

Earnings Preview: Struggling RIM reports for 1Q

June 26 2012, by ROB GILLIES

(AP) — Research In Motion Ltd. will release first-quarter results after markets close on Thursday as the BlackBerry maker faces the most difficult period in its history.

RIM will offer an update on its restructuring plan, which includes significant employee layoffs. The Canadian company is trying to save about \$1 billion this year.

Jefferies analyst Peter Misek expects RIM to cut about 6,000 of its roughly 19,500 employees this year.

The [BlackBerry](#) maker is also preparing to launch a new operating system — BlackBerry 10— later this year, just as North Americans are abandoning the company's gadgets for iPhones and Android phones. Many analysts say the new BlackBerrys will come out too late to reverse RIM's fortunes.

Colin Gillis, an analyst with BGC Financial, doesn't expect RIM to announce when the new BlackBerry 10 phones will be out or to announce any news like possibly splitting up the struggling handset manufacturing division from its messaging network.

Even if RIM does set a release date, there are worries about the new devices. The first version of the new phone to go on sale won't have a physical keyboard, which could hurt its appeal with BlackBerry diehards. That would not bode well for the company's turnaround, which CEO

Thorsten Heins has said hinges on the BlackBerry 10.

Boosted by overseas growth, RIM had 78 million worldwide subscribers as recently as last month, but Misek expects the company to start losing subscribers — two to three million a quarter. He'll be watching Thursday's comments to see how many subscribers RIM has kept.

RIM, which fathered the ground-breaking BlackBerry in 1999, has hired a team of bankers to help it weigh its options as it loses market share and its business erodes.

Those options include partnering with other companies, licensing software and overhauling its business. Heins remains defiant about not selling the company and has said he can turn things around with the help of fresh smartphone software. He told The Associated Press last month that his charter from the board is very clear: Long-term value creation with [RIM](#).

The company expects to post a loss for the quarter ending June 2. They did not give guidance.

Analysts polled by FactSet on average expect a loss of three cents per share on revenue of \$3.08 billion.

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