

Palm appoints ex-Apple whiz as CEO

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(AP) -- Jon Rubinstein, a former executive behind Apple Inc.'s iPod, on Wednesday was named chief executive of smartphone maker Palm Inc., replacing Ed Colligan who is stepping down after 16 years with the company.

The appointment, effective Friday, comes just days after Sunnyvale, Calif.-based Palm launched the \$199 Pre, a well-regarded rival to Apple's blockbuster iPhone device. One of Pre's signature features is that it syncs with the [iTunes](#) music store just like an iPod or iPhone.

Rubinstein, 52, will remain chairman - dropping "executive" from that title - a post he assumed in October 2007 to help bring innovation back to the company. He said in a statement he is excited about his expanded role.

"With Palm webOS we have 10-plus years of innovation ahead of us, and the Palm Pre is already one of the year's hottest new products," he said.

Last month, Rubinstein said at The Wall Street Journal's D: All Things Digital conference in Carlsbad, Calif., that he didn't worry about Pre's iTunes capability annoying his former employer.

"We're trying to make customers happy," he said. "It's a great feature."

Sprint, the exclusive carrier for the Pre, said the phone's weekend launch broke first-day and first-weekend sales records for a Sprint device.

Sprint Nextel Corp. CEO Dan Hesse said last month he expected demand to outstrip supply early on.

The Pre, which looks like an iPhone but sports a slide-out keyboard in addition to a [touch screen](#), is seen as Palm's chance to reverse a long backward slide and take on newer smartphones like the iPhone and BlackBerry.

In its fiscal third quarter, which ended in late February, Palm reported a wider loss as sales of its phones fell 42 percent year-over-year to 482,000.

Palm said Colligan, who had also served as president, plans to take some time off before joining Menlo Park, Calif.-based private equity firm Elevation Partners.

Rubinstein began at Apple in 1997 as senior vice president for hardware engineering. He helped lead the rollout of the iMac and later headed up the iPod division.

On Monday, Apple halved the price of its 8-gigabyte [iPhone](#) 3G, which came out last year, to \$99.

[Palm](#) shares rose 44 cents, or 3.7 percent, to \$12.43 in after-hours trading Wednesday, after closing down 71 cents, or 5.6 percent, at \$11.99. Apple shares fell \$2.47 to close the regular session at \$140.25.

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