

# Apple-IBM deal weighs on BlackBerry shares

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(AP)—BlackBerry shares dropped Wednesday after details emerged of a partnership between two of the world's biggest technology companies—Apple and IBM—aimed at business customers.

IBM Corp. will be creating more business-themed applications for iPhones and iPads. IBM and Apple Inc. said late Tuesday that the apps are expected to be released this fall. The more than 100 IBM apps will cater to specific industries, like retail and health care.

The partnership comes as BlackBerry is trying to reaffirm its position catering to businesses and government agencies that require secure mobile communications. As more of BlackBerry's competitors turn their attention to the highly lucrative, and generally loyal, enterprise market, the Canadian company could begin to feel extra pressure.

William Blair analyst Anil Doradla said he believes the Apple and IBM partnership will be a "long-term negative" for BlackBerry.

"In the likely scenario of Apple/IBM doing well in servicing the needs of enterprise customers, we see little reason for enterprises to choose BlackBerry's platform over Apple's," he wrote in a note.

Blackberry took an optimistic tone, however, saying in an email that it "only underscores the ongoing need for secure end-to-end enterprise mobility solutions like those BlackBerry has delivered for years."

BlackBerry Ltd., formerly known as Research In Motion, was once

Canada's most valuable company, with a market value of \$83 billion in June 2008. But the stock plummeted as BlackBerry was hammered by competition from the iPhone and Android-based phones.

BlackBerry has dedicated more resources to building its relationship with business customers under the leadership of chief executive John Chen, who joined the company last November. He was hired to reshape BlackBerry, cut costs and find a better footing in the competitive tech sector. Before he took the job, he helped turn software company Sybase into a profitable operation focused on mobile business technology.

His strategy has set aside the consumer market as a priority, after the BlackBerry 10 line of phones failed to become a sales hit.

BlackBerry's shares fell \$1.30, or 11.5 percent to \$10 on the Nasdaq in afternoon trading Wednesday.

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