THE FIRST TO SEEK THE BENEFITS OF AUTOMATIC BAR CODE DATA CAPTURE AT THE POINT-OF-SALE. NOW, MANAGERS ARE USING THIS TECHNOLOGY IN AREAS BEYOND THE CHECKOUT, INCLUDING APPLICATIONS ON THE SELLING FLOOR, IN SHIPPING, RECEIVING, AND DISTRIBUTION, AND FOR IN-STORE MANAGEMENT. SYMBOL PRODUCTS AND SYSTEM SOLUTIONS ENABLE STORE MANAGERS TO REACH NEW LEVELS OF PROFITABILITY IN THIS COMPETITIVE FIELD.

*LS 2000 and PDT 3300 performing shelf price audit*

# *Food Retailing*

**SHELF PRICE AUDIT** Many retail food stores today are working towards the total elimination of product price marking. Dependent on precise pricing, this trend makes shelf price audit systems increasingly important. By capturing data with Symbol's bar code laser scanners and portable hand-held computers – either batch or RF – your store clerks can instantly verify that prices on the shelf match your POS price look-up file and your central database. With Symbol bar code data capture products, you can virtually eliminate pricing errors, thereby improving customer satisfaction and running your business more efficiently.

**DIRECT STORE DELIVERY RECEIVING** The receiving process for Direct Store Delivery (DSD) merchandise affects the entire retail food operation. At this point, financial errors can cripple the store or the DSD vendor. Errors in retail price, vendor invoices, and item quantities are most prevalent. With our hand-held computers (either batch or RF), rugged laser scanners and powerful software packages, you can bring DSD under control.

**ELECTRONIC ORDERING (EOS)** To stay competitive in today's marketplace, electronic ordering is no longer a luxury, it is a business necessity. Our Electronic Ordering Systems (EOS) are ideal for helping you to manage your purchasing. To replenish stock, employees simply collect item code and quantity data with our hand-held systems; order information is transmitted to your host computer or supplier at a later time. EOS reduces out-of-stocks, eliminates paperwork, and cuts down on processing time.

**INVENTORY MANAGEMENT** To control the flow of goods and services in the retail food industry, managers need to continually monitor inventory. With our automatic system solutions, you can realize complete inventory control practically at the touch of a button. By automating your operation, direct store delivery, purchase orders, shelf price audit, POS item file support, and schedules can be tightly controlled. As a result, our Inventory Management Systems lead to better business decisions and increased profits.

*LRT 3800 taking inventory*

*LS 5000 at point of sale*

LOGISTICS HAS BEEN CALLED BY SOME THE MOST IMPORTANT BUSINESS FUNCTION IN THE 90'S. WITH TODAY'S JUST-IN-TIME ORIENTED STRATEGIES, IT'S EASY TO SEE WHY.

SUCCESS HERE DEPENDS UPON INSTANT ACCESS TO INFORMATION REGARDING MERCHANDISE MOVEMENT, AND THE ABILITY TO EFFECT INSTANT CONTROL OVER ONGOING OPERATIONS.

WITH DATA STORED IN PORTABLE COMPUTERS OR AVAILABLE INSTANTLY THROUGH REAL-TIME RF COMMUNICATIONS, OUR SYSTEMS CAN REACH EVERY CORNER OF YOUR WAREHOUSE OPERATION. FROM RECEIVING TO PACKING TO SHIPPING, WE PROVIDE INSTANT IDENTIFICATION, AUTOMATIC TRACKING, AND PICK AND PUT-AWAY CONTROL. THESE ADVANCED TECHNIQUES KEEP YOUR BUSINESS ON TRACK AND MOVING TOWARD GREATER EFFICIENCY.

*LS 8500 LR and RFT 1540 in pick and put-away*