

RIM shares slip as new OS is previewed

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SAN FRANCISCO (MarketWatch) — Research In Motion Ltd. remains “laser focused” on getting its new mobile operating system ready for launch later this year, the company’s new CEO told a crowd of BlackBerry enthusiasts Tuesday.



Reuters

Research in Motion CEO Thorsten Heins shows a prototype smartphone running on BlackBerry 10 at the company's BlackBerry World trade show Tuesday.

No further details were given on the planned commercial launch of the new BlackBerry 10 platform or the devices that will run on it.

In a keynote address at BlackBerry World in Orlando, Florida, RIM Chief Executive Thorsten Heins stuck to the company’s previously stated goal of having new devices on the market “later this year” — a time frame that analysts worry will pit the company’s offerings directly against the next iPhone, as well as other competing smartphone products.

Shares of RIM [RIMM](#) (RIM) were down nearly 5% Tuesday at \$13.60 by early Tuesday afternoon.

The opening of the conference also coincided with a report from IDC that showed RIM’s share of the global smartphone market fell to about 6.7% in the first quarter of this year, compared to 13.6% for the same period last year. Apple and Samsung together accounted for about 53% of the total market, in terms of units shipped.

Another report, from comScore, found that RIM’s share of U.S. smartphone subscribers fell to 12.3% in the first quarter from 16% in the December period.

“Pretty much as expected,” said Ed Snyder of Charter Equities of RIM’s keynote. Snyder, who has a bearish underperform rating on the stock, said the company’s brief demo of some of the new features of the operating system was “not much to go on, but what they did show looked better than past efforts.”

In his keynote, Heins maintained that RIM envisions the new operating system as something beyond just a platform for smartphones and tablets, describing the software as “a new mobile computing engine.” The software is based in part on the QNX operating system that RIM acquired a few years ago and was used in a variety of applications, including automobiles.

“We are taking our time to make sure we get this right,” Heins said. Later in his address, he added: “I’m very confident that we will be there later this year with a great, final product.”

Heins also showed off a prototype handset running on the BB10 platform, which the company will distribute to developers at the show in order to spur the creation of new apps for the operating system.

“I promise you that the whole company is laser-focused on delivering on time and exceeding your expectations,” Heins said.

Groupon reshuffles board

(3:23)

Groupon named as new directors American Express's finance chief and Deloitte's vice chairman to aid the newly public coupon website. But Starbucks CEO Howard Shultz left the board. George Stahl has details on Markets Hub. Photo: AP.

The BB10 platform is a high-stakes bet for RIM, a pioneer in the smartphone market that has ceded much of its share over the past three years to competitors such as Apple [AAPL](#), [-0.64%](#) and Samsung.

The company maintains a user base of more than 75 million globally and is hoping that a significantly updated operating system along with compelling new devices can help it win back momentum. But it fights an uphill battle against both tough competitors and skeptical investors — who have pushed down the company's market value by more than 70% over the past 12 months.

“We foresee BB10 devices launching this fall and, until then, expect fundamentals to remain challenging,” wrote Amitabh Passi of UBS in a note Tuesday morning, prior to the keynote.

Heins took over as CEO just three months ago, after the company's founders, Jim Balsillie and Mike Lazaridis, gave up their spots as co-CEOs under pressure from investors. He has largely maintained the company's previous track of developing BB10 for the next generation of smartphones and tablets, though he has also broadcast a willingness to explore other options for the business.

Snyder of Charter Equity said the “squishy release schedule” that RIM is sticking to points to a late 2012 release for BlackBerry 10 handsets, which would be problematic for the company.

“Android and Apple are not golfing, they're gearing up for another round of new products that could make BB10 look old long before the fourth quarter,” he said. “I wouldn't buy the stock on what I saw today.”

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