

Research in Motion posts higher 4Q profit, sales

April 3 2009, By ROB GILLIES , Associated Press Writer

(AP) -- Shares of BlackBerry maker Research in Motion Ltd. soared more than 20 percent in after-hours trading Thursday after the company said its profit jumped in its fiscal fourth quarter, surpassing analysts' expectations. Solid demand for smart phones despite the recession helped boost results.

The company said it earned \$518.3 million, or 90 cents per share, for the quarter ended Feb. 28. That was up 26 percent from the year-earlier period.

Analysts polled by Thomson Reuters had expected a profit of 84 cents per share.

The company said its sales jumped 84 percent, to \$3.46 billion from \$1.88 billion. That was slightly higher than the \$3.42 billion analysts were expecting.

"Fantastic numbers across the board. They crushed all expectations out there," Genuity Capital Markets analyst Deepak Chopra said. "The overall wireless market continues to shift to [smart phones](#)."

RIM's shares jumped \$11.09, or 22.6 percent, to \$60.18 in after-hours trading.

Waterloo, Ontario-based RIM said it added roughly 3.9 million new [BlackBerry](#) subscriber accounts during the quarter, bringing the total to

25 million.

About half are now consumers. The company has been targeting the consumer market after enjoying success in the corporate market for years.

"We're still in the rapidly emerging stage of a land grab," co-CEO Jim Balsillie said during a conference call with analysts.

About 70 percent of RIM's new customers are consumers. Apple Inc.'s [iPhone](#) is a major competitor in the burgeoning sector, along with Palm Inc. and Google Inc.'s G1 smart phone.

RIM controlled about 20 percent of the smart-phone market at the end of 2008, up from about 11 percent a year earlier. Balsillie said the company is still in the early stages of its growth. It will release new BlackBerry models in the second half of the year.

"These are lifestyle devices that people use arguably a couple of hundred times a day and soon to be more," Balsillie said.

He predicted BlackBerry addicts will increasingly use their smart phones for social networking, e-commerce and mobile video. On Wednesday, RIM launched an application store that sells music, games and business software directly from its portable devices.

The Canadian company said first-quarter revenue is expected to be in the range of \$3.3 billion to \$3.5 billion, and its gross margin, a concern in the [fourth quarter](#), is expected to be approximately 43 to 44 percent. Both are better than analysts expected.

RIM pushed out three new models late last year, and its margins suffered in part because of higher advertising costs.

RIM expects to add between 3.7 million and 3.9 million new subscribers in the first quarter.

Peter Misek, an analyst with Canaccord Adams, said RIM's results show U.S consumers are still buying smart phones.

"It was an outstanding quarter," Misek. "They might not be buying cars or homes, but these little things make them feel better."

Misek said President Barack Obama's endorsement of the BlackBerry helped.

"One of the factors I don't think people appreciated was the Obama factor. Obama is an avid BlackBerry user and he's probably the biggest celebrity on the planet. You can't get a better endorsement than that," Misek said.

Obama fought to keep his BlackBerry when he became president. His BlackBerry has been a constant companion, and he had noted publicly that he was negotiating to find a way to keep it despite security concerns and records-keeping issues.

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