

## Surprise! RIM Posts Smaller Loss Than Expected

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[1]Research in Motion's struggle to remain relevant in the smartphone market it helped birth remains an iffy proposition. But signs are emerging that suggest the company may actually pull it off. To wit, RIM's second-quarter earnings, which were not nearly as gruesome [as expected](#) [2].

Posting financials after the closing bell Thursday, RIM reported a second-quarter loss of 45 cents per share on revenues of \$2.87 billion, and the stock is spiking in after-hours trading.

Analysts had expected RIM to post a net loss of 47 cents a share on revenue of \$2.49 billion for the period, so while the numbers aren't exactly pleasant, they are a beat.

One bit of concerning news: RIM says it shipped only 7.4 million smartphones during the quarter. That's fewer than expected and another consecutive decline. Last quarter, RIM shipped just 7.8 million smartphones, 30 percent fewer than it did in the quarter prior and 40 percent fewer than it did a year ago. Meanwhile, the company shipped just 130,000 PlayBook tablets.

On the flip side, the company reported that its cash balance actually rose by \$100 million to \$2.3 billion. That should go a long way toward reassuring investors concerned about its burn rate.

In prepared remarks, CEO Thorsten Heins was optimistic about RIM's future prospects.

"Despite the significant changes we are implementing across the organization, our second quarter results demonstrate that RIM is progressing on its financial and operational commitments during this major transition," he said. "... Make no mistake about it, we understand that we have much more work to do, but we are

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making the organizational changes to drive improvements across the company, our employees are committed and motivated, and BlackBerry 10 is on track to launch in the first calendar quarter of 2013.”

Encouraging news for RIM, which is fighting a brutal uphill battle with a dull, dusty smartphone portfolio. Now if it can just stay the course until it finally ships its new BlackBerry 10 platform which, according to Heins, is still on track for shipment in the first quarter of 2013.

“While RIM prepares to launch their BB10 platform and devices, the market is racing ahead and will be even more challenging for them when they finally arrive,” Forrester analyst Charles Golvin told **AllThingsD**. “It’s very difficult to envision BlackBerry regaining market share in what has become a loyalty battle that spans many device form factors, content and media, applications, and cloud services.”

Join us for live coverage of RIM’s earnings call [here](#) [3].

[Read More](#) [4]

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### Links:

[1] [http://allthingsd.com/files/2011/11/RIM\\_I\\_Want\\_To\\_Believe.png](http://allthingsd.com/files/2011/11/RIM_I_Want_To_Believe.png)

[2] <http://allthingsd.com/20120927/rim-earnings-expect-the-worst-hope-for-the-not-so-bad/>

[3] <http://allthingsd.com/20120927/coming-up-live-rim-talks-up-coming-blackberry-10-devices-to-wall-street/>

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