

RIM shares fall on disappointing results

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Shares in Research In Motion (RIM) fell sharply in after-hours trading on Thursday after the BlackBerry maker said it shipped fewer smartphones and tablet computers than expected in the quarter.

The Waterloo, Ontario-based RIM said net profit fell to \$329 million, or 63 cents per share, in its fiscal second quarter from \$797 million, or \$1.46 per share, in the same quarter a year ago.

Revenue declined to \$4.2 billion in the quarter which ended on August 27 from \$4.6 billion a year ago.

RIM, which is facing stiff competition from Apple's iPhone and handsets running Google's Android software, said it shipped 10.6 million

BlackBerry smartphones during the quarter and 200,000 PlayBooks, RIM's rival to the iPad.

Analysts had expected BlackBerry shipments of 11.9 million units and 700,000 PlayBooks.

RIM shipped 13.2 million BlackBerrys the previous quarter and 500,000 PlayBooks.

"Overall unit shipments in the quarter were slightly below our forecast due to lower than expected demand for older models," Jim Balsillie, RIM's co-chief executive, said in a statement.

RIM introduced its new BlackBerry 7 smartphones late in the quarter and Balsillie said they had met with an "excellent reception."

"We are seeing strong sell-through and customer interest for these new products," he said.

RIM said it expected BlackBerry shipments to grow between 27 percent and 33 percent in the third fiscal quarter over the second quarter to between 13.5 million units and 14.5 million units.

RIM did not provide a forecast for PlayBook shipments.

The company said it expected revenue of between \$5.3 billion and \$5.6 billion for the current quarter.

"We understand that the past few quarters have been challenging and we are confident that we are on track to return to growth in the third quarter and beyond," said RIM co-chief executive Mike Lazaridis.

"We believe we are well positioned to take advantage of the upcoming

holiday season," Balsillie added.

RIM said it had cash and investments worth \$1.4 billion at the end of the quarter, down from \$2.9 billion at the end of the previous quarter, mainly due to the \$780 million it spent to acquire Nortel's patent portfolio as part of a consortium of companies.

RIM shares were down 18.35 percent to \$24.12 in after-hours trading.

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