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Instant View: RIM disappoints, Oracle beats Street view

Thu, Jun 24 2010

LOS ANGELES/NEW YORK June 24 (Reuters) - Research in Motion said quarterly profit rose almost 20 percent, but the BlackBerry maker's shares fell 3.7 percent in trade after the bell as shipments and subscriber growth fell short of expectations.

Oracle beat quarterly earnings expectations on Thursday as businesses loosened purse strings to invest in big-ticket computer systems, helping stock in the world's No. 3 software maker climb 2 percent.

COMMENTARY

RESEARCH IN MOTION

MIKE BURTON, ANALYST, FBN SECURITIES

"Obviously, the top line was a little bit lighter than where the Street was. Earnings actually beat the consensus off of higher margins generally speaking, which is likely due to some of the strength that they've been seeing out of their international sales.

"For the guidance -- in-line revenues. EPS higher -- some of that EPS also is going to be helped by the buyback that they've been doing. We'll find out more about that on the call.

"Primarily, what people are focusing on right now is the momentum on the top line is not quite what people would be hoping for.

"I don't think people are very comfortable with watching ASPs compress. And that generally has meant in the past, for a lot of companies, that your margins will compress."

TODD COUPLAND, ANALYST, CIBC WORLD MARKETS

"RIM's doing a good job in profitability. They're just not showing as much unit growth as people would have liked.

"They're still showing 43 percent year-on-year growth. They're still growing but there's concern Android and Apple are nipping at their heels. That's why the stock is off.

"Their devices are very competitively priced. The issue is more, does RIM's device functionality compete with the Android and Apple devices out there."

NICK AGOSTINO, MACKIE RESEARCH ANALYST

"The key takeaway at the end of the day is that they look much like they did in Q4 -- looks like they were strong again in the international markets, primarily with their low-end devices. And it looks like that's going to be pretty much the driving force behind Q2.

"Overall, when I look at the Q2 numbers, they are pretty much in line with what consensus was expecting. Where they are probably higher is on their EPS -- looks like they're guiding to \$1.33 to \$1.40."

ED SNYDER, ANALYST, CHARTER EQUITY RESEARCH:

"It's a mixed report. It's a little light on revenue and light on units for this quarter. The forecast is a little bit better than expected.

"It's not the strong report everybody had been hoping for. The market is in a bad mood so it's a tough time to be giving a mixed bag.

"What we want to see is more phones at a better margin."

ORACLE:

KIM CAUGHEY, ANALYST, FORT PITT CAPITAL GROUP

"Things were relatively strong. It is their fourth quarter so the sales people have the incentive to outperform, let's just say. The margin looked good and the topline looks pretty strong."

MARK MURPHY, ANALYST, PIPER JAFFRAY

"Investors had expected their revenue to come in light because there was a bad currency development in the quarter, and that proved incorrect. If it shows anything, it's that Oracle executed ahead of its plan."

(Reporting by [Alex Dobuzinskis](#) and Dana Ford in Los Angeles, and [Sinead Carew](#) in New York)

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