

RIM down over 21 percent on Wall Street

June 17 2011

Shares in Research in Motion plunged on Wall Street Friday after the BlackBerry maker lowered its outlook for the year and said it would be cutting jobs.

Shares in the Waterloo, Ontario-based RIM sank 21.45 percent, or \$7.58, to close at \$27.75. RIM shares have lost around 50 percent of their value since the beginning of the year.

Friday's drop came a day after RIM said it expected earnings per share for fiscal 2012 to be between \$5.25 and \$6.00, sharply less than the \$7.50 forecast previously.

RIM, which is facing increased competition from Apple's iPhone and mobile phones running Google's Android software, also announced Thursday it would be cutting jobs this quarter as part of a plan to "streamline operations."

It did not say how many jobs would be eliminated.

The Canadian handset maker posted a net profit of \$695 million, or \$1.33 per share, in the first quarter of its 2012 fiscal year, compared with \$769 million, or \$1.38 per share, a year ago.

Revenue grew 16 percent to \$4.9 billion, short of the \$5.1 billion expected by Wall Street analysts.

RIM said it shipped 13.2 million BlackBerry smartphones during the

quarter, down from 14.9 million last quarter, and 500,000 of its new BlackBerry Playbook tablet computers, RIM's answer to Apple's iPad.

"Fiscal 2012 has gotten off to a challenging start," RIM co-chief executive Jim Balsillie said in a statement.

"The slowdown we saw in the first quarter is continuing into the second quarter, and delays in new product introductions into the very late part of August is leading to a lower than expected outlook in the second quarter."

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