UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

or

þ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended February 27, 2010 **Commission File Number 0-29898**

Research In Motion Limited

(Exact name of Registrant as specified in its charter)

Ontario	**3661**	**Not Applicable**
(Province or other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No..)*

295 Phillip Street
Waterloo, Ontario
Canada, N2L 3W8
(519) 888-7465
(Address and telephone number of Registrant's principal executive offices)

Research In Motion Corporation
122 West John Carpenter Parkway, Suite 430
Irving, Texas 75039
(972) 650-6126
(Name, address and telephone number of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:
Common Shares, without par value

Securities registered or to be registered pursuant to Section 12(g) of the Act:
None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None

For annual reports, indicate by check mark the information filed with this Form:

þ Annual information form þ Audited annual financial statements

Indicate the number of outstanding shares of each of the Registrant's classes of capital or common stock as of the close of the period covered by this annual report.

The Registrant had 557,328,394 Common Shares outstanding as at February 27, 2010.

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the file number assigned to the Registrant in connection with such Rule.

Yes___ 82-___ No þ

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes þ No o

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes o No o

A. Disclosure Controls and Procedures

Disclosure controls and procedures are defined by the Securities and Exchange Commission (the "Commission") as those controls and other procedures that are designed to ensure that information required to be disclosed by the Registrant in reports filed or submitted by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms.

The Registrant's co-Chief Executive Officers and Chief Financial Officer have evaluated the Registrant's disclosure controls and procedures as of the end of the period covered by this Annual Report and have determined that such disclosure controls and procedures were effective. A discussion of the Registrant's disclosure controls and procedures can be found in its Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 27, 2010, included in Exhibit No. 1.3 to this Annual Report, under the heading "Disclosure Controls and Procedures and Internal Controls — Disclosure Controls and Procedures".

B. Management's Annual Report on Internal Control Over Financial Reporting

See Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 27, 2010, included in Exhibit No. 1.3 to this Annual Report, under the heading "Disclosure Controls and Procedures and Internal Controls — Management's Report on Internal Control Over Financial Reporting".

C. Attestation Report of the Registered Public Accounting Firm

The attestation report of Ernst & Young LLP ("EY") is included in EY's report, dated April 1, 2010, to the shareholders of the Registrant, which accompanies the Registrant's audited consolidated financial statements for the fiscal year ended February 27, 2010, filed as Exhibit 1.2 to this Annual Report.

D. Changes in Internal Control Over Financial Reporting

See Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 27, 2010, included in Exhibit No. 1.3 to this Annual Report, under the heading "Disclosure Controls and Procedures and Internal Controls — Changes in Internal Control Over Financial Reporting".

E. Notice of Pension Fund Blackout Period

The Registrant was not required by Rule 104 of Regulation BTR to send any notice to any of its directors or executive officers during the fiscal year ended February 27, 2010.

F. Audit Committee Financial Expert

The Registrant's Board of Directors has determined that each of Barbara Stymiest, David Kerr and John Richardson, individuals serving on the Audit and Risk Management Committee of the Registrant's Board of Directors, is an audit committee financial expert, within the meaning of General Instruction B(8)(a) of Form 40-F.

The Commission has indicated that the designation of a person as an audit committee financial expert does not make such person an "expert" for any purpose, impose any duties, obligations or liability on such person that are greater than those imposed on members of the Audit and Risk Management Committee and the Board of Directors who do not carry this designation or affect the duties, obligations or liability of any other member of the Audit and Risk Management Committee or Board of Directors.

G. Code of Ethics

The Registrant's Board of Directors has adopted a code of ethics (the "Code") that applies to all directors, officers and employees. A copy of the Code may be obtained at www.rim.com. The Registrant will provide a copy of the Code without charge to any person that requests a copy by contacting the Corporate Secretary at the address that appears on the cover of this Annual Report on Form 40-F.

H. Principal Accountant Fees and Services

Audit Fees

The aggregate fees billed by EY, the Company's independent auditor, for the fiscal years ended February 27, 2010 and February 28, 2009, respectively, for professional services rendered by EY for the audit of the Company's annual financial statements or services that are normally provided by EY in connection with statutory and regulatory filings or engagements for such fiscal years were $2,117,000 and $1,955,000, respectively.

Audit-Related Fees

The aggregate fees billed by EY for the fiscal years ended February 27, 2010 and February 28, 2009, respectively, for assurance and related services rendered by EY that are reasonably related to the performance of the audit review of the Company's financial statements and are not reported above as audit fees were $86,000 and $108,000. Professional services provided in the fiscal year ended February 28, 2009 included procedures in support of stock option investigations.

Tax Fees

The aggregate fees billed by EY for the fiscal years ended February 27, 2010 and February 28, 2009, respectively, for professional services rendered by EY for tax compliance, tax advice, tax planning and other services were $8,000 and $4,000 respectively. Tax services provided included international tax compliance engagements.

All Other Fees

There were no fees billed by EY for the fiscal years ended February 27, 2010 and February 28, 2009, except as described above.

Audit Committee Pre-Approval Policies and Procedures

Since the enactment of the Sarbanes-Oxley Act of 2002 on July 30, 2002, all audit and non-audit services performed by the Registrant's outside auditors are pre-approved by the Audit and Risk Management Committee of the Registrant.

I. Off-Balance Sheet Arrangements

The Registrant is not a party to any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

J. Tabular Disclosure of Contractual Obligations

Tabular disclosure of the Registrant's contractual obligations can be found in its Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 27, 2010, included in Exhibit No. 1.3 to this Annual Report, under the heading "Financial Condition — Aggregate Contractual Obligations".

K. Identification of Audit Committee

The Registrant has an Audit and Risk Management Committee comprised of four individuals: Barbara Stymiest (Chair), David Kerr, John E. Richardson and Antonio Viana-Baptista. Each of the members of the Audit and Risk Management Committee is independent as that term is defined by the rules and regulations of the Nasdaq Stock Market, Inc. ("Nasdaq").

L. Critical Accounting Policies

A discussion of the Registrant's critical accounting policies can be found in its Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 27, 2010, included in Exhibit No. 1.3 to this Annual Report, under the heading "Critical Accounting Policies and Estimates".

M. Nasdaq Exemptions

On November 5, 2002, the Registrant requested an exemption from Nasdaq's quorum requirements (which provide that a quorum for a shareholder meeting of a Nasdaq-listed company must be at least 33-1/3% of the outstanding common shares of the company) on the basis that such requirements were contrary to generally accepted business practices in Canada. The Registrant's by-laws provide that the quorum requirements for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled, holding or representing not less than 20% of the issued shares of the Registrant, of the class or classes respectively (if there is more than one class of shares outstanding at the time), enjoying voting rights at such meeting. The Registrant's quorum requirements comply with the requirements of the *Business Corporations Act* (Ontario) and are consistent with the quorum requirements of other Canadian public companies. On November 25, 2002, based on the Registrant's representations, Nasdaq granted the requested exemption.

N. Interactive Data File

The Registrant, within 30 days, will submit to the Commission in Exhibit 101 of an amendment to this Form 40-F, and concurrently post on its corporate Web site, an Interactive Data File.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to the securities in relation to which the obligation to file an annual report on Form 40-F arises or transactions in said securities.

B. Consent to Service of Process

The Registrant has previously filed with the Commission a Form F-X in connection with its Common Shares.

SIGNATURE

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

RESEARCH IN MOTION LIMITED

Date: April 1, 2010

By: /s/ Brian Bidulka
Name: Brian Bidulka
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Document
1.1	Annual Information Form for the fiscal year ended February 27, 2010, dated April 1, 2010.
1.2	Audited Consolidated Financial Statements for the fiscal year ended February 27, 2010, prepared in accordance with U.S. generally accepted accounting principles.
1.3	Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 27, 2010.
23.1	Consent of Ernst & Young LLP.
31.1	Certification of the co-Chief Executive Officers and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the co-Chief Executive Officers and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive Data File*.

* To be filed by amendment.

Exhibit 1.1

Annual Information Form for the fiscal year ended February 27, 2010

RESEARCH IN MOTION LIMITED
295 Phillip Street
Waterloo, Ontario
Canada
N2L 3W8

Annual Information Form
For the fiscal year ended
February 27, 2010

DATE: April 1, 2010

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ANNUAL INFORMATION FORM

CERTAIN INTERPRETATION MATTERS

Unless the context otherwise requires, all references to the "Company" or "RIM" include Research In Motion Limited and its subsidiaries. Certain industry terms have the meanings specified in the Glossary. All dollar references, unless otherwise noted, are in United States dollars.

BlackBerry®, RIM®, Research In Motion®, SureType® and related trademarks, names and logos are the property of Research In Motion Limited and are registered and/or used in the U.S. and countries around the world. All other trademarks are the property of their respective owners.

Special Note Regarding Forward-Looking Statements

This Annual Information Form ("AIF") contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws, including statements relating to:

- business trends;
- the Company's expectations with respect to the demand for wireless devices and services;
- the Company's expectations with respect to factors influencing the commercial success in the wireless solutions and services market;
- the Company's intentions with respect to its business strategy;
- competition and changes in the competitive landscape;
- the Company's management and protection of intellectual property and other proprietary rights;
- the Company's expectations regarding foreign sales;
- potential legal proceedings and the Company's liability under current legal proceedings; and
- the Company's dividend policy and sufficiency of its financial resources.

The words "expect", "anticipate", "estimate", "may", "will", "should", "intend", "believe", "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by RIM in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that RIM believes are appropriate in the circumstances. Many factors could cause RIM's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors" section of this AIF.

- third-party claims for infringement of intellectual property rights by RIM and the outcome of any litigation with respect thereto;
- RIM's ability to successfully obtain patent or other proprietary or statutory protection for its technologies and products;
- RIM's ability to obtain rights to use software or components supplied by third parties;
- potential impact of copyright levies in numerous countries;

- RIM's ability to enhance current products and develop new products on a timely basis;
- intense competition within RIM's industry, including the possibility that strategic transactions by RIM's competitors or carrier partners could weaken RIM's competitive position or require RIM to reduce its prices to compete effectively;
- RIM's ability to establish new, and to build on existing, relationships with its network carrier partners and distributors, and its dependence on a limited number of significant customers;
- RIM's reliance on its suppliers for functional components, and the risk that suppliers will not be able to supply components on a timely basis or in sufficient quantities;
- the efficient and uninterrupted operation of RIM's network operations center and the networks of its carrier partners, and the risk of other business interruptions;
- dependence on key personnel and RIM's ability to attract and retain key personnel;
- RIM's ability to manage production facilities and its reliance on third-party manufacturers for certain products;
- the occurrence or perception of a breach of RIM's security measures, or an inappropriate disclosure of confidential or personal information;
- the continued quality and reliability of RIM's products and services and the potential effect of defects in products and services;
- risks associated with RIM's expanding foreign operations;
- reliance on strategic alliances and relationships with third-party network infrastructure developers, software platform vendors and service platform vendors;
- effective management of growth and ongoing development of RIM's service and support operations;
- regulation, certification and health risks, and risks relating to the misuse of RIM's products;
- restrictions on import and use of RIM's products in certain countries due to encryption of the products and services;
- reduced spending by customers due to the uncertainty of economic and geopolitical conditions;
- risks associated with acquisitions, investments and other business initiatives;
- foreign exchange risks;
- tax liabilities, resulting from changes in tax laws or otherwise, associated with RIM's worldwide operations;
- general commercial litigation and other litigation claims as part of RIM's operations;
- changes in interest rates affecting RIM's investment portfolio and the creditworthiness of its investment portfolio;
- government regulation of wireless spectrum and radio frequencies;
- collection, storage, transmission, use and distribution of user and personal information could give rise to liabilities or additional costs;
- expansion and availability of attractive content for BlackBerry App World;
- difficulties in forecasting RIM's quarterly financial results and the growth of its subscriber base; and
- risks related to RIM's historical stock option granting practices.

These factors should be considered carefully, and readers should not place undue reliance on RIM's forward-looking statements. RIM has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

CORPORATE STRUCTURE

The Company

The Company was incorporated under the *Business Corporations Act* (Ontario) (OBCA) on March 7, 1984 and commenced operations at that time. The Company has amalgamated with several of its wholly-owned subsidiaries, the last amalgamation occurring on February 24, 2003 through the filing of articles of amalgamation under the OBCA on February 24, 2003. RIM's registered and principal business office is 295 Phillip Street, Waterloo, Ontario, Canada N2L 3W8, telephone: (519) 888-7465, fax: (519) 888-6906.

Inter-corporate Relationships

The Company has three material subsidiaries, of which all are wholly owned, directly or indirectly, by RIM.

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Research In Motion Corporation	Delaware, U.S.A.
Research In Motion UK Limited	England and Wales
RIM Finance, LLC	Delaware, U.S.A.

GENERAL DEVELOPMENT OF THE BUSINESS

RIM is a leading designer, manufacturer and marketer of innovative wireless solutions for the worldwide mobile communications market. Through the development of integrated hardware, software and services that support multiple wireless network standards, RIM provides platforms and solutions for seamless access to time-sensitive information, including email, phone, short message service (SMS), internet and intranet-based applications. RIM technology also enables a broad array of third party developers and manufacturers to enhance their products and services through wireless connectivity to data.

RIM's portfolio of award-winning products, services and embedded technologies are used by thousands of organizations around the world and include the BlackBerry® wireless solution, the RIM Wireless Handheld™ product line, software development tools and other software and hardware.

Product and business developments that have influenced the general development of the Company's business over the last three fiscal years are as follows:

Fiscal 2010

- The BlackBerry subscriber base increased to over 41 million users from approximately 25 million in the previous fiscal year;
- Launched a number of new devices, including the BlackBerry ® Bold™ 9700, BlackBerry® Storm2™ 9520 and 9550, BlackBerry ® Tour™, and the BlackBerry® Curve™ 8520 and 8530;
- Introduced BlackBerry Enterprise Server (BES) 5.0 and BlackBerry Device Software 5.0 which offer extended capabilities to both end users and IT professionals;
- Added over 75 new carrier and distribution channel relationships for a total of approximately 550 carriers and distribution channels in 175 countries;
- Announced BES Express™ which offers basic BES features free of cost to most Microsoft Exchange users;
- BlackBerry Internet Service (BIS) customers exceeded BES as a percentage of the subscriber base for the first time; and
- Common share repurchase of 12.3 million shares at a cost of $775 million during Q3.

Fiscal 2009

- The BlackBerry subscriber base increased to approximately 25 million users from over 14 million in the previous fiscal year;
- Launched a number of new devices including the BlackBerry ® Bold™ 9000, BlackBerry® Storm™ 9500 and 9530, BlackBerry ® Pearl Flip™ 8220 and 8230, and the BlackBerry® Curve™ 8350i and 8900;
- Introduced new user interface coupled with some of the highest quality screens in the industry, an improved browsing experience and intuitive controls;
- Added over 125 new carrier and distribution channel relationships for a total of over 475 carriers and distribution channels in over 160 countries;
- Announced BlackBerry App World™ for easy purchase and downloading of BlackBerry compatible applications; and
- Trial MVS programs at major customers were converted into production deployments.

Fiscal 2008

- The BlackBerry subscriber base increased to over 14 million users from approximately 8 million the previous year;
- Launched a number of new devices, including the BlackBerry ® Curve™ 8300 series (BlackBerry ® Curve™ 8310, BlackBerry® Curve™ 8320 and BlackBerry® Curve™ 8330), additional BlackBerry ® 8800 series (BlackBerry® 8820, BlackBerry® 8830 World Edition™) and additional BlackBerry® Pearl™ 8100 series (BlackBerry® Pearl™ 8110, BlackBerry® Pearl™ 8120, BlackBerry® Pearl™ 8130);
- Added over 80 new carrier and distribution channel relationships for a total of over 350 carriers and distribution channels in 135 countries;

- Launched BlackBerry® Connect™ service on five new devices with more than 20 carrier partners worldwide;
- Launched BlackBerry® Professional software for small and medium sized businesses and BlackBerry ® Unite!™ for the home computer;
- Launched BlackBerry® Enterprise Server™ enhancements for v4.1.5;
- Launched the first devices (BlackBerry 8820, 8320 and 8120) with Wi-Fi ®; and
- Attained Common Criteria EAL 2+ certification for BlackBerry Enterprise Server 4.1.3 and BlackBerry ® Wireless Handheld™ Software 4.1.0.

NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

RIM is a leading designer, manufacturer and marketer of innovative wireless solutions for the worldwide mobile communications market. Through the development of integrated hardware, software and services that support multiple wireless network standards, RIM provides platforms and solutions for seamless access to time-sensitive information, including email, phone, short messaging service, Internet and intranet-based applications. RIM technology also enables a broad array of third party developers and manufacturers to enhance their products and services with wireless connectivity to data.

RIM's portfolio of award-winning products, services and embedded technologies are used by thousands of organizations and millions of consumers around the world and include the BlackBerry® wireless solution, and other software and hardware. Founded in 1984 and based in Waterloo, Ontario, Canada, RIM operates offices in North America, Europe and Asia-Pacific. RIM common shares are listed on the Nasdaq Global Select Market (NASDAQ: RIMM) and the Toronto Stock Exchange (TSX: RIM).

RIM's primary revenue stream is generated by the BlackBerry wireless solution, which includes sales of BlackBerry wireless devices, software, and services. It can provide users with a wireless extension of their work and personal email accounts, including Microsoft Outlook®, IBM® Lotus Notes®, Novell® GroupWise® and many ISP email services. When incorporating BlackBerry Enterprise Server, the BlackBerry wireless solution allows Microsoft® Exchange, IBM Lotus® Domino® and Novell GroupWise users to send and receive corporate email and instant messages securely. The BlackBerry wireless solution also enables the use of data functions such as calendar, address book, task and memo lists, and other functions associated with personal organizers. The BlackBerry® Mobile Data System (BlackBerry MDS) allows users to securely access data from enterprise applications and the internet. The BlackBerry® Mobile Voice System (BlackBerry MVS) allows organizations to converge office desk phones and BlackBerry smartphones, so users can access standard enterprise voice features whether at their desks or on the go. BlackBerry® Internet Service allows the integration of up to 10 supported email accounts on the same BlackBerry smartphone. Both BlackBerry Enterprise Server and BlackBerry Internet Service allow Internet browsing and full phone functionality on the user's device. In addition, BlackBerry smartphones offer a range of multimedia capabilities. The BlackBerry wireless solution service is provided through a combination of RIM's Network Operations Center and the wireless networks of RIM's carrier partners.

RIM currently markets various models of its smartphones, including BlackBerry Storm Series, BlackBerry Bold Series, BlackBerry Tour, BlackBerry Curve Series, BlackBerry Pearl Flip Series, BlackBerry Pearl Series, BlackBerry 8800 Series, and BlackBerry 8700 Series. These products have been designed to accommodate the technical requirements of one of the HSPA, GSM®/GPRS/EDGE, CDMA/1xRTT/Ev-DO, UMTS or iDEN® protocols.

BlackBerry App World is an application storefront managed by RIM that provides an opportunity for developers to reach millions of BlackBerry users and offer users paid and free applications to enrich the user experience of the device.

RIM's sales and marketing efforts include collaboration with strategic partners and distribution channels to promote the sale of its products and services, as well as its own supporting sales and marketing teams.

RIM believes that the demand for wireless devices and services is being fuelled by several key global trends, including the following:

- commercial availability of high-speed wireless networks which allow for the delivery of both voice and data communications to a single wireless device;
- emergence of mobile access to corporate intranets and enterprise applications as a competitive necessity;
- broad acceptance of email as a reliable, secure, and indispensable means of communication;
- the growth of instant messaging as a business and personal communications tool;
- recognition by businesses of the productivity gains achieved through the wireless enablement of enterprise data applications beyond email;
- growing popularity of portable information devices;
- availability of smaller, lighter, and cheaper converged wireless devices, offering both voice and data capabilities;
- introduction of lower data pricing models by wireless carriers;
- proliferation of the internet;
- growth in popularity of different consumer-focused applications, such as social networking and instant messaging;
- growing reliance on data applications for personal communications; and
- the growing number of mobile workers around the world.

Participants in the wireless device and services market require significant technical expertise to meet the stringent demands of the market, which include the desire for devices to have a small size, reasonable battery life, connectivity, behind-the-firewall integration, security, extended functionality, multi-network support, global availability, and ease of use. Moreover, potential entrants must overcome other significant barriers to enter into the wireless marketplace. These include developing alliances with industry leading third parties (such as global wireless network service providers), securing specialized component suppliers, establishing adequate financial resources, and fostering relationships with software application developers.

Wireless devices and services are expected to play a significant role in the growing use of voice, internet, corporate intranet, instant messaging, email, and eCommerce applications. The integration and focus of expert teams from various engineering disciplines have enabled RIM to develop products that possess significant benefits including advanced security features, single email inbox, push technology, and the network efficiency characteristics of RIM's two-way packet switched wireless solutions. In addition, BlackBerry products are flexible and support multiple network protocols. The scalability and adaptability allows RIM to develop close relationships with wireless carriers around the world, further enhancing the Company's position as a leading wireless solution supplier.

Industry Background

The Wireless Communications Industry

The wireless communications industry involves the provisioning of wireless voice and data services using radio frequency technologies (RF) on a variety of competing wireless networks. These networks are typically comprised of a distinct voice layer upon which data transmission layers have been subsequently installed. The most widely deployed wireless voice and data networks include GSM/GPRS/EDGE/HSPA, CDMA/1xRTT/EVDO and iDEN. The two primary international voice and data networks GSM/GPRS/EDGE and CDMA/EVDO continue to be upgraded to third generation (3G) technologies that offer greater speeds and increased abilities to support subscriber concentration in the same and new RF spectrums. The migration path for GSM/GPRS/EDGE includes the addition of UMTS technologies such as HSPA (which is made up of HSDPA and HSUPA). The path for CDMA/EVDO includes the addition of WCDMA technologies. The rollout of these newer technologies is well underway and commercially available in many markets.

In order to capitalize on the capabilities of the voice and data networks, handheld and handset vendors have released new converged voice and data devices to market and remain in pursuit of optimal form factors and features. These devices provide end users with a greater degree of choice and value from integrated voice and data capabilities on one convenient and user friendly device. Examples of converged voice and data devices include the BlackBerry Curve 8300, 8500 and 8900 Series, the BlackBerry Pearl 8100 and 8200 Series, the BlackBerry Storm 9500 Series, the BlackBerry Tour 9600 Series and the BlackBerry Bold 9000 and 9700 Series devices.

Wireless Communications Industry Markets and Segments

The wireless communications market is comprised of three distinct markets that are organized based on who purchases the devices, services and software solutions.

- The consumer market: which is characterized by end users who purchase devices themselves for personal use;
- The prosumer market: which is characterized by end users who purchase devices for business and some personal use; and
- The enterprise market: in which solutions are purchased predominantly by information technology (IT) and line of business managers for deployment to employees.

Products designed for the enterprise market typically include a converged device that is deployed in conjunction with a behind-the-firewall messaging server. Products designed for the prosumer market are typically hosted by either the vendor or wireless carrier, and range in their depth of features from email only, PIM and other data services such as social networking. Consumer market offerings tend to be hosted by the individual user and carrier and may be chosen based on an affinity for a certain capability such as browsing, multimedia or instant messaging.

RIM believes that the following factors influence commercial success in the wireless device and services market:

- small size and light weight converged devices;
- reasonable battery life;
- intuitive interface and ease of use;
- integration with corporate PBX;
- extensive geographic coverage;
- competitive pricing;
- flexible architecture;
- end-to-end security;
- trusted brand;
- push-based outbound port architecture;
- extensive customer care capabilities;
- multi-network support;
- connectivity to enterprise email and applications;
- connectivity to personal messaging, social networking, multimedia and other applications; and
- access to third party applications.

RIM believes that there are significant barriers to entry to the wireless device and services market, which include the following:

- proprietary technology, including hardware and software expertise and intellectual property rights;
- existing strategic alliances and relationships;
- access to components and established supplier relationships;
- existing customer and channel relationships;
- scarcity of highly qualified personnel;
- significant development costs and time-to-market;
- manufacturing expertise;
- significant capital requirements;
- regulatory barriers, such as Federal Communications Commission approval and network certification; and
- market and brand recognition of industry leaders.

Success Factors

Through development of integrated hardware, software and services that support multiple wireless network standards, RIM provides end-to-end wireless solutions for seamless access to information, including email, voice, instant messaging, SMS, internet and intranet-based browsing and applications. RIM's integration and focus of research and development teams in radio frequency, hardware and software design, antenna design, circuit board design, integrated circuit design, power management, industrial design, and manufacturing engineering result in cost-effective solutions that offer small size, efficient bandwidth use, lengthy battery usage, ease of use, robust security and a significant return on investment to customers.

RIM believes that the following characteristics give it a competitive advantage and differentiate its products and services from those of its competitors:

- ***Push-based Architecture.*** The BlackBerry wireless solution uses a push-based architecture where the device is in constant connection with the network. BlackBerry users are provided with immediate message delivery, which has become the established industry benchmark. This push-based data delivery has been extended beyond email to applications, so that the mobile application development community can take advantage of the push-based architecture inherent in the BlackBerry platform.
- ***Extended Functionality.*** Users increasingly require smartphones to be versatile, easy-to-use and provide a robust level of functionality in terms of configuration, features and customizable options. RIM has consistently developed products that balance end users' demand for features with the demands of IT managers for security and manageability. RIM's focus on business-grade solutions has won RIM a market-leading role in the enterprise market. BlackBerry has also been embraced by consumers looking for more features and functions on their wireless devices, including instant messaging, multimedia, web browsing and enhanced voice features.
- ***Pricing***. The return on investment for the BlackBerry wireless solution provides customers with rapid payback for their purchase. The primary sources of benefits include personal productivity and team workflow enhancements. Additionally, the low bandwidth nature of the BlackBerry wireless solution allows carriers to offer service packages to their customers at favourable rates compared to conventional usage of session based networking over wireless networks. In addition, RIM continues to launch new IT administrator and end user feature sets designed to lower the cost of buying, deploying and managing the solution. The network efficiency of the BlackBerry solution may also lead to lower data roaming charges for customers.

- ***Strength of the BlackBerry Brand and Market Awareness.*** BlackBerry is widely recognized as a best-in-class and trusted smartphone brand and continues to improve its ranking among the most valuable brands worldwide. In certain markets, brand alone is a strong influence on purchase decision.
- ***Support for Multiple Carriers, Geographies and Network Protocols.*** The BlackBerry solution offers choice and manageability for global customers. Through relationships with approximately 550 wireless carriers and distribution partners in 175 countries around the world, RIM is able to offer customers their choice of carrier depending on their needs in a particular geography. In addition, BlackBerry smartphones support many network protocols, including GSM/GPRS/EDGE/UMTS/HSPA, CDMA/1xRTT/Ev-DO and iDEN, offering customers the best choice of carriers and network technologies for their particular region without changing the underlying BlackBerry infrastructure. RIM will continue to launch new products for next generation networks as the deployment scale and the economies around these networks are established.
- ***Intellectual Property Rights.*** RIM has sought to protect the technology that it has developed through a combination of patent, copyright and trade secret protection as well as through contractual arrangements.
- ***Extensibility and Flexible Architecture.*** RIM has designed its device and server platform architecture to support open standards and tools, such as Eclipse, to make it attractive for other software developers to create custom applications for BlackBerry smartphones. The BlackBerry platform supports web and Java development. The BlackBerry Independent Software Vendor (ISV) Alliance program is a well established and comprehensive program aimed at providing the resources, support and tools, software developers need to develop and sell innovative, market-driven applications for BlackBerry users. The program has thousands of developers participating and has produced tens of thousands of applications for both enterprise and individuals. In addition, RIM has added additional Application Programming Interfaces (APIs) to the BlackBerry® Java™ SDK to enable the next wave in mobile application development. The BlackBerry platform allows for deep, rich integration between applications and core BlackBerry features. Enterprise developers can quickly and easily design wireless applications and/or provide access to existing corporate application data wirelessly for their employees. Additionally, the push capabilities also allow content providers to push relevant and timely information to BlackBerry smartphones.
- ***Support of a Vibrant Developer Community.*** RIM has built a large network of commercial, independent and corporate software developers. The Company provides developers with a direct-to-consumer storefront — BlackBerry App World, in addition to partnerships and established commercial channels with operators and other third-party stores, as a means of delivering their applications to BlackBerry users. RIM has also given its developer community the opportunity for increased funding through its

BlackBerry Partner Fund, which it introduced in conjunction with outside funding sources. Additionally, new development environments and richer API's facilitate the writing of more sophisticated and productive software applications being written for the BlackBerry solution. An annual conference is also held by RIM to bring developers together for a series of keynotes, lectures and workshops.

- ***Spectral Efficiency.*** RIM has built a wireless infrastructure utilizing highly optimized wireless specific protocols and different methods of compression and rendering to efficiently send various types of data over the wireless carrier networks. In a limited bandwidth and capacity environment like that of wireless data, carriers benefits from spectral efficiencies include capital expenditures on wireless infrastructure, increased customer satisfaction and better capacity utilization. For the end customer, spectral efficiencies result in reduced latency, better battery life and possibly lower cost data plans and roaming charges.
- ***Access to Key Corporate Data Stores.*** BlackBerry Enterprise Server provides corporations with the means to provide wireless access to all four main corporate data stores from a single integrated platform. The BlackBerry wireless platform is the only one that provides access to corporate email and PIM, corporate voice PBX and hybrid IP/PBX stores, real-time computing and corporate IM, such as IBM SameTime and Microsoft Live Communications Server, Microsoft Office Communications Server and enterprise applications, such as customer relationship management (CRM), and enterprise social networking and collaboration applications, such as IBM Lotus Connections and IBM Lotus Quickr. Additionally, the deployment of over 250,000 BlackBerry Enterprise Servers around the world makes it more difficult for a new solution to gain a market foothold.
- ***Security.*** The BlackBerry platform was designed as an end-to-end solution with comprehensive security specifically for enterprise access to email, PIM and other corporate information from a single wireless device. Through integration with Microsoft Exchange, IBM Lotus Domino and Novell GroupWise, the BlackBerry wireless solution provides corporate users with secure wireless access to their own corporate email rather than having to establish an additional email account. RIM's security solution includes end-to-end data encryption for confidentiality, robust remote IT management, support for internet security standards for the enterprise, full application control, multiple user authentication schemes, secure boot ROM and signed API access and firewall integrity preservation. In addition to the security built into the BlackBerry Enterprise Solution, RIM has developed a BlackBerry Smart Card Reader which further enhances the device security for a wide range of government users. BES Express has also been launched to provide the same security to the SME user free of charge that BES provides to the corporate user. The BlackBerry Enterprise Solution has passed rigorous security assessments by many of the leading security institutions around the world, including Common Criteria EAL 4+ certification for BlackBerry Enterprise Server 5.0 and BlackBerry OS 5.0. BlackBerry was the first mobile platform to achieve Common

Criteria EAL 4+ certification. The BlackBerry Enterprise Solution has been certified by Fraunhofer Institute SIT, and has been approved for use under the CAPS program in the United Kingdom. The solution has also had several FIPS-140 validations for its embedded encryption module.

- ***Manageability.*** Other features of the BlackBerry wireless solution include over-the-air distribution of applications, over-the-air calendar synchronization, over-the-air software updates, over-the-air folder management, wireless synchronization of deletes, enhanced IT manageability and personal organizer features such as contacts, tasks and memos. RIM also provides a robust corporate applications platform that masks the complexities of wireless application development by providing an integrated framework using web-services and object oriented programming tools that provides preconfigured support for end-to-end security and multiple data transport methods.
- ***BlackBerry Outbound Port Architecture.*** The BlackBerry wireless solution uses a secure infrastructure that does not require IT managers to compromise firewall security through the opening of an inbound firewall port. The BlackBerry network operations center offers a number of efficiency and security benefits to carriers and end-users. These benefits are outlined in detail under “Competition”.

Strategy

Key components of RIM’s business strategy include:

- ***Extend Technology Leadership.*** RIM is currently recognized as a leader in the wireless data communications industry for designing and developing the BlackBerry wireless solution. RIM intends to maintain its leadership by focusing on the further development of two-way wireless technologies and enabling applications, protecting its intellectual property and encouraging the adoption of its platform by wireless network service providers globally and their customers, and licensing components of the BlackBerry platform to key handset and service vendors.
- ***Broaden Strategic Alliances and Relationships.*** RIM intends to continue to strengthen and develop its strategic alliances and relationships, and enter into similar relationships to affirm and enhance its competitive position as a primary wireless handheld and solutions provider to the mobile data communications industry. Areas of strategic alliances and relationships include, but are not limited to, enterprise and other software applications companies, global telecommunications carriers, intranet applications and portal companies, internet social networking providers, microchip manufacturers and global systems integrators.

- ***Promote and Enhance Development of Third Party Software.*** RIM intends to continue to enhance software development tools, provide technical support and accommodate external software developers to further promote the development of software applications for the BlackBerry platform.
- ***Expand the Global Reach of the BlackBerry Platform***. RIM plans to continue to foster relationships with key carriers, distributors and customers to expand the BlackBerry smartphones addressable market and provide customers with access to their corporate or personal data anywhere in the world.
- ***Extend BlackBerry's Reach into the Prosumer and Consumer Market.*** RIM has and intends to continue to undertake a number of initiatives aimed at expanding further into the prosumer and consumer market. These initiatives include partnerships with leading prosumer and consumer portal and applications companies such as Google™, Yahoo® and Facebook®, expanding channel distribution into retail, indirect and Value Added Reseller (VAR) channels, as well as launching devices with consumer friendly features.
- ***Build Awareness and Relevance of the BlackBerry Brand.*** The "Love What You Do" advertising campaign creatively demonstrates how BlackBerry inspires and enables people from all walks of life to pursue what they love. Launched in October 2009, the campaign features media support on major television networks as well as online and print ads and is currently running in North America as well as select countries around the world.
- ***Maintain Market Leadership and Expand Customer Base.*** RIM intends to maintain its position as a market leader by focusing its sales and marketing efforts on the continued use of strategic alliances and relationships to promote the sale of its products, as well as utilizing indirect sales and marketing teams. In addition, RIM intends to continue to grow its leadership through focusing on developing leading edge devices as well as enabling existing third-party enterprise and third party consumer applications.
- ***Enhance and Expand the BlackBerry Wireless Solution.*** RIM believes that the functionality of the BlackBerry wireless solution can be further enhanced for corporate, prosumer and consumer markets. RIM intends to focus on improving and enhancing its service, designing new, compelling form factors for different market segments and enabling additional applications and features for the BlackBerry wireless solution either independently, through acquisitions or through partnerships.
- ***Continue to Invest in Highly Qualified Personnel.*** RIM believes that the quality and skills of its senior management team and other personnel within the organization have been key factors in its progress to date. RIM intends to continue its recruiting strategies and operations worldwide in order to attract personnel to support its product development and growth strategies.

- ***Acquisition and Investment Strategy.*** RIM continues to evaluate and purchase companies and make investments in products that provide opportunities for growth or expansion. These may include but are not limited to companies or products related to software, wireless solutions, security, and applications, among others. The Company also intends to continue to purchase intellectual property (IP) in various forms and technologies when appropriate opportunities arise.

Products and Services

RIM's primary revenue stream is generated by the BlackBerry wireless solution, comprised of wireless handsets, service and software. BlackBerry service is provided through a combination of RIM's NOC and the wireless networks of RIM's carrier partners.

Other revenue includes accessories, non-warranty repairs, non-recurring engineering development contracts ("NRE"), BlackBerry App World and gains and losses on revenue hedge contracts.

The Company's revenue mix for fiscal years 2010 and 2009 is as follows:

Revenue (U.S. $000's)	February 27, 2010		February 28, 2009	
Devices	$12,115,765	81.0%	$ 9,089,736	82.1%
Service	2,158,591	14.4%	1,402,560	12.7%
Software	258,635	1.7%	251,871	2.3%
Other	420,233	2.9%	321,019	2.9%
	$14,953,224	100%	11,065,186	100%

BlackBerry Smartphones

BlackBerry smartphones use wireless, push-based technology that delivers data to mobile users' business and consumer applications. BlackBerry smartphones integrate email, voice calling, browser, calendar, media player and numerous other applications, making it easy for customers to stay connected and entertained on the go.

BlackBerry smartphones are available from hundreds of carriers and indirect channels, through a range of distribution partners, and are designed to operate on a variety of carrier networks, including HSPA/UMTS, GSM/GPRS/EDGE, CDMA/Ev-DO, and iDEN.

RIM's BlackBerry smartphone portfolio includes:

- ***BlackBerry Bold series*** — The BlackBerry Bold series of smartphones are state-of-the-art, combining extensive high-end features with stylish, refined design. All models feature next-generation processors, highly-tactile full-QWERTY keyboards, built-in GPS and Wi-Fi, digital cameras and brilliant, high-resolution displays. With support for high-speed HSDPA networks, customers can quickly browse the web and download large attachments, in addition to making voice calls and accessing data at the same time.
- ***BlackBerry Storm series*** — The BlackBerry Storm series of touch-screen smartphones feature SurePress™, an innovative technology that gives users tactile feedback when typing and navigating the user interface. With large, high-resolution displays, web pages and videos have never looked better. Other key features include support for landscape and portrait views, built-in GPS and 3.2 mega-pixel cameras. Plus with support for CDMA Rev A networks in North America and HSPA networks abroad, customers are able to keep in touch almost anywhere in the world. The BlackBerry Storm2 9550 and BlackBerry Storm2 9520 smartphones include built-in Wi-Fi.
- ***BlackBerry Tour*** — The BlackBerry Tour 9630 smartphone supports CDMA Rev A networks in North America and HSPA networks abroad, making it easy for customers to keep in touch at high-speed, wherever they roam. The BlackBerry Tour 9630 is a premium smartphone featuring a high-resolution screen, full-QWERTY keyboard for comfortable typing, 3.2 MP camera and built-in GPS.
- ***BlackBerry Curve series*** — The most recent additions to the BlackBerry Curve family of smartphones are the BlackBerry Curve 8520 and BlackBerry Curve 8530 smartphones. Slim, approachable and available in a variety of colors, these smartphones feature full-QWERTY keyboards, touch-sensitive trackpads for easy navigation and dedicated media keys for controlling music and videos. They also come with 2 MP cameras, plus built-in Wi-Fi and/or GPS. Other members of the BlackBerry Curve series are the BlackBerry Curve 8900 smartphone and the BlackBerry Curve 8300 series, including the BlackBerry Curve 8350i smartphone, which uses iDEN technology to provide push-to-talk service.
- ***The BlackBerry Pearl series*** — BlackBerry Pearl smartphones feature SureType QWERTY keyboards, impressive call quality, digital cameras and media players. For customers that prefer flip phones, the BlackBerry Pearl Flip 8220 and BlackBerry Pearl Flip 8230 smartphones offer all the power of the BlackBerry platform in a flip form factor. A number of models in the BlackBerry Pearl series feature built-in GPS while others come with built-in Wi-Fi and are available on GSM or CDMA networks.

BlackBerry Enterprise Solution

- ***BlackBerry Enterprise Server*** — BlackBerry Enterprise Server is robust software that acts as the centralized link between BlackBerry smartphones, enterprise systems, business applications and wireless networks. The BlackBerry Enterprise Server integrates with enterprise messaging systems including Microsoft Exchange, IBM Lotus Domino and

Novell GroupWise to wirelessly and securely synchronize with BlackBerry smartphones to provide mobile users with secure, push-based wireless access to email, calendar, contacts, notes and tasks. It also provides access to business applications and enterprise systems behind the firewall. Additionally it provides advanced security features and offers administrative tools that simplify management and centralize control. BlackBerry Enterprise Server is required for certain other enterprise solutions such as BlackBerry® Mobile Voice System (for bringing desk phone functionality to BlackBerry smartphones); BlackBerry® Clients for Microsoft® Office Communications Server, IBM® Lotus® Sametime® and Novell® GroupWise® Messenger (for enterprise instant messaging); IBM Lotus Connections (for enterprise social networking); IBM Lotus Quickr™ (for document sharing and collaboration); and Chalk® Pushcast Software (for corporate podcasting).

- ***BlackBerry Enterprise Server Express —*** BES Express is free server software that wirelessly and securely synchronizes BlackBerry smartphones with Microsoft® Exchange or Microsoft® Windows® Small Business Server. BlackBerry Enterprise Server Express works with Microsoft Exchange 2010, 2007 and 2003 and Microsoft Windows Small Business Server 2008 and 2003 to provide users with secure, push-based, wireless access to email, calendar, contacts, notes and tasks, as well as other business applications and enterprise systems behind the firewall. Importantly, the new server software utilizes the same robust security architecture found in BlackBerry Enterprise Server. The software offers economical advantages to small and medium enterprises (SMEs) that desire some of the enterprise-grade security and manageability options of BlackBerry Enterprise Server but don't require all of its advanced features. BlackBerry Enterprise Server Express software also provides a cost-effective solution that enables IT departments to meet the growing demand from employees to be able to connect their personal BlackBerry smartphones to their work email.
- ***BlackBerry® Mobile Voice System (BlackBerry MVS)*** — BlackBerry MVS allows organizations to converge office desk phones and BlackBerry smartphones, so users can access standard enterprise voice features whether at their desks or on the go. BlackBerry MVS is comprised of three components: BlackBerry® MVS Client, BlackBerry® MVS Services, and BlackBerry® MVS Server. It unifies fixed and mobile voice communications so users can be reached at a single business phone number and access enterprise voice features with an intuitive and integrated approach. BlackBerry MVS offers advanced security features and system management functionality that permits organizations to route mobile calls through the PBX, automatically authenticating BlackBerry smartphone users and enabling their phone calls to be logged or recorded for corporate or regulatory requirements.
- ***Hosted BlackBerry® services*** — Hosted BlackBerry services combine trusted BlackBerry ® smartphone features, functionality, and advanced security capabilities in a package that is managed for end users. Hosted BlackBerry services are conveniently handled and supported by a BlackBerry certified partner from the BlackBerry® Alliance Program, giving SME enterprises the convenience they need.

Service

The Company generates revenues from BlackBerry service relating to monthly access billings charged to its carrier partners based on the BlackBerry subscriber account base. For the fiscal year ended February 27, 2010, RIM's BlackBerry subscriber account base increased to over 41 million from approximately 25 million the previous fiscal year. The Company's service revenue is generated by charging a monthly infrastructure access fee to a carrier or reseller, who in turn bills the end customer. Additionally, the low bandwidth nature of the BlackBerry wireless solution allows carriers to offer service packages to their customers at favourable rates compared to conventional usage of session-based networking over wireless networks. This network efficiency in turn permits the carriers to deploy many more BlackBerry smartphones in a finite amount of spectrum reducing the amount of investment a carrier needs to spend on network expansion. New consumer service plans are now being offered to carriers with very specific buckets of data at lower prices than previous BIS service bundles. In turn, RIM's share of these lower priced bundles will be less as well.

Software

An important part of the BlackBerry wireless solution is the software that is installed at the corporate or SME server level, and in some cases on personal computers. Software revenues include fees from licensed BlackBerry Enterprise Server software and BlackBerry® Client Access Licenses (CALs), BlackBerry Solution Services and upgrades. Additional revenues are generated from BlackBerry MVS. Consumer software offerings are included in the hardware purchase and are supplied at time of purchase or are downloaded from a carrier or RIM website.

BlackBerry Technical Support Services

BlackBerry Technical Support Services are a comprehensive suite of annual technical support and software maintenance programs. The programs are designed to meet the customer's unique BlackBerry support needs by offering a single point of contact for BlackBerry wireless solution technical support directly from RIM. Support can be provided for all BlackBerry software regardless of where it was initially purchased or downloaded. There are various support levels to satisfy different customers' specific support needs for the BlackBerry wireless solution.

Non-Warranty Repairs

RIM generates revenue from its repair and maintenance program for BlackBerry smartphones that are returned to RIM by the carrier, the reseller, or the customer for repair after the expiration of the contractual warranty period.

Nonrecurring Engineering

Occasionally RIM enters into engineering development contracts with certain customers to undertake the development of new or customized products for a fixed or variable fee. RIM also may earn NRE revenue from certain carriers for pre-launch activities. The NRE revenue is earned based upon the completion of specific contract milestones.

Third Party Software Developers

RIM provides a feature rich open standards based development platform which allows third party commercial and enterprise software developers to build and deploy custom applications to run on BlackBerry smartphones. To facilitate this, RIM provides a number of products and technologies to third party developers, wireless carriers and enterprise customers to enable them to develop, distribute and manage these applications. For application development, RIM provides a suite of software development tools for developing thick-client Java applications, thin-client Web applications and BlackBerry Widgets which can leverage both Java and Web technologies. These software development tools provide tight integration with Eclipse and Microsoft Visual Studio, enabling developers to use industry-leading software development tools to create applications for BlackBerry. RIM has also announced partnerships with Oracle and Adobe Systems to enable software developers and designers to leverage tools from these providers to create content and applications for BlackBerry.

For distribution and management of enterprise applications, RIM provides a suite of tools and technologies within the BlackBerry Enterprise Server to enable secure and managed provisioning of applications to enterprise employees. For distribution of personal and consumer applications, RIM provides wireless carriers with the ability to “virtually pre-load” select applications and also provides BlackBerry App World as a direct storefront to BlackBerry customers. With RIM’s virtual pre-load technology, wireless carriers are able to provision new applications to their BlackBerry customers dynamically (such as at time of purchase) by pushing down an icon to the user’s BlackBerry smartphone that offers a direct link to download the application.

BlackBerry App World is an application storefront managed by RIM that provides an opportunity for developers to reach millions of BlackBerry users. Since launching on April 1, 2009, BlackBerry App World is now available in over 50 countries around the world and includes over 5,000 applications from thousands of developers. BlackBerry App World provides BlackBerry smartphone users with a comprehensive web and on-device electronic catalogue that aids in the discovery and download/purchase of applications directly from their BlackBerry smartphone. Whether the customer uses their BlackBerry smartphone for personal or business reasons, they can use BlackBerry App World to personalize their BlackBerry experience by accessing the applications they desire, which include games, social networking, music and video services, online shopping, personal productivity applications and much more.

Industry Associations

RIM is an active participant in numerous industry associations and standards bodies including:

- 3G Americas

- 3rd Generation Partnership Project 2
- Alliance for Telecommunications Industry Solutions (ATIS)
- Association of Radio Industries and Businesses (Japan)
- Australian Mobile Telecommunication Association
- BITKOM (Germany)
- Bluetooth SIG
- British Standards Institute
- Canadian Business for Social Responsibility (CBSR)
- Canadian Manufacturers & Exporters
- Canadian Chamber of Commerce
- Canadian Wireless Telecom Association (CWTA)
- CDMA Development Group
- Cellular Telephony and Internet Association (CTIA)
- Consumer Electronics Association
- Digital Europe (formerly EICTA)
- European Telecom Standards Institute
- GeSI (Global e-Sustainability Initiative)
- GSM Association
- IEEE
- Industry Forum (UK)
- Information Technology Association of Canada
- Information Technology Industry Council (USA)
- Intellect (UK)
- Intellectual Property Owner's Association
- International Imaging Industry Association (i3a)
- International Telecommunication Union
- Java Community Process
- MIPI: Mobile Industry Processor Interface
- ngmn (Germany)
- Open Mobile Alliance
- Rechargeable Battery Recycling Corp (RBRC)
- TechAmerica (formerly AeA & ITAA) — (AeA is now AeA Europe)
- Telecommunications Industry Association (TIA)
- US Information Technology Office (USITO) (China)
- Wi-Fi — Alliance
- WiMAX Forum
- Wireless World Research Forum
- World Wide Web Consortium

RIM's involvement with these and other associations includes standards development, government advocacy, joint marketing, participation in conferences and trade shows, training, technology licensing by RIM and business development.

Sales, Marketing and Distribution

RIM markets and sells its BlackBerry wireless solution primarily through global wireless communications carriers (carrier partners) who distribute the solution to end users. RIM has a number of carrier-focused business units that support the sales and marketing efforts of RIM's carrier partners through training, technical account management and sales and marketing support. RIM also markets and sells its BlackBerry wireless solution through third party distribution channels. As of February 27, 2010, RIM's marketing, sales and business development, BlackBerry operations, customer support and technical support teams consisted of approximately 3,110 full time employees.

Customers

RIM is dependent on an increasing number of significant global carrier partner customers with respect to the sales of its products both in terms of the numbers of devices sold and the aggregate value of its sales. While the Company sells its products and services to a variety of customers, one customer comprised 14% of the Company's trade receivables as at February 27, 2010 (at February 28, 2009 one customer comprised 29% trade receivables). Additionally, three customers comprised 20%, 13% and 10% of the Company's revenue in fiscal 2010 (at February 28, 2009 three customers comprised 23%, 14% and 10% of the Company's revenue).

The primary direct customers for the BlackBerry wireless solution are wireless carriers. The Company sells GSM/GPRS/EDGE, CDMA/Ev-DO/Ev-DO Rev A, UMTS/HSPA, HSDPA and iDEN devices and software to carriers, who in turn bundle devices and software with airtime and sell a complete wireless solution to end customers. The Company also sells devices through indirect channels and these devices are resold by a third party with or without a service plan from our carrier partners. Software is licensed directly to end customers, although it is distributed by carriers, resellers and directly through RIM. The Company's BES supports multiple networks and devices, so that BlackBerry service from multiple carriers can be deployed within a company using the same BES software.

In fiscal 2010, 57.7% of the Company's revenues were derived from the United States, 5.6% were derived from Canada, 9.7% were derived from the United Kingdom and the remaining 27.0% were derived from other foreign jurisdictions.

Competition

The competitive environment for the wireless data communications industry is rapidly evolving and, to date, no technology has been exclusively or commercially adopted as the industry standard for wireless data communication. Accordingly, both the nature of competition and the scope of the business opportunities afforded by this market are currently uncertain. Strategic relationships in the wireless data communications industry are also evolving. Specific infrastructure manufacturers, network operators and other businesses within the industry may currently be customers of, suppliers to, strategic partners with, or investors in other businesses. The Company is currently working with a number of businesses, some of which are direct competitors with each other and others of which are current or potential competitors of RIM. It is unclear to what extent network infrastructure developers, enterprise software vendors, PC or PDA vendors, or key network operators will seek to provide integrated wireless solutions, including access devices developed internally or through captive suppliers.

In the wireless data communications access market, the Company is aware of a number of suppliers of access devices for public wireless data networks, including: Apple Inc.; Casio Inc.; Dell, Inc.; Telefonaktiebolaget LM Ericsson; Fujitsu Limited; HandEra, Inc.; Garmin, Ltd..; General Dynamics Inc.; Good Technology; Google Inc.; Hewlett-Packard Company; Hitachi America, Ltd.; Intermec Technologies Corporation; Kyocera Corp or Kyocera International Inc.; Microsoft Corporation; Mitsubishi Corporation; Motorola, Inc.; NEC Corp.; Nokia Corp.; Novatel Wireless, Inc.; NTT DoCoMo Inc.; Option NV; Palm, Inc.; Samsung Electronics Co., Ltd.; Sendo Ltd.; Sharp Corporation; Sierra Wireless Inc.; Sony Corporation; and Sony Ericsson Inc., among others. In addition, the Company may face competition from companies focused on providing middleware to facilitate end-to-end wireless messaging solutions. Companies in this category include IBM Corporation; Microsoft Corporation; Notify Technology Corporation; Openwave Systems Inc.; Seven Networks, Inc.; and Sybase, Inc., among others.

A variety of approaches are being pursued as diverse handset and handheld vendors attempt to provide mobile access to corporate data. These approaches include smartphones, PDAs, wireless PDAs, phone/PDA hybrids, converged voice and data devices, a variety of middleware offerings and other end-to-end integrated wireless solutions.

A key aspect of competitive differentiation among industry participants involves the inclusion of a sophisticated NOC in the system architecture. RIM pioneered the use of a sophisticated multi-node centralized architecture responsible for the routing of messages to and from devices. The key benefits of the NOC are message delivery reliability, network utilization efficiency and security. By isolating firewalls from the devices, NOCs avoid the need for numerous simultaneous inbound connections through the firewall which is a significant security consideration for many IT managers. Other benefits of NOCs include eliminating the opportunity for Denial of Service Attacks against the firewall, protecting against bad packets reaching devices, and enhancing service quality by providing advanced compression and by acting as a buffer between the limited capacity of wireless networks and the massive capacity of the wired environment.

It is important to note that the cost of operating the NOC is often charged directly to carriers by the solution vendor as is the case with RIM. Carriers typically include the NOC fee within data plans at the same or lower prices than data plans provided for solutions without NOCs partly because of the superior network efficiency of NOC-based systems. As such, end users get a better performing solution with a significantly superior security model at the same or lower cost to products without NOCs.

Product Design, Engineering and Research & Development

The Company’s research and development strategy seeks to provide broad market applications for products derived from its technology base. As of February 27, 2010, RIM’s research and development team consisted of 5,614 full time employees. Research and development expense in fiscal 2010 was $964.8 million, compared to $684.7 million in fiscal 2009.

Efficiencies in board layout and component integration utilizing the latest in High Density Interconnection ("HDI"), component packaging and attachment technology combined with proprietary software and firmware features allow RIM to customize its core proprietary hardware designs to address new applications, network protocols and transmission frequencies. RIM's radio transceiver technology can be adapted to support multiple protocols in the wireless data communications market, supporting its position as a primary supplier of wireless and related hardware and software products.

RIM has developed its own radio code stack and launched a new device platform incorporating this radio code stack as well as utilizing the Marvell PXAxxx, Freescale and Qualcomm processor families.

The development and support of RIM's products require several key areas of expertise within RIM to be closely integrated. RIM has recruited and developed teams with expertise in these required areas and the Company believes that the integration and focus of these teams provides RIM with a significant competitive advantage. The following chart outlines several of these key areas of expertise together with their design and user benefits.

Key Area of Expertise	Design and User Benefits
RF Engineering	High performance radio — low cost, small size, efficient battery consumption, better coverage
Analog RF & Digital ASIC	Integration — low cost, small size
Audio	Improve audio quality in all environments through hardware and signal processing design. Excellent multi-media capability.
Display	High resolution bright displays with improved power characteristics
Intelligent Antennas	Effective radiated power — better coverage and efficient battery consumption
Power Management	Low power requirements — efficient battery consumption
Firmware	Integration, customization — low cost, Small size, efficient battery consumption
Software Tools	Software development kits — more applications available
Testing Software	Fast and thorough test/debug — low cost, better quality, improved service/support
Product Design	Award winning products / outstanding customer experience through software and user interfaces

One of the significant competitive advantages of RIM's radio design is that its proprietary technology can be extended through development efforts to other protocols and to emerging digital network standards.

The Company's research and development efforts are focused primarily on the following areas:

- developing core technology and platforms for next generation air interfaces and networks, including evolution of 3G and 4G wireless networks;

- evolving the functionality, security and performance of its BlackBerry wireless solution and BlackBerry smartphones;
- developing new devices for current and emerging wireless network technologies and market segments;
- building device software including compilers, Java Virtual Machine, radio code, and BlackBerry applications;
- developing server and desktop software for corporate, institutional and prosumer environments;
- developing infrastructure systems to provide the underlying support for wireless network and Internet connectivity;
- providing a platform and tools for third party software developers and enterprises to write and wirelessly enable applications;
- improving manufacturing and testing technologies; and
- developing accessories to be used with BlackBerry smartphones.

The Company also engages in longer term fundamental research both directly and by selective funding of university research projects. Product development research is funded in part by purchase commitments for a product or products under development. The Company endeavors to take advantage of specific government and academic financial assistance programs to support its research activities where available. The Company dedicates a large portion of its software investment to the overall BlackBerry wireless solution. This includes device applications, server software and infrastructure, with an emphasis on satisfying the needs of both corporate IT departments and individual customers.

The Company has previously entered into two project development agreements with Technology Partnerships Canada (TPC), which provide partial funding for certain research and development projects.

Funding received by the Company from TPC for the first agreement (TPC-1) totaled $3.9 million and was repayable in the form of royalties of 2.2% on gross product revenues resulting from the project. The Company was obligated to pay royalties on all project revenues up to a maximum of $6.1 million. The Company has fully repaid its obligations with respect to TPC-1.

The second agreement with TPC is for a development project (TPC-2) under which total contributions from TPC have been $23.3 million. The Company had fulfilled all prerequisite funding conditions and recorded all of the contributions as at February 28, 2004. This contribution is repayable to TPC in the form of a royalty of 2.2% on gross business revenues, subject to the Company maintaining a minimum number of Canadian employees and to certain annual maximum amounts through fiscal 2015, not exceeding $46 million. The Company has recorded $4.9 million (CAD) on account of TPC royalty repayment expense with respect to TPC-2 obligation during fiscal 2010 (February 28, 2009 — $4.9 million).

The Company also qualifies for investment tax credits (ITC) on eligible expenditures on account of Canadian scientific research and experimental development. In fiscal 2009 and fiscal 2010, the Company recognized the benefits of its ITC's in its consolidated statements of operations as a reduction in income tax expense.

Intellectual Property

The policy of the Company is to apply for patents, acquire and/or seek other appropriate proprietary or statutory protection when it develops valuable new or improved technology. RIM believes that the rapid pace of technological change in the communications industry makes patent and trade secret protection important, but this protection must be supported by other means including the ability to attract and retain qualified personnel, new product introductions and frequent product enhancements.

RIM protects its technology through a combination of patents, designs, copyrights, trade-secrets, confidentiality procedures and contractual arrangements. RIM seeks to patent key concepts, components, protocols, processes and other inventions that it considers to have commercial value or that will likely give RIM a technological advantage. Although RIM applies for patent protection primarily in Canada, Europe and the United States, the Company has filed, and will continue to file, patent applications in other countries where there exists a strategic technological or business reason to do so. To broadly protect RIM's inventions, the Company has a team of in-house patent attorneys and also consults with outside patent attorneys who interact with employees, review invention disclosures and prepare patent applications on a broad array of core technologies and competencies. As a result, RIM owns rights to an array of patented and patent pending technologies relating to wireless communication technology.

It is RIM's general practice to enter into confidentiality and non-disclosure agreements with its employees, consultants, contract manufacturers, customers, potential customers and others to attempt to limit access to and distribution of its proprietary information. In addition, the Company generally enters into agreements with employees that include an assignment to the Company of all intellectual property developed in the course of employment.

RIM also enters into various types of licensing agreements related to technology and intellectual property rights. RIM enters certain of these agreements to obtain rights that may be necessary to produce and sell products for the wireless industry. RIM may also license its technology and intellectual property to third parties through various licensing agreements.

Production

RIM expanded its manufacturing facility in Waterloo, Ontario by 50,000 square feet in 2007 to a total of 242,000 square feet so it could further leverage its commitment to excellence with a strategically located production facility that is in close proximity to the Company's research and development facilities and labs in Waterloo, Ontario.

In 2008, additional manufacturing capacity was added to support the higher ramp volumes required for various new products introduced and ongoing production ramp activities. Increased production volumes were also supported by an expanded network of EMS partners with flexible

production capacity. Additionally, enhancements to organization design were made that provide targeted resources to facilitate new product launch and global supply chain management.

In the coming year, there will be ongoing activities to grow and evolve the supply chain model. RIM will also look to enhance its new product introduction and supply chain planning activities through further integration with RIM internal research and development activities.

RIM is well positioned in 2010 to continue its commitment of supporting fulfillment requirements of carrier customers seeking a reliable supply of smartphones. It is expected this contribution will continue to be significant and will grow incrementally as RIM pursues its objective to provide cost-effective and innovative access device solutions across the entire range of current wireless network standards.

RIM controls all sourcing decisions for materials and services that are incorporated into RIM products. Outsourced manufacturing partners are responsible for transacting business on behalf of RIM with component suppliers, but RIM negotiates pricing of these materials and services. Depending on market conditions, RIM may order more or less of a particular material or service and wherever possible, attempts to source components from at least two suppliers with a view to avoiding different types of supply disruption. See also “Risk Factors — The Company relies on its suppliers to supply functional components and is exposed to the risk that these suppliers will not be able to supply components on a timely basis”.

Regulatory Matters

In addition to the regulatory requirements applicable to any business, an access device manufacturer must obtain certification from the radio/telecommunications regulatory authorities in most jurisdictions before commencing commercial sale of its products in those jurisdictions. A significant competitive advantage exists for manufacturers with established businesses who have previously met the certification requirements for their products and who are familiar with the regulatory process.

RIM’s products must be approved by the FCC before they can be used in commercial quantities in the United States. In Canada, the relevant regulatory authority is Industry Canada. The European Community (EC) defines EC marking requirements within the Radio and Telecommunication Terminal Equipment (R&TTE) Directive for use in EC member states. Regulatory requirements are similar in other jurisdictions. All regulators require access devices to meet various standards, including limits with respect to interference with other electronic equipment and safety standards with respect to human exposure to electromagnetic radiation.

RIM’s BlackBerry wireless devices, which are made commercially available by RIM, meet FCC, Industry Canada, and EC requirements. In addition, RIM devices have obtained regulatory approvals required by other countries where such products are made commercially available by RIM.

At the present time, RIM has the required regulatory certifications for its testing facilities which allow the Company to perform all the testing required by the FCC, Industry Canada, and the EC.

In addition, RIM can also perform some of the testing which is required by other international regulatory authorities in some of the countries where the Company's products are commercially available.

Environmental Regulations and Costs

Some of the Company's operations are subject to regulation under various provincial, federal, state and international laws relating to environment protection and the proliferation of hazardous substances. In parts of Europe and North America, the Company is currently obligated to comply with substance bans, packaging and certain recycling requirements. In addition, the Company may be required to comply with substance bans in other jurisdictions and product take-back requirements that would make the Company responsible for recycling and/or disposing of products the Company has sold. These and other environmental laws may become more stringent over time, may be required in more places of RIM's business and may require the Company to incur substantial compliance costs.

Employees

As of February 27, 2010, RIM had approximately 13,873* full-time employees: approximately 5,614 in the advanced research, product development, standards and licensing areas; approximately 1,683 in sales, marketing and business development; approximately 1,427 in customer care and technical support; approximately 2,178 in manufacturing and approximately 2,971 in administration, which includes information technology, BlackBerry network operations and service development, finance, legal, facilities and corporate administration.

* Full time employee headcount has been adjusted for FY2010 to exclude inactive, contract or co-op employees which were included in prior years.

Facilities

Waterloo, Ontario, Canada

The Company's corporate headquarters and manufacturing facility are located in Waterloo. The campus-type layout of 25 buildings, 14 of which are owned and 11 of which are leased, currently houses the corporate, administration, finance, engineering, research and development, sales and marketing and manufacturing operations. The buildings which are owned contain approximately 1,322,133 square feet; RIM occupies approximately 1,017,943 square feet, with the balance being leased to tenants. Additionally, RIM currently occupies approximately 394,967 square feet in 11 leased buildings. RIM completed construction on the first building on a new campus in north Waterloo in 2009 and construction activities are underway on three subsequent buildings. Two additional facilities have been acquired in nearby Cambridge, Ontario which will be used for various global logistics and repair services groups, totaling 699,500 square feet.

Other

RIM owns and occupies a 157,696 square foot facility outside Ottawa, Ontario, while continuing to lease 118,171 square feet, used primarily for research and development and engineering functions. In Mississauga, Ontario, RIM occupies five facilities, including a new 172,206 square foot facility, used for a variety of sales, research and development and engineering activities. Construction is underway on a second 150,000 square foot building. An additional 119,213 square feet is leased in four buildings. RIM also owns and occupies a 160,000 square foot customer service operations center, located in the greater Halifax area. In total, RIM occupies 1,156,651 square feet in Canada, outside the Waterloo, Ontario area.

The U.S. headquarters of RIM are composed of a campus style complex of six buildings totaling 460,300 square feet outside Dallas, Texas, housing certain sales, marketing, legal, research and development, customer service operations and administrative activities. RIM occupies approximately 133,130 square feet within the complex, with the balance being sublet to tenants. RIM leases an additional 477,018 square feet throughout the United States, and also operates two small sales offices in Mexico City, Mexico and Sao Paulo, Brazil.

RIM also has established offices in Europe and Asia Pacific. The RIM operations in Europe are headquartered out of a 68,893 square foot leased facility in Slough, UK, used for customer service operations, sales, marketing, BlackBerry network operations, information technology and administrative activities. RIM currently leases an additional 32,981 square foot facility in close proximity to the European headquarters. RIM has expanded operations in Germany, leasing a total of 84,427 square feet across five facilities used for research and development activities and sales. A number of other small offices are leased throughout Europe, totaling 93,139 square feet, which are used primarily for sales and marketing activities. In Asia Pacific, RIM has continued to expand operations in Singapore and China, opening a new facility for repair services in Singapore, and a number of small sales based offices throughout China. In total, RIM operates 98,964 square feet in Australia, China, Hong Kong, India, and Japan, for sales and marketing activities and customer operations support.

Legal Proceedings and Regulatory Actions

a) Legal Proceedings

The Company is involved in litigation in the normal course of its business, both as a defendant and as a plaintiff. The Company may be subject to claims (including claims related to patent infringement, purported class actions and derivative actions) either directly or through indemnities against these claims that it provides to certain of its partners. In particular, the industry in which the Company competes has many participants that own, or claim to own, intellectual property, including participants that have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by the Company in its products. The Company has received, and may receive in the future, assertions and claims from third parties that the Company's products infringe on their patents or other intellectual property rights. Litigation has been and will likely continue to be necessary to determine the scope, enforceability and validity of third-party proprietary rights or to establish the Company's proprietary rights. Regardless of whether claims that the Company is infringing patents or other intellectual property rights have any merit, those claims could be time-consuming to evaluate and defend, result in costly litigation, divert management's attention and resources, subject the Company to significant liabilities and could have the other effects that are described in greater detail under "Risk Factors — Risks Related to Intellectual Property" in RIM's Annual Information Form, which is included in RIM's Annual Report on Form 40-F. Additional lawsuits and claims, including purported class actions and derivative actions, may also be filed or made based upon the Company's historical stock option granting practices.

Management reviews all of the relevant facts for each claim and applies judgment in evaluating the likelihood and, if applicable, the amount of any potential loss. Where it is considered likely for a material exposure to result and where the amount of the claim is quantifiable, provisions for loss are made based on management's assessment of the likely outcome. The Company does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of the loss cannot be reasonably estimated. Any settlements or awards under such claims are provided for when reasonably determinable.

By letter dated February 3, 2005 (the "Letter"), TMO-DG delivered to RIM-UK a notice of a claim for indemnity in relation to litigation in Düsseldorf, Germany in which the plaintiff, Inpro, brought action against TMO-DG (the "Litigation") for infringement of European Patent EP0892947B1 (the "Patent"). The Company joined the Litigation as an intervening party in support of the defendant TMO-DG. The Company also filed an invalidity action in the patent court in Munich Germany. On January 27, 2006, the Munich court declared the Patent invalid. Inpro had appealed the Munich court's decision. On March 21, 2006, the Düsseldorf court stayed the infringement action until a final decision on validity has been made. The Federal Supreme Court held an oral hearing on March 18, 2010 and subsequently determined that the Inpro Patent is invalid in Germany. Accordingly, no amount has been recorded in the Consolidated Financial Statements.

The Company was party to numerous litigations with Visto Corporation ("Visto") in multiple jurisdictions. On July 15, 2009, the Company entered into a definitive agreement to settle all outstanding worldwide litigation with Visto ("Visto Litigations"). On July 23, 2009, the Company settled the Visto Litigations. The key terms of the settlement involved the Company receiving a perpetual and fully-paid license on all Visto patents, a transfer of certain Visto intellectual property, a one-time payment by the Company of $267.5 million and the parties executing full and final releases in respect of the Visto Litigation. Of the total payment by the Company, $163.8 million was expensed as a litigation charge in the second quarter of fiscal 2010. The remainder of the payment was recorded as intangible assets.

On June 6, 2007, Minerva Industries ("Minerva") filed a complaint in the Marshall District Court against the Company alleging infringement of U.S. Patent No. 6,681,120 ("'120") and seeking an injunction and monetary damages. On January 22, 2008, Minerva filed a second complaint in the Marshall District Court against the Company alleging infringement of U.S. Patent No. 7,321,783 ("'783") and seeking an injunction and monetary damages. RIM answered the first Complaint on January 28, 2008 and the second Complaint on March 14, 2008. On December 1, 2008, RIM's motion to consolidate the two cases was granted. On February 3, 2010, the Court determined that the asserted claims of the '120 patent and one independent claim of the '783 patent were invalid. As a result, only some claims of the '783 patent remain in the case. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to this litigation is not determinable. Accordingly, no amount has been recorded in the Consolidated Financial Statements as at February 27, 2010.

On February 16, 2008, the Company filed a complaint in the Dallas District Court against Motorola alleging breach of contract, antitrust violations, patent infringement of U.S. Patent No. 5,664,055; 5,699,485; 6,278,442; 6,452,588; 6,489,950; 6,611,254, 6,661,255; 6,919,879 and 7,227,536 and seeking a declaratory judgment of non-infringement and invalidity against Motorola U.S. Patent Nos. 5,359,317; 5,074,684; 5,764,899; 5,771,353; 5,958,006; 5,706,211 and 6,101,531. On February 21, 2008, RIM filed a second complaint in the Dallas District Court seeking a declaratory judgment of non-infringement and invalidity of Motorola U.S. Patent No. 5,157,391; 5,394,140; 5,612,682 and 5,974,447. On April 10, 2008, Motorola filed a motion to dismiss RIM's antitrust and contract claims or, in the alternative, to bifurcate and stay RIM's antitrust and contract claims until the resolution of the co-pending patent claims. Motorola also asked the Court to dismiss, stay and or transfer to the Eastern District ("ED") of Texas RIM's declaratory judgment claims against Motorola's patents. Pleadings on this motion closed on June 2, 2008. On September 19, 2008, the previously transferred case from the District of Delaware, described below, was consolidated with this case. On December 11, 2008, Motorola's motion to dismiss, stay and/or transfer the proceedings was denied in full. On January 9, 2009, Motorola filed its answer to RIM's complaint including three new counterclaims for infringement of U.S. Patent Nos. 6,252,515, 5,189,389 and 5,953,413. On March 10, 2009, TIP Communications, LLC, a wholly-owned indirect subsidiary of the Company, filed a complaint against Motorola in the Dallas District Court for infringement of U.S. Patent No. 5,956,329. On June 15, 2009, the Court granted RIM's motion to stay this case as to the patents that are currently in re-examination in the United States Patent & Trademark Office. On October 14, 2009, Motorola added three new counterclaims for infringement of U.S. Patent Nos. 5,430,436; 6,807,317 and 6,636,223. On November 9, 2009, the Court entered an order staying each of the actions and ordering mediation. On January 29, 2010, Motorola filed a motion to re-open the pending lawsuits and lift the stay that is pending before the Court. On March 23, 2010 the Dallas District entered the stay on the four patents transferred from Illinois and pending in the ITC (i.e., U.S. Patent Nos. 5,319,712; 6,232,970; 6,272,333 and 5,569,550). On March 31, 2010 the case was re-assigned to another Judge for coordination with the other pending Dallas District Court cases and the file was closed. Proceedings are currently pending. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to this litigation (or any related litigation) is not determinable. Accordingly, no amount has been recorded in the Consolidated Financial Statements as at February 27, 2010.

On February 16, 2008, Motorola filed a complaint against the Company in the Marshall District Court alleging infringement of U.S. Patent Nos. 5,157,391; 5,359,317; 5,394,140; 5,612,682; 5,764,899; 5,771,353 and 5,974,447. On February 20, 2008, Motorola filed an amended complaint adding U.S. Patent Nos. 5,074,684; 5,706,211; 5,958,006 and 6,101,531 to the complaint. On March 31, 2008, RIM filed a motion to transfer Motorola's ED of Texas case involving Motorola's patents to the Dallas District Court. On October 17, 2008, the Court granted RIM's motion to transfer this case to the Dallas District Court. This portion of the Motorola litigation is now closed.

On February 16, 2008, Motorola filed another complaint in the District of Delaware against the Company seeking a declaratory judgment of non-infringement and invalidity related to U.S. Patent No. 5,664,055 and 5,699,485 assigned to RIM as well as U.S. Patent No. 6,611,254, 6,661,255 and 6,919,879. On February 20, 2008, the complaint was amended to include RIM's U.S. Patent No. 6,278,442; 6,452,588; 6,489,950 and 7,227,536. On March 31, 2008, RIM filed a motion to transfer Motorola's District of Delaware case involving RIM's patents to the Dallas District Court. On April 10, 2008, RIM filed its answer and counterclaims to Motorola's amended complaint. Motorola filed its reply to RIM's counterclaims on April 30, 2008. On August 26, 2008, the Court granted RIM's motion to transfer this case to the Dallas District Court. This portion of the Motorola litigation is now closed.

On January 6, 2009, Motorola filed a complaint in the United Kingdom against the Company for infringement of European patents EP (UK) 0 818 009 (the "'009 patent"), EP (UK) 0 378 775 (the "'775 patent"), EP (UK) 0 551 289 (the "'289 patent"), and EP (UK) 0 932 320 (the "'320 patent"). Motorola's claim was filed as a counterclaim in response to the Company's filing of a declaratory judgment seeking to invalidate Motorola's '009 patent. A case management conference was held on January 12, 2009 at which the judge set a hearing date for on or about January 11, 2010 for the '009 patent and the '320 patent, both of which are Motorola system patents, and another hearing date for on or about March 1, 2010 (subsequently changed to November 15, 2010) for the '775 patent and the '289 patent, both of which are Motorola handset patents. On January 13, 2010, the Motorola system patents case went to trial and on February 3, 2010, the Court found one of the two patents-in-suit invalid and not infringed. Motorola subsequently surrendered the second patent-in-suit thereby completing the Motorola system patents portion of the lawsuit. For the handset patents-in-suit proceedings are currently pending.

A case management conference was held on March 20, 2009, in relation to the case filed in the United Kingdom by TIP Communications, LLC, a wholly-owned indirect subsidiary of the Company, for infringement of EP (UK) 0 742 989. A second case management conference was held on April 8, 2009. The Judge had set and then subsequently changed the trial date to begin on June 14, 2010.

On March 10, 2009, TIP Communications, LLC filed a lawsuit in the Northern District of Texas against Motorola for infringement of U.S. Patent No. 5,956,329.

On January 22, 2010, Motorola filed a lawsuit against the Company in the United States District Court for the Northern District of Illinois alleging infringement of U.S. Patent Nos. 5,319,712; 6,232,970; 6,272,333 and 5,569,550. On February 10, 2010, RIM filed a motion to transfer Motorola's Northern District of Illinois case involving Motorola's patents to the Dallas District Court. On February 25, 2010, RIM filed a motion to stay the proceedings in the Northern District of Illinois pending the outcome of the ITC proceedings. On March 8, 2010, the Court granted RIM's motion to stay this case and transferred the case to the Dallas District Court. This portion of the Motorola litigation is now closed.

On January 22, 2010, Motorola filed a complaint with the U.S. International Trade Commission ("ITC") against the Company alleging infringement of U.S. Patent Nos. 5,359,317; 5,319,712; 6,232,970; 6,272,333 and 5,569,550. On February 18, 2010, the ITC sent a Notice of Investigation, which was published in the Federal Register on February 24, 2010. On March 1, 2010, the Administrative Law Judge ("ALJ") set a trial date of November 29 through December 9, 2010 and a target date for completion of the investigation by the ITC of June 24, 2011. The date set for the issuance of the Initial Determination is February 24, 2011. Proceedings are still pending.

On March 7, 2008, FlashPoint Technology Inc. (“FlashPoint”) filed a patent infringement lawsuit against the Company and 14 other parties in the District of Delaware. The patents-in-suit include U.S. Patent Nos. 6,118,480, 6,177,956, 6,222,538, 6,223,190 (the “’190 Patent”), 6,249,316, 6,486,914 and 6,504,575. These patents are generally directed to digital camera and imaging technologies. On May 31, 2008, FlashPoint dismissed its complaint as to 6 of the 7 patents-in-suit, leaving only the ’190 Patent in the litigation against RIM. On February 6, 2009, FlashPoint filed an amended complaint adding U.S. Patent Nos. 5,903,309, 6,278,447 (the “’447 Patent”) and 6,400,471 (the “’471 Patent”). Only the ’447 Patent and the ’471 Patent have been asserted against RIM. The complaint seeks an injunction and monetary damages. On December 17, 2009, the Court stayed the entire litigation pending completion of all re-examinations of the patents-in-suit.

On May 20, 2008, the Company filed a lawsuit in Italy against IPCom GmbH (“IPCom”) for declaratory judgment of invalidity of several IPCom patents. On May 21, 2008, the Company filed a lawsuit in the U.K. against IPCom for declaratory judgment of invalidity of several claimed standards-essential IPCom patents. On May 27, 2008, the Company filed a lawsuit in the U.S. District Court for the Northern District of Texas against IPCom for declaratory judgment of non-infringement and invalidity of several IPCom patents. On May 23, 2008, IPCom filed suit against the Company for infringement of four claimed standards essential German and European patents in the Hamburg, Germany court. On August 8, 2008, the parties agreed to withdraw and terminate their respective European actions.

On June 20, 2008, St. Clair Intellectual Property Consultants, Inc. filed a patent infringement lawsuit against the Company and other defendants in the District of Delaware. The patents-in-suit include U.S. Patent Nos. 5,138,459, 6,094,219, 6,233,010 and 6,323,899. These patents are generally directed to image processing in digital cameras. The court has set a trial date for September 7, 2010. The complaint seeks an injunction and monetary damages. Proceedings are ongoing.

On October 31, 2008, Mformation Technologies, Inc. filed a patent infringement lawsuit against the Company in the Northern District of California. The patents-in-suit include U.S. Patent Nos. 6,970,917 and 7,343,408. These patents are generally directed to remote device management functionality. The complaint seeks an injunction and monetary damages. On February 26, 2010, the Court issued a claim construction order. No trial date has been set. Proceedings are ongoing.

On November 17, 2008, Spansion, Inc. and Spansion LLC (“Spansion”) filed a complaint with the U.S. ITC against Samsung Electronics Co., Ltd. and other related Samsung companies (collectively “Samsung”) and other proposed respondents, including the Company, who purchase flash memory chips from Samsung, alleging infringement of U.S. Patent Nos. 6,380,029; 6,080,639; 6,376,877 and 5,715,194. The ALJ has set a trial date of May 3, 2010 and a target date for completion of the investigation by the ITC of January 18, 2011. Proceedings are ongoing.

On November 20, 2008, the Company filed a lawsuit for declaratory judgment of non-infringement, invalidity and unenforceability against four Eastman Kodak (“Kodak”) patents in the Dallas District Court. The patents-in-suit include U.S. Patent Nos. 5,493,335, 6,292,218 (“the ’218 Patent”) and 6,600,510 which are generally directed to digital camera technologies and U.S. Patent No. 5,226,161 which is directed to data sharing in applications. Kodak counterclaimed for infringement of these same patents seeking an injunction and monetary damages. The trial is scheduled for December, 2010. On January 14, 2010, Kodak filed a complaint with the ITC against the Company, and Apple Inc. alleging infringement of the ’218 Patent. The ALJ has set a trial date of September 1, 2010 and a target date for completion of the investigation by the ITC of May 23, 2011. Proceedings are ongoing.

On December 29, 2008, Prism Technologies, LLC ("Prism") filed a complaint against the Company and Microsoft Corporation in the United States District Court for the District of Nebraska. The single patent in suit is US Patent No. 7,290,288 ("the '288 Patent"). The court has rescheduled the trial date to January 28, 2011. Microsoft entered into an agreement with Prism and was dismissed from this action on September 28, 2009. On December 2, 2009, Prism filed a complaint with the ITC against the Company alleging infringement of the '288 Patent. The ALJ has set a trial date for August 30, 2010 and a target date for completion of the investigation of April 5, 2011. Proceedings are ongoing.

On December 30, 2008, MSTG, Inc. ("MSTG") filed a patent infringement lawsuit against the Company in the United States District Court for the Northern District of Illinois alleging infringement of United States Patent Nos. 5,920,551 ("'551"); 6,219,374; and 7,151,756. On March 18, 2009, MSTG filed an amended complaint which added U.S. Patent Nos. 6,438,113 ("'113") and 6,198,936 ("'936") and four additional defendants to the suit. On July 30, 2009, MSTG filed a second amended complaint which reduced the patents asserted against RIM to only the '551, '936 and '113 patents. The court has set a trial date for March 28, 2011. Proceedings are ongoing.

From time to time, the Company is involved in other claims in the normal course of business. The following additional patent suits were filed against the Company since the end of fiscal 2009:

On May 5, 2009, Fractus, S.A. ("Fractus") filed a lawsuit against the Company and eight other defendants in the United States District Court for the ED of Texas alleging infringement of nine patents (United States Patent Nos. 7,015,868; 7,123,208; 7,148,850; 7,202,822; 7,312,762; 7,394,432; 7,397,431; 7,411,556; and 7,528,782). These patents generally relate to antennae technology. The complaint seeks an injunction and money damages. The Court has set a trial date of May 2, 2011. Proceedings are ongoing.

On July 27, 2009, BTG International Inc. ("BTG") filed complaints with the U.S. ITC and the United States District Court for the ED of Texas, Marshall Division, against Samsung Electronics Co., Ltd. and other related Samsung companies (collectively "Samsung") and other companies, including the Company, alleging infringement of United States Patent Nos. 5,394,362; 5,764,571; 5,872,735 ("the '735 Patent"); 6,104,640 ("the '640 Patent") and 6,118,692 ("the '692 Patent"). The patents relate generally to flash memory chips, and BTG's infringement allegations against RIM are based on RIM's use of Samsung flash memory chips in certain RIM handhelds. In the ED of Texas, BTG is seeking monetary damages, and the case has been stayed until the determination in the ITC case becomes final. In the ITC, BTG is requesting that the ITC issue orders prohibiting RIM from importing into the U.S. and selling in the U.S. RIM handhelds containing the flash memory chips made by Samsung. The ALJ in the ITC case has set a trial date of June 21, 2010 and a target date for the completion of the investigation by the ITC of February 28, 2011. On January 19, 2010, BTG filed a motion to partially terminate the ITC case as to the '735, '640 and '692 Patents. The ALJ issued a determination on February 2, 2010, granting BTG's motion and on February 22, 2010, the ITC declined to review the ALJ's determination, thereby making it final. Proceedings in the ITC case are ongoing.

On August 6, 2009, Intellect Wireless filed a lawsuit against the Company, HTC, and AT&T in the United States District Court for the Northern District of Illinois alleging infringement of U.S. Patent Nos. 7,257,210; 7,305,076; 7,310,416; and 7,266,186. The patents are generally related to wireless systems and contact data, caller identification, and pictures. The complaint seeks money damages. Proceedings are ongoing.

On August 21, 2009, Xpoint Technologies filed a lawsuit against Research In Motion Limited, Research In Motion Corp., and twenty-eight other defendants, in the United States District Court for the District of Delaware alleging infringement of U.S. Patent No. 5,913,028. The patent is generally directed to data traffic delivery. The complaint seeks an injunction and money damages. The Court has set a trial date of May 7, 2012. Proceedings are ongoing.

On September 23, 2009, SimpleAir, Inc. filed a lawsuit against the Company and 10 other defendants in the United States District Court for the ED of Texas alleging infringement of U.S. Patent Nos. 6,021,433; 7,035,914; 6,735,614; and 6,167,426. The patents are generally directed to the generation, processing and/or delivery of content, notifications and updates for computing devices. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On October 23, 2009, Raylon LLC (“Raylon”) filed an Amended Complaint adding the Company and four other defendants to an existing patent infringement suit. The original Complaint was filed on August 6, 2009 in the United States District Court for the Eastern District of Texas alleging infringement of United States Patent No. 6,655,589. The single patent-in-suit generally relates to traffic citation issuance. The Company and Raylon settled on March 30, 2010 for an amount immaterial to the Consolidated Financial Statements.

On November 2, 2009, Media Digital Corporation (“Media Digital”) filed a lawsuit against the Company in the United States District Court for the Northern District of Texas alleging infringement of U.S. Patent No. 7,130,778. The patent is generally related to touch screen control of radio stations. The Company and Media Digital settled on January 27, 2010 for an amount immaterial to the Consolidated Financial Statements.

On November 23, 2009, Klausner Technologies Inc. filed a lawsuit against the Company and Motorola in the United States District Court for the ED of Texas alleging infringement of U.S. Patent Nos. 5,572,576 and 5,283,818. The patents are generally directed to visual voice mail. The complaint seeks an injunction and money damages. Klausner served RIM on March 23, 2010. Proceedings are ongoing.

On March 1, 2010, Uniloc USA, Inc. and Uniloc Private Limited ("Uniloc") filed a lawsuit against Alt-N Technologies Ltd. (a subsidiary of RIM Limited) and 13 other defendants in the United States District Court for the ED of Texas alleging infringement of U.S. Patent No. 5,490,216. The patent is generally directed to video compression and decompression. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 3, 2010, Smartphone Technologies LLC filed a lawsuit against the Company and 12 other defendants in the United States District Court for the ED of Texas alleging infringement of U.S. Patent Nos. 6,950,645; 7,076,275; 5,742,905; 7,506.064; 6,533,342; 6,711,609 and RE40,459. The patents are generally directed to device power management, telephonic networking, and synchronization. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 15, 2010, Video Enhancement Solutions LLC filed a lawsuit against Research In Motion Limited and 8 other defendants in the United States District Court for the Northern District of Georgia (Atlanta Division) alleging infringement of U.S. Patent No. 7,397,965 and U.S. Patent No. 7,492,960. The patents are generally directed to video compression and decompression. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 26, 2010, the PACid Group LLC filed a lawsuit against Research In Motion Limited, Research In Motion Corporation and 30 other defendants in the United States District Court for the Eastern District of Texas (Tyler Division) alleging infringement of U.S. Patent Nos. 5,963,646 and 6,049,612. The patents are generally directed to encryption key generation and file encryption. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 31, 2010, MobileMedia Ideas LLC filed a lawsuit against Research In Motion Limited and Research In Motion Corporation in the United States District Court for the Eastern District of Texas (Marshall Division) alleging infringement of U.S. Patent Nos. 5,479,476; 5,845,219; 6,055,439; 6,253,075; 6,427,078; RE.39231; 5,732,390; 5,737,394; 6,070,068; 6,389,301; 6,446,080; and 7,349,012. The patents are generally directed to mobile telephone technologies including mobile telephone user interfaces, call control, speech signal transmission and imaging. The complaint seeks an injunction and money damages. Proceedings are ongoing.

Risk Factors

Investors in the Company's common shares should carefully consider the following risks, as well as the other information contained in this Annual Information Form, and Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 27, 2010. If any of the following risks actually occurs, the Company's business could be materially harmed. The risks and uncertainties described below are not the only ones the Company faces. Additional risks and uncertainties, including those of which the Company is currently unaware or the Company currently deems immaterial, may also have a material adverse effect on the Company's business.

Risks Related to Intellectual Property

The Company may infringe on the intellectual property rights of others.

The Company's commercial success depends upon the Company not infringing intellectual property rights owned by others. The industry in which the Company competes has many participants that own, or claim to own, intellectual property, including participants that have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by the Company in its products. Some of these patents may grant very broad protection to the third-party owners of the patents. The Company cannot determine with certainty whether any existing third-party patents or the issuance of any new third-party patents would require the Company to alter its technologies, pay for licenses or cease certain activities. Third parties have asserted, and in the future may assert, intellectual property infringement claims against the Company and against its customers and suppliers. The Company may be subject to these types of claims either directly or indirectly through indemnities against these claims that it provides to certain customers, partners and suppliers**.** There can be no assurance that the Company's attempts to negotiate favorable intellectual property indemnities with its suppliers for infringement of third-party intellectual

property rights will be successful or that a supplier's indemnity will cover all damages and losses suffered by the Company and its customers and other suppliers due to infringing products, or that the Company can secure a license, modification or replacement of a supplier's products with non-infringing products that may otherwise mitigate such damages and losses.

Many intellectual property infringement claims are brought by entities whose principal business model is to secure patent licensing-based revenue from operating companies. As such entities do not typically generate their own products or services, the Company cannot deter their patent infringement claims based on counterclaims that they infringe patents in the Company's portfolio or by entering into cross-licensing arrangements. Litigation has been and will likely continue to be necessary to determine the scope, enforceability and validity of third-party proprietary rights or to establish the Company's proprietary rights.

Some of the Company's competitors have, or are affiliated with companies having, substantially greater resources than the Company has, and these competitors may be able to sustain the costs of complex intellectual property infringement litigation to a greater degree and for longer periods of time than the Company can. Regardless of whether third-party claims that the Company is infringing patents or other intellectual property rights have any merit, these claims could:

- adversely affect the Company's relationships with its customers;
- be time-consuming to evaluate and defend;
- result in costly litigation;
- result in negative publicity for the Company;
- divert management's attention and resources;
- cause product and software shipment delays or stoppages;
- subject the Company to significant liabilities;
- require the Company to enter into costly royalty or licensing agreements;
- require the Company to develop possible workaround solutions that may be costly and disruptive to implement; and
- require the Company to cease certain activities or to cease selling its products and services in certain markets.

In addition to being liable for potentially substantial damages relating to a patent or other intellectual property infringement action against the Company or, in certain circumstances, the Company's customers with respect to its products and services, that is not resolved in the Company's favor, the Company may be prohibited from developing or commercializing certain technologies or products unless the Company obtains a license from the holder of the patent or other intellectual property rights. There can be no assurance that the Company will be able to obtain any such license on commercially reasonable terms, or at all. If the Company does not obtain such a license, its business, operating results and financial condition could be materially adversely affected and the Company could be required to cease related business operations in some markets and restructure its business to focus on continuing operations in other markets. In addition, the Company includes and promotes certain third-party applications with its products. The Company's support and promotion of third-party applications increase the risk of intellectual property litigation if such applications infringe on the patents or other intellectual property rights of others.

The Company may not be able to obtain patents or other intellectual property protections necessary to secure its proprietary technology.

The Company's commercial success depends upon its ability to develop new or improved technologies and products, and to successfully obtain or acquire patent or other proprietary or statutory protection for these technologies and products in Canada, the United States and other countries. The Company seeks to patent concepts, components, protocols and other inventions that are considered to have commercial value or that will likely yield a technological advantage. The Company owns rights to an array of patented and patent pending technologies relating to wireless communication in the United States, Canada and other countries. The Company continues to devote significant resources to protecting its proprietary technology. However, the Company may not be able to continue to develop technology that is patentable, patents may not be issued in connection with the Company's pending applications and allowed claims by the Company may not be sufficient to protect its technology. Furthermore, any patents issued could be challenged, invalidated or circumvented and may not provide proprietary protection or a competitive advantage.

A number of the Company's competitors and other third parties have been issued patents, and may have filed patent applications or may obtain additional patents and proprietary rights, for technologies similar to those that the Company has made or may make in the future. Public awareness of new technologies often lags behind actual discoveries, making it difficult or impossible to know all the relevant, third-party patent applications at any particular time. For example, patent applications filed in the United States before November 29, 2000, and even a small number filed after that date, are maintained in secrecy by the U.S. Patent Office until issued as patents. Even the majority of applications filed after November 29, 2000, do not become public until 18 months after their first filing. Consequently, the Company cannot be certain that it was the first to develop the technology covered by its pending patent applications or that it was the first to file patent applications for the technology. In addition, the disclosure in the Company's patent applications may not be sufficient to meet the statutory requirements for patentability in all cases. As a result, there can be no assurance that the Company's patent applications will result in patents being issued.

Protection of the rights sought in published patent applications can be costly and uncertain and can involve complex legal and factual questions. In addition, the laws of certain countries in which the Company's products are sold or licensed do not protect intellectual property rights to the same extent as the laws of Canada or the United States. Therefore, the breadth of allowed claims and the scope of protection provided by the Company's patents, and their enforceability, cannot be predicted. Even if the Company's patents are held to be enforceable, others may be able to design around these patents or develop products similar to the Company's products that do not infringe the Company's patents.

In addition to patents, the Company relies on, among other things, copyrights, trademarks, trade secrets, confidentiality procedures and contractual provisions to protect its proprietary rights. While the Company enters into confidentiality and non-disclosure agreements with its employees, consultants, contract manufacturers, customers, potential customers and others to attempt to limit access to and distribution of proprietary and confidential information, it is possible that:

- some or all of its confidentiality agreements will not be honored;
- third parties will independently develop equivalent technology or misappropriate the Company's technology or designs;
- disputes will arise with the Company's strategic partners, customers or others concerning the ownership of intellectual property;
- unauthorized disclosure of source code will occur;
- unauthorized disclosure of the Company's know-how or trade secrets will occur; or
- contractual provisions may not be enforceable in foreign jurisdictions.

There can be no assurance that the Company will be successful in protecting its intellectual property rights.

The Company may not be able to obtain rights to use software or components supplied by third parties.

The Company licenses certain software used in its products and operations from third parties, generally on a nonexclusive basis, and the Company uses components from suppliers that are reliant on intellectual property used by such suppliers. The termination of any of these licenses, or the failure of these licensors or suppliers to adequately maintain, protect or update their software or intellectual property rights, could delay the Company's ability to ship its products while the Company seeks to implement alternative technology offered by other sources and could require significant unplanned investments on the Company's part if the Company is forced to develop alternative technology internally. In addition, alternative technology may not be available on commercially reasonable terms from other sources. The Company has not entered into source code escrow agreements with every software supplier or third party licensor. In the future, it may be necessary or desirable to obtain other third-party technology licenses relating to one or more of the Company's products or relating to current or future technologies to enhance the Company's product offerings. The Company may not be able to obtain licensing rights to the needed technology or components on commercially reasonable terms, if at all.

Copyright levies in numerous countries for the sale of products may negatively impact the Company's business.

The Company faces the possibility of copyright levies from collecting societies in European and other countries for the sale of products such as BlackBerry smartphones that might be used for the private copying of copyright protected works. The collecting societies argue that copyright levies should apply to such products because they include audio/video recording functionality, such as an MP3 player or storage capability, despite the fact that such products are not primarily intended to act as a recording device. If these levies are imposed, the Company's financial results may be negatively impacted.

Risks Related to the Company's Business and its Industry

The Company may not be able to enhance its current products or develop new products in a timely manner or at competitive prices.

The wireless communications industry is characterized by rapid technological change, evolving industry standards, frequent new product introductions and short product life cycles. To keep pace with technological developments, satisfy increasing customer requirements and achieve product acceptance, the Company's future success depends upon its ability to enhance its current products and to continue to develop and introduce new products offering enhanced performance and functionality on a timely basis at competitive prices. The process of developing new technology is complex and uncertain, and if the Company fails to accurately predict emerging technological trends and the changing needs of customers and end-users, its business could be harmed.

The Company's business may be adversely affected if its products that are based on existing technologies or subsequent new technologically-advanced products do not achieve acceptance among customers. The Company has developed and is continuing to develop a number of products incorporating advanced technologies and it will pursue those products that the Company expects to have the best chance for success based on the Company's expectations of future market demand. There cannot be any assurance that the technologies and related hardware or software products that the Company develops will be brought to market by it or network operators as quickly as anticipated or that they will achieve broad customer acceptance among operators or end-users.

The development and application of new technologies involve time, substantial costs and risks. The Company's inability, for technological or other reasons, to enhance, develop and introduce products in a timely manner, or at all, in response to changing market conditions or customer requirements could have a material adverse effect on the Company's business, operating results and financial condition or could result in its products becoming obsolete. The Company's ability to compete successfully will depend in large measure on its ability to maintain a technically skilled research and development staff and to adapt to technological changes and advances in the industry, including providing for the continued compatibility of its products with evolving industry standards and protocols and competitive network operating environments.

In addition, as the Company develops or announces new products, many of its older products will reach the end of their product life cycle. As the Company discontinues the manufacturing and sale of these older products, the Company must manage the liquidation of inventory, supplier commitments and customer expectations. If the Company is unable to manage properly the discontinuation of these older products, it could have a material adverse effect on the Company's business, operating results and financial condition.

Intense competition, rapid change and significant strategic alliances within the Company's industry, including potential future strategic transactions by its competitors or carrier partners could weaken the Company's competitive position or it may be required to reduce its prices to compete effectively.

The Company is engaged in an industry that is highly competitive and rapidly evolving, and has experienced, and expects to continue to experience, intense competition from a number of companies. No technology has been exclusively or commercially adopted as the industry standard for wireless communication. Accordingly, both the nature of the competition and the scope of the business opportunities afforded by the market in which the Company competes are uncertain. The Company's competitors, including many new market entrants, may implement new technologies before the Company does. In addition, the Company's competitors may deliver new products and solutions earlier, or provide more attractively priced, enhanced or better quality products and solutions than the Company does.

The Company also expects that additional competition will develop, both from existing businesses in the wireless data communications industry and from new entrants, as demand for wireless access products and services expands and as the market for these products and services becomes more established. In addition, network infrastructure developers, independent software vendors, smartphone vendors, PC or PDA vendors, internet application vendors or key network operators may seek to provide integrated wireless solutions that compete with the Company's products. The impact of competition could result in fewer customer orders, loss of market share and reduced gross and operating margins. There can be no assurance that the Company will be able to compete successfully and withstand competitive pressures.

Some of the Company's competitors have greater name recognition, larger customer bases and significantly greater financial, technical, marketing, public relations, sales, distribution and other resources than the Company does. There can be no assurance that the Company will be able to compete effectively with these companies.

In addition, to the extent that the Company licenses its technology to enable other device manufacturers to equip their devices with BlackBerry functionality, including RIM's push technology, such action may have the effect of impacting demand for RIM's wireless devices.

The intensely competitive market in which the Company conducts its business and the current economic uncertainty may require it to reduce its prices. If the Company's competitors offer deep discounts on certain products or services in an effort to recapture or gain market share, to reduce inventory levels or to sell other products and services, the Company may be required to lower prices or offer other favorable terms to compete successfully. Any such changes could reduce the Company's margins and could adversely affect the Company's operating results. The Company's recent entry into the consumer market may intensify this risk due to the broader choice of smartphones and other devices offered by multiple vendors in this market segment.

If two or more of the Company's competitors or carrier partners were to merge or partner, the change in the competitive landscape could adversely affect the Company's ability to compete effectively. The Company's competitors may also establish or strengthen co-operative relationships with its carrier partners, sales channel partners or other parties with whom the Company has strategic relationships, thereby limiting the Company's ability to promote its products and services. Disruptions in the Company's business caused by these events could reduce revenue and adversely affect the Company's operating results.

The Company continues to evaluate and purchase companies and make investments in products and services that provide opportunities for future growth. These may include but are not limited to companies or products related to software, wireless solutions, services, security and applications. There can be no assurance that any of these investments will be commercially successful or contribute to the Company's revenues, operating margins and operating results.

The Company's ability to sell the BlackBerry wireless solution is dependent on establishing and maintaining relationships with network carriers and distributors.

The Company is dependent on its ability to establish and develop new relationships and to build on existing relationships with its network carrier partners, which the Company relies on to deliver current and future products and services, and to grow its subscriber base, particularly in the United States, Canada and Europe where the Company is dependant on a limited number of network carriers. There can be no assurance that the Company will be successful in establishing new relationships, or maintaining or advancing its existing relationships, with network carriers. Any non-performance by the Company under its contracts with network carriers may have significant adverse consequences that may involve penalties to be paid by the Company for non-performance. If any significant customer discontinues its relationship with the Company for any reason, or reduces or postpones current or expected purchase commitments for products and services, RIM's business, operating results and financial condition could be materially adversely affected. In addition, the Company's ability to expand its market reach is dependent on establishing and maintaining distribution relationships with third party and indirect distributors.

Factors that are largely within the control of network carriers, which are important to the success of the BlackBerry solution and the growth of the Company's subscriber base, include:

- the quality and coverage area of voice and data services offered by the carriers;
- the degree to which carriers actively promote the Company's products and the size of the subscriber base to which these efforts are directed;
- the extent to which carriers offer and promote competitive products;
- the pricing and terms of voice and data plans that carriers will offer for use with the BlackBerry wireless solution, including any subsidy programs;
- sales growth of wireless devices, along with the related service, software and other revenues with respect to the BlackBerry wireless solution;
- significant numbers of new activations of BlackBerry subscriber accounts, as well as retention of existing ones;
- the carriers' interest in testing the Company's products on their networks;

- network performance and required investments in upgrades;
- future investments in evolving network technologies, support for new software technologies and support for third party devices; and
- continued support and distribution of the Company's products and services if claims of patent infringement involving its products are filed against its carriers and licensees as well as against the Company.

Some network carriers also sell products of the Company's competitors. If the Company's competitors offer their products to the carriers on more favorable terms or have more products available to meet their needs, there may be pressure on the Company to reduce the price of its products and services or those carriers may stop carrying the Company's products or de-emphasize the sale of its products and services in favor of those RIM competitors, which would adversely impact the Company's business, operating results and financial condition. There can be no assurance that the network carriers will act in a manner that will promote the success of the Company's products.

The Company has an increasing number of significant customers and large complex contracts with respect to sales of the majority of its products and services. Revenue from network carriers represented approximately 97.0% of revenue for fiscal 2010, compared to approximately 96.5% of revenue for fiscal 2009. If any significant customer discontinues its relationship with the Company for any reason, or reduces or postpones current or expected purchase commitments for its products and services, it could have a material adverse effect on the Company's business, operating results and financial condition

One customer comprised 14% of trade receivables as at February 27, 2010 (as at February 28, 2009, one customer comprised 29% of trade receivables). Additionally, three customers comprised 20%, 13% and 10%, respectively, of the Company's revenue for fiscal 2010 (in fiscal 2009, three customers comprised 23%, 14% and 10%, respectively, of revenue). The Company's ability to replace or find new large customers is necessarily limited due to the limited number of wireless carriers in many territories, including the United States, which is the country where it generates the majority of its revenue and the highly competitive nature of the market place.

The Company, in the normal course of business, monitors the financial condition of its customers and reviews the credit history of each new customer. The Company establishes an allowance for doubtful accounts intended to correspond to the specific credit risk of its customers, historical trends, and economic circumstances. The Company's allowances for doubtful accounts may prove to be inaccurate or insufficient. If the Company experiences significant net bad debts expense for any reason, there could be a material adverse effect on the Company's business, operating results and financial condition.

The Company relies on its suppliers to supply functional components and is exposed to the risks that these suppliers will not be able to supply components on a timely basis or of the desired quality; if the Company's sales volumes decrease or do not reach projected targets, it may face increased costs that could make its products less competitive.

The Company's manufacturing activity depends on obtaining adequate supplies of functional components, such as displays, semi-conductors, batteries, printed circuit boards, plastics, tooling equipment and flash memory, on a timely basis. The Company purchases several key components and licenses certain software used in the manufacture and operation of its products from a variety of sources. Some components come from sole source suppliers, including in circumstances where the Company has outsourced the manufacturing of various sub-assemblies and finished products. From time to time, shortages in allocations of components have resulted in delays in the Company's suppliers filling orders, and the Company may rely on these sources to meet the Company's needs. Alternative sources of supply are not always available. Moreover, the Company depends on, but has limited control over, the quality and reliability of the products supplied or licensed to the Company. If the Company cannot supply products due to a lack of components, or is unable to redesign products using other components in a timely manner, the Company's sales and operating results could be adversely affected. A supplier could also discontinue or restrict supplying components or licensing software to the Company with or without penalty. If a supplier discontinued or restricted supplying a component or licensing software, the Company's sales and operating results could be adversely affected by the resulting product manufacturing and delivery delays. In addition, if a component supplier failed to meet the Company's supplier standards, such as the Company's product quality standards, and as a consequence some of its products were unacceptable to the Company, the Company's sales and operating results could be adversely affected. A supplier could also file for bankruptcy or experience damage or interruption in its operations due to fire, earthquake, power loss, telecommunications or computer systems failure, the effects of the current economic downturn, human error, terrorist acts, war or other events, which could have a material adverse effect on the Company's business, operating results and financial condition.

The Company generally uses rolling forecasts based on anticipated product orders to determine component requirements. Lead times for materials and components vary significantly and depend on factors such as specific supplier requirements, contract terms and current market demand for particular components. As the number of different products manufactured by the Company and its outsourcing partners, increases, it is increasingly difficult to estimate component requirements. If the Company overestimates its component requirements, it may result in excess inventory, which would increase the risk of obsolescence. If the Company underestimates component requirements, it may have inadequate inventory, which could interrupt manufacturing operations and delay delivery of products. Any of these occurrences could have a material adverse effect on the Company's business, operating results and financial condition.

The Company has negotiated favorable pricing terms with many of its suppliers, some of which have volume-based pricing. In the case of volume-based pricing arrangements, the Company may experience higher than anticipated costs if current volume-based purchase projections are not met. Some contracts have minimum purchase commitments and the Company may incur large financial penalties if these commitments are not met. The Company may also have unused production capacity if its current volume projections are not met, increasing the Company's production cost per unit. In the future, as the Company establishes new pricing terms, its volume demand could negatively impact future pricing from suppliers. All of these outcomes may result in the Company's products being more costly to manufacture and less competitive.

Network disruptions or other business interruptions could have a material adverse effect on the Company's business and harm its reputation.

The BlackBerry service is provided through a combination of the Company's network applications and the wireless networks of its carrier partners. The Company's operations rely to a significant degree on the efficient and uninterrupted operation of complex technology systems and networks, which are in some cases integrated with those of third parties. The Company's networks and technology systems are potentially vulnerable to damage or interruption from a variety of sources, physical or logical, including damage or interruption by fire, earthquake, power loss, telecommunications or computer systems failure, cyber attack, human error, terrorist acts, war or other events. There may also be system or network interruptions if new or upgraded systems are defective or not installed properly. The Company continues to work to develop, implement and test its Business Continuity Plan and there can be no assurance that the measures taken by the Company to date, or measures implemented by the Company upon completion of its Business Continuity Plan, to manage risks related to network disruptions or other business interruptions will be adequate or that the redundancies built into the Company's systems and network operations will work as planned in the event of a disaster. As the Company's subscriber base continues to grow, additional strain will be placed on the technology systems and networks, thereby increasing the relative risk of a network disruption or other business interruption. The Company has experienced network disruptions and, any outage in a network or system, or other unanticipated problem, that leads to an interruption or disruption of the BlackBerry service, could have a material adverse effect on the Company's business, operating results and financial condition. As the Company moves to support more applications or services, the expense to establish and maintain a resilient network services capability may significantly increase.

In addition, poor performance in or disruptions of the services that the Company delivers to its customers could harm its reputation, delay market acceptance of its services and expose it to liabilities. The Company enters into service level agreements ("SLAs") with certain customers. The SLAs specify the events constituting "down time" and the actions that the Company will take to rectify or respond to such down time, including in certain cases, the payment of financial penalties. Failure to comply with SLAs may have a material adverse effect on RIM's business, operating results and financial condition.

The Company's future success depends on its existing key personnel, the loss of any of whom could adversely impact its business.

The Company's success is largely dependent on its continuing ability to identify, attract, develop, motivate and retain skilled employees. Competition for highly skilled management, technical, research and development and other employees is intense in the wireless communications industry and the Company may not be able to attract or retain highly qualified personnel in the future. None of the Company's officers or key employees is bound by an employment agreement for any specific term. The Company does not maintain key-person life insurance policies on any of its employees. The loss of key employees could disrupt operations and impair the Company's ability to compete effectively.

If the Company does not effectively control the production process or the quality of its products, the Company's sales and operating results could be adversely affected.

The Company has its own production facility, and its sales and operating results could be adversely affected if the Company fails to manage its manufacturing and logistics efficiently or to ensure that its products meet customers' quality standards. The Company may experience difficulties in increasing or decreasing production at its facilities, adopting new processes and finding the most effective and timely way to develop the best solutions to meet the technical requirements of its customers and of regulatory authorities. These difficulties may increase as the Company continues to manufacture an increasing number of different products.

The Company relies upon third parties to manufacture and repair its products and it is exposed to the risk that these third parties may not be able to satisfy its manufacturing needs on a timely basis or to an appropriate quality standard.

The Company outsources the manufacturing and repair of certain of its products to third parties. Third party manufacturers, or other third parties to which such third party manufacturers in turn outsource RIM's manufacturing requirements, may not be able to satisfy the Company's manufacturing requirements on a timely basis, including the failure to meet scheduled production and delivery deadlines or the failure to manufacture products to meet the product quality requirements of customers. In addition, the Company may not be able to obtain additional or substitute manufacturers when and if needed or on a cost-effective basis, which could materially impair the Company's ability to supply devices to its customers. The Company's reliance on outsourcing its manufacturing requirements to third parties may involve a number of other risks, including:

- absence of guaranteed manufacturing;
- concerns regarding quality control;
- reduced control over RIM's intellectual property;
- reduced control over delivery schedules and costs; and
- early termination of, or failure to renew, contractual arrangements.

The resources devoted by these third parties to meet the Company's manufacturing requirements is not within the Company's control and there can be no assurance that manufacturing problems will not occur in the future. Insufficient supply or an interruption or stoppage of supply from such third party manufacturers or the Company's inability to obtain additional or substitute manufacturers when and if needed, could have a material adverse effect on the Company's business, operating results and financial condition.

The occurrence or perception of a breach to the Company's security measures or an inappropriate disclosure of confidential or personal information could harm its business.

The BlackBerry service involves the transmission of business-critical, proprietary and confidential information for customers and provides the Company with access to confidential or personal information and data. In addition, information stored in the Company's products is subject to viruses and security breaches related to wireless data transmission. If the security measures that the Company or its partners have implemented are breached or if there is an inappropriate disclosure of confidential or personal information or data, including as a result of a security breach relating to hardware or software, the Company could be exposed to litigation, possible liability and statutory sanctions. Even if the Company was not held liable, a security breach or inappropriate disclosure of confidential or personal information and/or data could harm its reputation, and even the perception of security vulnerabilities in the Company's products could lead some customers, particularly governmental customers, to reduce or delay future purchases or to purchase competitive products or services. In addition, the Company may be required to invest additional resources to protect itself against damages caused by these actual or perceived disruptions or security breaches in the future.

Defects in the Company's products and services can be difficult to detect and remedy. If defects occur, they could have a material adverse effect on the Company's business.

The Company's products and services are highly complex and sophisticated and may contain design defects or errors that are difficult to detect and correct. Errors or defects may be found in new products or services after commencement of commercial shipments or provision of such services and, if discovered, the Company may not be able to successfully correct such errors or defects in a timely manner or at all. The occurrence of errors and failures in the Company's products or services could result in loss of or delay in market acceptance of its products or services and may harm the Company's reputation, and correcting such errors and failures in its products or services could require significant expenditures by the Company. As the Company's products are integrated into its customers' networks and equipment, the sale and support of these products may entail the risk of product liability or warranty claims based on damage to such networks and equipment. In addition, the failure of the Company's products or services to perform to customer expectations could give rise to product liability claims and warranty claims. The consequences of such errors, failures and claims could have a material adverse effect on the Company's business, operating results and financial condition.

In some cases, if design defects or errors affect a product's safety or regulatory compliance, then such product may need to be recalled. Depending on the nature of the defect and the number of products, the Company may be forced to incur substantial recall costs, in addition to the costs associated with the potential loss of future orders and the damage to the Company's reputation. Recalls involving regulatory agencies could also result in fines and additional costs. Finally, recalls could result in third-party litigation, including class action litigation by persons alleging common harm resulting from the purchase of the Company's products.

The Company is subject to risks inherent in foreign operations.

Sales outside North America represented approximately 36.7% of the Company's revenue in fiscal 2010. The Company intends to continue to pursue international market growth opportunities, which could result in a scenario where international sales continue to account for an increasing portion of the Company's revenue. The Company has committed, and intends to commit, significant resources to its international operations and sales and marketing activities. The Company maintains offices in Canada and the United States and outside of North America in the United Kingdom, Japan, Hong Kong, France, India, Italy, Germany, Australia, Brazil, Singapore, Mexico, Spain and China, and expects to open additional offices in other countries. The Company has limited experience conducting business outside of North America, and it may not be aware of all the factors that may affect its business in foreign jurisdictions. The Company will be subject to a number of risks associated with its expanding international business operations and sales and marketing activities that may increase liability, costs, lengthen sales

cycles and require significant management attention. International operations carry certain risks and associated costs, including:

- the complexities and expense of administering a business abroad;
- complications in compliance with, and unexpected changes in foreign regulatory requirements, including requirements relating to content filtering;
- foreign laws, international import and export legislation;
- trading and investment policies;
- consumer protection laws that impose additional obligations on the Company or restrict the Company's ability to provide limited warranty protection;
- compliance with the laws of the United States, Canada and other countries that apply to the Company's international operations, including without limitation, the Foreign Corrupt Practices Act of the United States and the Corruption of Foreign Public Officials Act of Canada;
- foreign currency fluctuations;
- foreign exchange controls and cash repatriation restrictions;
- tariffs and other trade barriers;
- difficulties in collecting accounts receivable;
- potential adverse tax consequences;
- uncertainties of laws and enforcement relating to the protection of intellectual property or secured technology;
- litigation in foreign court systems;
- unauthorized copying of software;
- cultural and language differences;
- difficulty in managing a geographically dispersed workforce in compliance with local laws and customs that vary from country to country; and
- other factors, depending upon the country involved.

There can be no assurance that the Company will not experience these factors in the future or that they will not have a material adverse effect on the Company's business, operating results and financial condition.

The Company's business relies on its strategic alliances and relationships with third-party network infrastructure developers, software platform vendors and service platform vendors.

The Company relies on wireless network infrastructure developers for access to emerging wireless data protocols. In addition, the Company's business is dependent on the development, deployment and maintenance by third parties of their wireless infrastructure and on their sales of products and services that use the Company's products. Market acceptance of the Company's products may also depend on support from third-party software developers and the marketing efforts of value added resellers, Internet service providers and computer manufacturers and distributors. The loss of, or inability to maintain, any of these relationships, or the failure of such third parties to execute or effectively manage their own business plans, could result in delays or reductions in product shipments, which could have a material adverse effect on the Company's business, operating results and financial condition.

The Company has designed BES to be used with Microsoft Exchange, IBM Lotus Domino and Novell GroupWise. The functionality of BlackBerry smartphones sold to corporate customers will depend on continued growth in the number of businesses that adopt Microsoft Exchange, IBM Lotus Domino and Novell GroupWise as their email and server solutions. If the number of businesses that adopt these platforms fails to grow or grows more slowly than the Company currently expects, or if Microsoft, IBM or Novell discontinue products, delay or fail to release new or enhanced products, or announce new incompatible products, RIM's revenues from BlackBerry corporate customers could be materially adversely affected.

The Company is also dependent on third parties to provide access to and develop content and services to enhance the user experience and maintain competitiveness and differentiation of BlackBerry products in the marketplace. The loss of, or inability to maintain any of these relationships may affect the competitive desirability of the Company's products and hence RIM's revenue from the sale of its products, particularly to consumers.

The Company may not be able to manage growth and ongoing development of service and support operations.

The Company has experienced a period of significant growth in sales and personnel. Revenues have increased to $14.95 billion in fiscal 2010, from $11.07 billion in fiscal 2009 and $6.01 billion in fiscal 2008. The rapid growth of the Company's operations places a strain on managerial, financial and human resources. The Company's ability to manage future growth will depend in large part upon a number of factors, including the Company's ability to:

- increase the number of network carrier partners to create new marketplaces for the Company's products and services;
- attract and retain qualified technical personnel in order to continue to develop reliable and flexible products and provide services that respond to evolving customer needs;

- develop support capacity for end-users and network carriers as sales increase, so that the Company can provide post-sales support without diverting resources from product development efforts; and
- expand the Company's internal management and financial controls, administrative processes, and compliance and governance policies and procedures, so that the Company can maintain control over its operations and provide support to other functional areas as the number of personnel and size of the Company increases, while ensuring that applicable laws and its internal policies and procedures are adhered to.

The Company's inability to achieve any of these objectives could have a material adverse effect on the Company's business, operating results and financial condition as well as its reputation.

Although sales of BlackBerry smartphones to network operators, strategic partners and corporate partners continue to generate significant revenue streams, the Company is earning an increasing amount of its revenues from recurring monthly access fees from BlackBerry service and the licensing of BlackBerry software (BES and CALS). The Company expects future additional growth to come from its prosumer/consumer offerings through BIS. The growth in the Company's services and software licensing operations will require ongoing development of service and support operations, including hiring and training employees and developing corporate standards and systems. Management systems will need to be continually enhanced and upgraded as the Company continues to increase its BlackBerry customer base, and the Company will need to increase or re-allocate the number of employees and facilities dedicated to customer service, fulfillment, financial and non-financial reporting, billing and other administrative functions. There can be no assurance that the Company has made adequate allowances for the costs and risks associated with the expansion of these service offerings, that the systems, procedures or controls will be adequate to support its operations, or that the Company will be able to offer and expand its service offerings successfully. There can be no assurance that the Company will be able to manage its growth or its shift in business revenues effectively.

The Company is subject to regulation and certification risks that could affect negatively its business, and is also subject to allegations of possible health or other risks relating to the use or misuse of the Company's products, or lawsuits and publicity related to such allegations.

The Company must comply with a variety of laws, standards and other requirements governing, among other things, health and safety, hazardous materials usage, packaging and environmental matters, and its products must obtain regulatory approvals and satisfy other regulatory concerns in the various jurisdictions in which they are manufactured or sold. For example, the Company's products must be approved by the Federal Communications Commission ("FCC") before they can be used in commercial quantities in the United States. The FCC requires that access devices meet various standards, including safety standards with respect to human exposure to electromagnetic radiation and basic signal leakage. Regulatory requirements in Canada, Europe, Asia and other jurisdictions must also be met. Although the Company's products and solutions are designed to meet relevant safety standards and recommendations globally, any perceived risk of adverse health effects of wireless communication devices could materially adversely affect the Company through a reduction in sales. The failure to comply with regulatory requirements can subject the Company to liability, additional costs and reputational harm, and in severe cases prevent it from selling its products in certain jurisdictions.

As a result of varying and developing regulatory requirements throughout the world, the Company faces increasingly complex procurement and design challenges, which, among other things, require the Company to incur additional costs identifying suppliers and contract manufacturers who can provide, and otherwise obtain, compliant materials, parts and end products and to re-design its products so that the products comply with the many requirements applicable to them. There can be no assurance that the costs of complying with and the liabilities arising from current and future health and safety, environmental and other laws, standards and regulatory requirements will not adversely affect the Company's business, operating results or financial condition.

In addition to regulatory approvals, product manufacturers must obtain certification from the networks upon which their products operate. Failure to maintain regulatory approvals or network certifications for the Company's current products or a failure to obtain required regulatory approvals or network certifications for any new products on a timely basis could have a material adverse effect on the Company's business, operating results and financial condition.

There has also been public speculation about possible health risks to individuals from exposure to electromagnetic fields from the use of mobile devices. While scientific research conducted by independent research bodies has found no evidence that radio signals pose a threat to human health at levels prescribed by public health authority standards and recommendations, government agencies, international health organizations and other scientific bodies continue to conduct research on the topic, and there can be no assurance that future studies, irrespective of their scientific basis, will not suggest a link between electromagnetic fields from mobile devices and adverse health effects. Other mobile device manufacturers and cellular services providers have been named in lawsuits alleging that the use of mobile devices poses a risk to human health and that radio emissions have caused or contributed to the development of brain tumors. Other users of mobile devices with multimedia functions, such as MP3 players, have claimed that the use of such products has contributed to or resulted in hearing loss or other adverse health effects. In addition, users of the Company's products who disregard the Company's warnings about using the products while operating a motor vehicle or who use after-market accessories, such as batteries, that are not subject to the Company's quality control procedures may also be at risk of bodily harm. The perception of risk to human health or other risks could adversely affect the demand for the Company's products and allegations of risks relating to the Company's products could result in litigation, which could distract management or result in liabilities for the Company, regardless of the merit of such claims.

The Company is subject to government restrictions on the sale of products and services that use encryption technology.

Various countries have adopted controls, license requirements and restrictions on the export, import, and use of products or services that contain encryption technology. In addition, from time to time, governmental agencies have proposed additional requirements for encryption technology, such as requiring the escrow and governmental recovery of private encryption keys. Restrictions on the sale or distribution of products or services containing encryption technology

may prevent the Company from selling or distributing the BlackBerry solution in certain markets or may require the Company to make changes to the encryption technology that is embedded in its products to comply with such restrictions. Government restrictions, or changes to the Company's products or services to comply with such restrictions, could delay or prevent the acceptance and use of the Company's products and services. Some of the Company's competitors do not have the same level of encryption in their technology and some foreign competitors may be subject to less stringent controls on the export, import, and use of encryption technologies in certain markets. As a result, these competitors may be able to compete more effectively than the Company can in those markets. In addition, the United States, Canada and other countries have imposed export controls that prohibit the export of encryption technology to certain countries, entities and individuals. The Company's failure to comply with export, import, and use regulations concerning encryption technology could subject the Company to sanctions and penalties, including fines, and suspension or revocation of export or import privileges.

Reduced spending by customers due to the uncertainty of economic and geopolitical conditions may negatively affect the Company.

Many of the end-users of the BlackBerry wireless solution are directly affected by the current economic and geopolitical conditions affecting the broader market. Current and future conditions in the domestic and global economies remain uncertain. A slowdown in capital spending by end-users of the Company's products and services, coupled with existing economic and geopolitical uncertainties globally and in the financial services or legal markets in particular, could substantially reduce the demand for the Company's products and services and adversely affect RIM's business, operating results and financial condition.

It is difficult to estimate the level of economic activity for the economy as a whole. It is even more difficult to estimate growth in various parts of the economy, including the markets in which the Company participates. Because all components of the Company's budgeting and forecasting are dependent upon estimates of economic activity in the markets that the Company serves and demand for its products and services, economic uncertainties make it difficult to estimate future income and expenditures.

The current downturn in the economy or geopolitical uncertainties may cause end-users to reduce their IT budgets or reduce or cancel orders for the Company's products and services. For example, many end-users of the BlackBerry wireless solution may not upgrade their devices or may postpone the replacement of their devices or the purchase of their first device due to more limited financial resources or out of concern for economic uncertainty. Network carriers may further reduce device subsidies that they offer to end-users or attempt to extend the periods of contracts that obligate end-users to use a certain device. Any such developments could have a material adverse impact on the Company's business, operating results and financial condition.

In addition, acts of terrorism and the outbreak of hostilities and armed conflicts between countries have created and may continue to create uncertainties that may affect the global economy and could have a material adverse effect on the Company's business, operating results and financial condition.

Acquisitions, investments and other business initiatives may negatively affect the Company's operating results.

The Company has acquired, and continues to seek out opportunities to acquire or invest in, businesses, products and technologies that expand, complement or are otherwise related to the Company's current business. These activities create risks such as the need to integrate and manage the businesses, personnel, and products acquired with the business and products of the Company, the challenges in achieving strategic objectives, cost savings and other benefits from acquisitions, the potential loss of key employees of the acquired business, additional demands on the Company's management, resources, systems, procedures and controls, disruption of the Company's ongoing business, and diversion of management's attention from other business concerns. Such acquisitions, investments or other business collaborations may involve significant commitments of financial and other resources of the Company. An acquisition may have an adverse effect on the Company's cash position if all or a portion of the purchase price is paid in cash, and common shares issuable in an acquisition would dilute the percentage ownership of the Company's existing shareholders. Any such activity may not be successful in generating revenue, income or other returns to the Company, and the financial or other resources committed to such activities will not be available to the Company for other purposes. In addition, the acquisitions may involve unanticipated costs and liabilities, including possible litigation, that are not covered by the indemnity or escrow provisions of the acquisition agreement. The Company's inability to address these risks could adversely affect the Company's business, operating results and financial condition.

The Company is exposed to fluctuations in foreign currencies.

The Company is exposed to foreign exchange risk as a result of transactions in currencies other than its U.S. dollar functional currency. The majority of the Company's revenue and purchases of raw materials are denominated in U.S. dollars. However, some revenue, a substantial portion of operating costs, including salaries and manufacturing overhead, as well as capital expenditures, are incurred in other currencies, primarily Canadian dollars. If the Canadian dollar appreciates relative to the U.S. dollar, the Company's Canadian dollar denominated expenses will increase when translated to U.S. dollars for financial reporting purposes. The significant foreign exchange rate fluctuations experienced in fiscal 2010 materially affected the Company's operating results in fiscal 2010 and may materially affect the Company's operating results in future periods. For more details, please refer to the discussion of foreign exchange, income taxes and the Company's use of non-GAAP financial measures in Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 27, 2010.

The Company's worldwide operations subject it to income and other taxes in many jurisdictions, and the Company must exercise significant judgment in order to estimate its worldwide financial provision for income taxes. There can be no assurances that the Company's historical provisions and accruals for income and other taxes will be adequate.

The Company is subject to income and other taxes in Canada and numerous foreign jurisdictions. Significant judgment is required in determining its worldwide liability for income and other taxes. In the ordinary course of the Company's business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although the Company believes

that its tax estimates are reasonable, there can be no assurances that the final determination of any tax audits will not be materially different from that which is reflected in historical income and other tax provisions and accruals. Should additional taxes be assessed as a result of an audit, litigation or changes in tax laws, there could be a material adverse effect on the Company's current and future results and financial condition.

The Company's future effective tax rate will depend on the relative profitability of the Company's domestic and foreign operations, the statutory tax rates and taxation laws of the related tax jurisdictions, the tax treaties between the countries in which the Company operates, and the timing of the release, if any, of the valuation allowance.

The Company is subject to general commercial litigation and other litigation claims as part of its operations, and it could suffer significant litigation expenses in defending these claims and could be subject to significant damage awards or other remedies.

In the course of its business, the Company receives general commercial claims related to the conduct of its business and the performance of its products and services, employment claims and other litigation claims. Litigation resulting from these claims could be costly and time-consuming and could divert the attention of management and key personnel from the Company's business operations. The complexity of the technology involved and the inherent uncertainty of commercial, employment and other litigation increases these risks. In recognition of these considerations, the Company may enter into material settlements. If the Company is unsuccessful in its defense of material litigation claims or is unable to settle the claims, the Company may be faced with significant monetary damages or injunctive relief against it that could have a material adverse effect on the Company's business, operating results and financial condition. Administrative or regulatory actions against the Company or its employees could also have a material adverse effect on the Company's business, operating results and financial condition.

A significant portion of the Company's assets are held in cash, cash equivalents, short-term or long-term investments, all of which are subject to market and credit risk.

The Company had a total balance of cash, cash equivalents, short term investments and long-term investments of $2.87 billion as at February 27, 2010, compared to $2.24 billion as at February 28, 2009. The Company's investment income decreased by $49.7 million to $28.6 million in fiscal 2010 from $78.3 million in fiscal 2009. The decrease primarily reflects the decrease in yields due to lower interest rates compared to the prior year, offset partially by an increase in the average cash and cash equivalents, short-term investments and long-term investment balances throughout fiscal 2010 compared to the prior year and the gain on sale of investments in fiscal 2009. Cash equivalents, short term and other investments are invested in debt securities of varying maturities. Consequently, the Company is exposed to interest rate risk and its operating results may be materially adversely affected by changes in interest rates. The fair value of short term and other investments, as well as the investment income derived from the investment portfolio, will fluctuate with changes in prevailing interest rates.

Additionally, the Company is exposed to market and credit risk on its investment portfolio. While the Company's investment policies include investing in liquid, investment-grade securities

and limiting investments in any single issuer, there can be no assurance that such investment policies will reduce or eliminate market or credit risks. See “Financial Condition” in Management’s Discussion and Analysis of Financial Condition and Results of Operations for fiscal 2010 for a discussion of certain liquidity issues relating to the Company’s investments in auction rate securities, structured investment vehicles and fixed income securities maintained in an investment account with Lehman Brothers International (Europe).

Government regulation of wireless spectrum and radio frequencies may provide opportunities for competitors or limit industry growth.

The allocation of radio frequencies around the world is regulated by government bodies and there is limited spectrum available for use in the delivery of wireless services. If there is insufficient spectrum allocated to the delivery of wireless communications services, the Company’s growth and financial performance could be adversely impacted. In addition, deregulation of spectrum may allow new wireless technologies to become viable, which could offer competition to the Company’s products and services.

The collection, storage, transmission, use and distribution of user data and personal information could give rise to liabilities or additional costs as a result of laws, governmental regulations and carrier and other customer requirements or differing views of personal privacy rights.

The Company transmits and stores a large volume of data, including personal information, in the course of supporting its BlackBerry wireless solution. This information is increasingly subject to legislation and regulations in numerous jurisdictions around the world that is intended to protect the privacy and security of personal information as well as the collection, storage, transmission, use and distribution of such information.

The Company could be adversely affected if legislation or regulations are expanded to require changes in its business practices or if governmental authorities in the jurisdictions in which the Company does business interpret or implement their legislation or regulations in ways that negatively affect its business. If the Company is required to allocate significant resources to modify its BlackBerry wireless solution to modify its existing security procedures for the personal information that its transmits and stores, its results of operations, operating cash flows and financial condition may be adversely affected.

The Company’s network carrier or other customers may also have differing expectations or impose particular requirements for the collection, storage, processing and transmittal of user data or personal information in connection with the BlackBerry wireless solution. Such expectations or requirements could subject the Company to additional costs, liabilities or negative publicity, and limit its future growth.

The Company’s ability to attract and retain key personnel may be negatively impacted by recent new and proposed regulations relating to equity compensation plans as well as charges to the Company’s policies on granting equity awards.

Historically, RIM has used stock option grants as an important component of employee compensation packages. The Company adopted in fiscal 2007 a fair-value based method to

account for share-based payments in accordance with Statements of Financial Accounting Standards 123R – *Share-Based Payment* that requires the Company to record a charge to earnings for stock option grants. Regulations such as these may make it more difficult to grant stock options, or other stock-based compensation, and may lead to increased reported compensation costs, a need to change the Company's compensation system or make it more difficult for the Company to attract, retain and motivate employees. In addition, restrictions on the Company's ability to grant equity awards to new employees under its policy on granting equity awards, which provides for quarterly grants of stock options except in limited and exceptional circumstances, may make it more difficult for the Company to attract new employees. Volatility in the Company's share price could result in a stock option's exercise price exceeding the market value of the underlying common share or decrease the value of a restricted share unit to an employee, thus lessening the effectiveness of equity award grants in retaining employees. These factors could have an adverse impact on the Company's business.

The Company may not be successful in expanding its BlackBerry App World applications catalogue or making content available that is attractive to its end-users.

In April 2009, the Company made BlackBerry App World, its comprehensive electronic applications catalogue, available to customers in the United States, United Kingdom and Canada, with other markets to follow. While the number of applications in the applications catalogue has grown since its inception, the continued expansion of the applications catalogue requires a substantial investment of internal resources for development of the infrastructure, improvement of developer and consumer interfaces and advertising costs. An expansion of the Company's online commercial presence may also require significant additional investment in security measures to ensure that the transmission of confidential data, such as payment information, is secure and to augment protection for the Company's servers, network and installed base of users from damage due to intruders, computer viruses, power losses, telecommunications failures and similar events. Applications may also require an interface with third parties over which the Company has no control. If the Company is not able to successfully expand, support or market the applications catalogue, or if necessary third-party interfaces are not available to support the applications, the sales of the Company's products may suffer, the Company may lose market share, and its business, operating results and financial condition may be adversely affected.

In addition, growth of the applications catalogue is dependent on the continued recruitment and support of third-party software developers to create software that will be attractive to the Company's end-users. Because the Company operates in a competitive market and its applications catalogue is still in its early stages, the Company may not be successful in convincing existing BlackBerry developers to develop additional applications or new developers to develop applications for the catalogue. Many developers may already have significant relationships with the Company's competitors and may be unwilling to develop applications for BlackBerry products. If the Company develops its own software applications and services, such development may negatively affect the decisions of third-party developers to develop, maintain, and upgrade similar or competitive applications. Further, even if the Company is successful in continuing to recruit and retain developers, there can be no assurance that they will create products that are an attractive complement to the Company's products and will be purchased by end-users. If the Company's applications catalogue is unable to attract additional customers, the Company's business, operating results and financial condition may be adversely affected.

The market price of the Company's common shares may be volatile.

The market price of the Company's outstanding common shares has been volatile in the past, and may continue to be in the future, due in part to highly volatile markets generally, particularly for technology company shares. A variety of events, including, news announcements by the Company or its competitors, trading volume, general market trends for technology companies and other factors, could result in wide fluctuations in the market price for its common shares. The Company's share price may also be affected by factors such as the performance of other technology companies, announcements by or results of RIM's competitors, results of existing or potential litigation, updates to forward-looking financial guidance, and announcements regarding new products and services.

The Company's quarterly financial results and the growth of its subscriber base are difficult to forecast and such results and growth may not meet the expectations of analysts or investors, which would contribute to the volatility of the market price of the Company's common shares. The Company's financial results may not follow any past trends. The Company's sales may also be impacted by current economic factors which more significantly impact other specific industry sectors, such as the financial, government and legal services sectors. These sectors have represented the Company's largest end user concentration to date. The Company's operating expenses are based on anticipated revenue levels, are relatively fixed in the short term to medium term and are incurred throughout the quarter; thus, fluctuations in operating expenses are likely. Significant unanticipated sales and marketing, R&D, IT, professional and other costs may be incurred in a single quarter which will affect results. Additionally, many of the Company's products are subject to long sales cycles. As a result, if expected revenues are not realized as anticipated, or if operating expenses are higher than expected, the Company's quarterly financial results could be materially adversely affected. These factors can make it difficult to predict the Company's quarterly financial results.

In addition, the Company relies on the individual carriers to instruct the Company to create subscriber accounts and determines whether the subscriber account should have an active status. That carrier is charged a service fee for each subscriber account each month. If a carrier instructs the Company to deactivate a subscriber account, then the Company no longer includes that subscriber account in its BlackBerry subscriber account base and ceases billing the carrier with respect to such account from the date of its deactivation. On a quarterly basis, the Company may make an estimate of pending deactivations for certain carriers that do not use a fully-integrated provisioning system. It is, however, each carrier's responsibility to report changes to its subscriber account status on a timely basis to the Company. The Company's failure to meet the expectations of analysts or investors as a result of difficulties in predicting the growth rate in its subscriber base may further contribute to the volatility of the market price of its common shares.

There could be adverse tax consequence for the Company's shareholders in the United States if the Company is or was a passive foreign investment company.

Under U.S. federal income tax laws, if a company is, or for any past period was, a passive foreign investment company, or PFIC, there could be adverse U.S. federal income tax consequences to U.S. shareholders even if the Company is no longer a PFIC. The determination of whether the Company is a PFIC is a factual determination made annually based on various facts and circumstances and thus is subject to change, and the principles and methodology used in determining whether a company is a PFIC are subject to interpretation. While the Company does not believe that it is currently or has been a PFIC, there can be no assurances that the Company was not a PFIC in the past and will not be a PFIC in the future. U.S. shareholders are urged to consult their tax advisors concerning U.S. federal income tax consequences of holding the Company's common shares if RIM is or has been considered a PFIC.

The Company's charter documents enable its directors to issue preferred shares which may prevent a takeover by a third party.

The Company's authorized share capital consists of an unlimited number of common shares, an unlimited number of class A common shares and an unlimited number of preferred shares, issuable in one or more series. The Company's Board of Directors has the authority to issue preferred shares and determine the price, designation, rights, preferences, privileges, restrictions and conditions, including dividend rights, of these shares without any further vote or action by shareholders. The rights of the holders of common shares will be subject to, and may be adversely affected by, the rights of holders of any preferred shares that may be issued in the future. The Company's ability to issue preferred shares could make it more difficult for a third party to acquire a majority of the Company's outstanding voting shares, the effect of which may be to deprive the Company's shareholders of a control premium that might otherwise be realized in connection with an acquisition of the Company.

Continuing risks relating to the Company's historical stock option granting practices may have a material adverse effect on the Company.

As discussed in greater detail under "Explanatory Note Regarding the Restatement of Previously Issued Financial Statements" in the MD&A for the fiscal year ended March 3, 2007 and Note 4 to the audited consolidated financial statements of the Company for the fiscal year ended March 3, 2007, the Company restated its consolidated balance sheet as of March 4, 2006 and its consolidated statements of operations, consolidated statements of cash flows and consolidated statements of shareholders' equity for the fiscal years ended March 4, 2006 and February 26, 2005, and the related note disclosures (the "Restatement"), to reflect additional non-cash stock compensation expense relating to certain stock-based awards granted prior to the adoption of the Company's stock option plan on December 4, 1996 (as amended from time to time, the "Stock Option Plan") and certain stock option grants during the 1997 through 2006 fiscal periods, as well as certain adjustments related to the tax accounting for deductible stock option expenses. The Restatement was the result of a voluntary internal review (the "Review") by the Company of its historical stock option granting practices. The Restatement did not result in a change in the Company's previously reported revenues, total cash and cash equivalents or net cash provided from operating activities.

In February 2009, the Company and certain of its officers and directors entered into settlement agreements with the OSC and SEC to resolve the OSC and SEC investigations relating to the Company's historical stock option granting practices. The settlement agreements are described in greater detail above under the heading "Regulatory Actions" and in the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 28, 2009.

As a result of the events described above, the Company continues to be subject to the following risks:

- As previously disclosed, the Company was served with an application filed by a pension fund shareholder in Ontario, Canada, which, among other things, sought to commence a shareholder derivative action relating to the Company's historical option granting practices, and also made certain demands with respect to the conduct and scope of the Review. Such action was settled in the third quarter of fiscal 2008. On November 5, 2007, the Ontario Superior Court of Justice granted an order approving the settlement and issuing a representation order that binds all RIM shareholders to the terms of the agreement, except for those who had opted out. Approximately one hundred shareholders opted out of the settlement. Those who disclosed the number of shares held by them indicated that, combined, the opt-out shareholders hold approximately 27,400 shares (approximately 0.005% of all outstanding shares). However, certain opt-out shareholders did not disclose the number of shares held by them. On December 10, 2007, the Ontario Superior Court of Justice issued an order extending the opt-out deadline to January 22, 2008 for customers of Goldman Sachs Exchange & Clearing L.P., who did not receive notice of the settlement in the initial mailing. As a result of that extension, additional shareholders holding 47,080 shares as at the record date opted out. The total number of shares held by opt-out shareholders who disclosed the number of shares held by them, as at November 19, 2007, therefore increased to 74,480 shares. While that derivative action has been settled, additional lawsuits, including purported class actions and additional derivative actions, may be filed relating to the Company's stock option granting practices. The amount of time to resolve any such lawsuits is unpredictable, and defending against such lawsuits could require significant additional attention and resources that could otherwise be devoted to the operation of the Company's business. In addition, an unfavorable outcome in any such litigation could have a material adverse effect on the Company's business, financial condition and results of operations.
- The Company could incur significant liabilities in connection with any litigation relating to its historical stock option granting practices, which liabilities may not be covered by insurance. In addition, the Company may have indemnity obligations (including for legal expenses) for former and current directors, officers and employees, which are described in greater detail in the Management Information Circular.

The Company may receive claims by employees who may be subject to adverse tax consequences as a result of errors in connection with stock option grants.

DIVIDEND POLICY

Dividend Policy and Record (Canadian $000's)

With the exception of a capital dividend of $262 paid on October 27, 1997, RIM has not paid any cash dividends on its common shares to date. The Company will consider paying dividends on its common shares in the future when circumstances permit, having regard to, among other things, the Company's earnings, cash flows and financial requirements, as well as relevant legal and business considerations.

DESCRIPTION OF SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of voting common shares without par value, an unlimited number of non-voting, redeemable, retractable class A common shares without par value, and an unlimited number of non-voting, cumulative, redeemable, retractable preferred shares without par value, issuable in series. Only common shares are issued and outstanding.

Common Shares

Each common share is entitled to one vote at meetings of the shareholders and to receive dividends if, as and when declared by the board of directors. Dividends which the board of directors determine to declare and pay shall be declared and paid in equal amounts per share on the common shares and class A common shares at the time outstanding without preference or distinction. Subject to the rights of holders of shares of any class of share ranking prior to the class A common shares and common shares, holders of class A common shares and common shares are entitled to receive the Company's remaining assets ratably on a per share basis without preference or distinction in the event that it is liquidated, dissolved or wound-up.

Class A Common Shares

The holders of class A common shares are not entitled to receive notice of or attend or vote at any meeting of the Company's shareholders, except as provided by applicable law. Each such holder is entitled to receive notice of and to attend any meetings of shareholders called for the purpose of authorizing the dissolution or the sale, lease or exchange of all or substantially all of the Company's property other than in the ordinary course of business and, at any such meeting, shall be entitled to one vote in respect of each class A common share on any resolution to approve such dissolution, sale, lease or exchange. Dividends are to be declared and paid in equal amounts per share on all the class A common shares and the common shares without preference or distinction. The Company authorized for issuance the class A common shares when the Company was a private company to permit employees to participate in equity ownership. Class A common shares previously issued by the Company to such employees were converted on a one-for-one basis into common shares in December 1996 at the time that the Company became a reporting issuer in the Province of Ontario by filing a prospectus with respect to a special warrant offering completed in the Province of Ontario in 1997. At this time, the Company has no plans to issue further class A common shares. Subject to the rights of holders of any class of share ranking prior to the class A common shares and common shares, in the event that the Company is liquidated, dissolved or wound-up, holders of class A common shares and common shares are entitled to receive the remaining assets ratably on a per share basis without preference or distinction.

Preferred Shares

The holders of preferred shares are not entitled to receive notice of or to attend or vote at any meeting of the Company's shareholders, except as provided by applicable law. Preferred shares may be issued in one or more series and, with respect to the payment of dividends and the distribution of assets in the event that the Company is liquidated, dissolved or wound-up, rank prior to the common shares and the class A common shares. The Company's board of directors has the authority to issue series of preferred shares and determine the price, number, designation, rights, privileges, restrictions and conditions, including dividend rights, of each series without any further vote or action by shareholders. The holders of preferred shares do not have pre-emptive rights to subscribe to any issue of the Company's securities. At this time there are no preferred shares outstanding and the Company has no plans to issue any preferred shares.

MARKET FOR SECURITIES OF THE COMPANY

The Company's common shares are listed and posted for trading on The Toronto Stock Exchange under the symbol "RIM" and are listed on the NASDAQ Global Select Market under the symbol "RIMM". The volume of trading and price ranges of the Company's common shares on the NASDAQ Global Select Market and the Toronto Stock Exchange are set out in the following table:

	Common Shares – TSX		Common Shares – NASDAQ	
Month	Price Range (CDN $)	Average Daily Volume	Price Range (US$)	Average Daily Volume
March 2009	$45.56 – $57.58	2,010,995	$35.05 – $46.49	18,927,377
April 2009	$54.29 – $86.29	2,325,567	$42.76 – $70.48	25,003,762
May 2009	$80.12 – $91.29	2,371,670	$68.61 – $80.97	17,661,315
June 2009	$77.75 – $95.00	1,599,214	$67.53 – $86.00	19,844,100
July 2009	$74.06 – $84.59	1,248,291	$63.36 – $78.20	13,864,973
August 2009	$77.56 – $86.28	1,211,470	$70.38 – $80.59	11,565,533
September 2009	$72.10 – $94.00	2,258,519	$66.28 – $88.08	20,388,700
October 2009	$63.25 – $73.79	1,617,786	$58.42 – $70.57	16,783,077
November 2009	$58.64 – $68.13	1,466,357	$54.30 – $65.16	18,049,955
December 2009	$61.12 – $76.17	1,674,910	$57.89 – $71.60	18,052,373
January 2010	$64.37 – $70.92	1,379,175	$60.40 – $68.23	15,031,258
February 2010	$67.31 – $75.69	1,488,858	$63.16 – $72.00	13,662,179

DIRECTORS AND OFFICERS

The Company currently has a board of directors comprised of eight persons. In accordance with the provisions of the OBCA, the directors are authorized from time to time to increase the size of the board of directors, and to fix the number of directors, up to the maximum of 15 persons, as currently provided under the articles of the Company, without the prior consent of the shareholders.

The following table sets forth the name, municipality of residence and, except as provided below, principal occupation during the last five years of each of the Company's directors and executive officers. Each director is elected at the annual meeting of shareholders to serve until the next annual meeting or until a successor is elected or appointed.

Name, Municipality of Residence and Present Principal Occupation	Director Since	Position(s) with the Company
Mike Lazaridis (3) Waterloo, Ontario President and Co-Chief Executive Officer, RIM	1984	Director, President and Co-Chief Executive Officer
James Estill (2) Guelph, Ontario Corporate Director	1997	Director
John Richardson, FCA (1) (2) Toronto, Ontario Corporate Director	2003	Director
David Kerr (1) (2) Toronto, Ontario Managing Partner, Edper Financial Group (private financial company)	2007	Director
Roger Martin (3) Toronto, Ontario Dean, The Rotman School of Management	2007	Director
Barbara Stymiest, FCA (1) Toronto, Ontario Group Head, Strategy, Treasury and Corporate Services, Royal Bank of Canada	2007	Director
John Wetmore(2) (3) Toronto, Ontario Corporate Director	2007	Director
Antonio Viana-Baptista (1) Madrid, Spain Corporate Director	2009	Director
James L. Balsillie Waterloo, Ontario Co-Chief Executive Officer, RIM	N/A	Co-Chief Executive Officer
Brian Bidulka Burlington, Ontario Chief Financial Officer, RIM	N/A	Chief Financial Officer
Robin Bienfait Norcross, Georgia Chief Information Officer, RIM	N/A	Chief Information Officer
Don Morrison Toronto, Ontario Chief Operating Officer, BlackBerry , RIM	N/A	Chief Operating Officer, BlackBerry

Name, Municipality of Residence and Present Principal Occupation	Director Since	Position(s) with the Company
David Yach Waterloo, Ontario Chief Technology Officer, Software, RIM	N/A	Chief Technology Officer, Software
Keith Pardy Atlanta, Georgia Chief Marketing Officer, RIM	N/A	Chief Marketing Officer
Karima Bawa Vancouver, British Columbia Vice President, Legal, RIM	N/A	Vice President, Legal

Notes:

1 Member of the Audit and Risk Management Committee.

2 Member of the Compensation, Nomination and Governance Committee.

3 Member of Strategic Planning Committee.

As at February 27, 2010, the above directors and executive officers of the Company beneficially owned, or controlled or directed, directly or indirectly, over 61.8 million common shares of the Company representing approximately 11% of the issued and outstanding common shares of the Company.

During the past five years, each of the directors and executive officers of the Company has been engaged in their current principal occupation as specified above except: Mr. David Kerr who prior to August 2006 was Chairman of Falconbridge Ltd; Mr. John Wetmore who was Vice President, Contact Centre Development of IBM Americas and formerly President and Chief Executive Officer of IBM Canada; Antonio Viana-Baptista who prior to January of 2008 was CEO, Telefonica Espana, and prior to that Chairman and CEO, Telefonica Moviles, S.A.; Ms. Robin Bienfait who prior to January 2007 was Senior Vice President of AT&T Global Network Operations, Network Security and Disaster Recovery, previously Chief Compliance Officer, EH&S and prior to that was Vice President Service Assurance, E-Mtce & IP/Data Systems at AT&T Labs; Mr. Brian Bidulka who prior to December 2009 was Chief Accounting Officer of the Company and formerly was Vice President, Corporate Controller of the Company, previous to that he was Vice President, Corporate Finance at Molson Inc., and formerly Vice President, Finance-Operations at Molson Canada; Mr. David Yach who prior to January 2008 was Senior Vice President, Software and Vice President, Software of the Company; and Mr. Keith Pardy who prior to December 2009 was Senior Vice President, Strategic Marketing and Consumer Insights at Nokia Corp., previous to that Vice President and Managing Director of Global Brands at Coca-Cola Co.

The Company has an Audit and Risk Management Committee, Compensation Nomination and Governance Committee and Strategic Planning Committee the members of which are noted above. The Company does not have an Executive Committee.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than set out below, none of the directors or executive officers is, as at the date of this AIF, or was within 10 years before the date of the AIF, a director or chief executive officer or chief financial officer of any company (including RIM) that:

a) was subject to an order (as defined in National Instrument 51-102F2 of the Canadian Securities Administrators) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer, or chief financial officer.

None of the directors, executive officers or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company,

a) is, at the date of this Annual Information Form, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including RIM) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b) has, within the 10 years before this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

On November 7, 2006, as a result of the Company failing to file its second quarter financial statements for fiscal 2007 before the statutory filing deadline of October 17, 2006 a management cease trade order (the “MCTO”) was issued by the OSC that applied to each of the directors and executive officers listed above (other than Messrs. Kerr, Viana-Baptista, Pardy and Martin) as well as certain of the other Company’s senior officers and certain insiders of the Company. The MCTO prohibited trading in the Company’s securities by its senior officers, directors and certain insiders during the time that the MCTO was in effect. The MCTO was revoked on May 23, 2007 after the required securities filings were made by RIM with the OSC.

In February 2009, the Company and certain of its officers and directors entered into settlement agreements with the OSC and SEC to resolve the OSC and SEC investigations relating to the Company’s historical stock option granting practices. The settlement agreements are described in greater detail above under the heading “Regulatory Actions” and in the Company’s Management’s Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 27, 2010.

Audit and Risk Management Committee

The Audit and Risk Management Committee's purpose is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control, and legal compliance and risk management functions of the Company and its subsidiaries. It is the objective of the Audit and Risk Management Committee to maintain free and open means of communications among the Board, the independent auditors and the financial and senior management of the Company.

The full text of the Audit and Risk Management Committee's Charter is included as Appendix A to this Annual Information Form.

Ms. Stymiest, Mr. Richardson, Mr. Kerr and Mr. Viana-Baptista are the members of the Committee, each of whom is a director of the Company and independent and financially literate under Sections 1.4 and 1.5 of National Instrument 52-110 of the Canadian Securities Administrators-Audit Committees and the rules and regulations of the Nasdaq Stock Market. The members of the Audit and Risk Management Committee bring significant skill and experience to their responsibilities including professional experience in accounting, business and finance. The specific education and experience of each member that is relevant to the performance of his or her responsibilities as such member of the Audit and Risk Management Committee are set out below:

Barbara Stymiest, FCA (Chair) — Ms. Stymiest has an HBA from the Richard Ivey School of Business, University of Western Ontario and FCA from the Institute of Chartered Accountants of Ontario. Ms. Stymiest has been a member of the senior leadership team of the Royal Bank of Canada since 2004 and serves as the Group Head of Strategy, Treasury and Corporate Services. Prior to this, Ms. Stymiest held positions as Chief Executive Officer at TSX Group Inc., Executive Vice-President & CFO at BMO Nesbitt Burns and Partner of Ernst & Young LLP. Ms. Stymiest is currently a Director of RBC Dexia Investor Services Limited, Symcor Inc., the Toronto Rehabilitation Institute, the Canadian Institute for Advanced Research and the Royal Ontario Museum.

John Richardson, B. Comm., MBA, FCA — Mr. Richardson has a Bachelor of Commerce Degree from the University of Toronto, an MBA from the Harvard Business School and FCA from the Institute of Chartered Accountants of Ontario. Mr. Richardson was appointed Chairman of the Ontario Pension Board in July 2004 and retired at the end of his three year term on June 30, 2007. He was a former senior partner of Clarkson Gordon & Co; Executive Vice President of Lonvest Corporation (now London Insurance Group Inc.); President of Great Lakes Power, Deputy Chairman of London Insurance Groups Inc.; Chairman, President and CEO of Wellington Insurance; and Chairman of London Guarantee Insurance Company. Mr. Richardson was a past board member with the Insurance Bureau of Canada and the Facility Association. Mr. Richardson is currently Chairman of Boiler Inspection and Insurance Co. Limited, and a trustee of Armtec Infrastructure Income Fund.

David Kerr, B.Sc., CA — Mr. Kerr has a B.Sc. from McGill University. Mr. Kerr is Managing Partner of Edper Financial Corporation, a financial management company. From July 2002, to August 2006, Mr. Kerr was Chairman of Falconbridge Limited (formally Noranda Inc.) and prior to that he was President and Chief Executive Officer of Falconbridge Limited. Mr. Kerr is a

director of Brookfield Asset Management Inc.; Can West Global Communications Corp.; Sustainable Developments Technology Canada; Sun Life Financial Corporation; the Toronto Rehabilitation Hospital Foundation; and the Special Olympics Canada Foundation. In the past five years, Mr. Kerr also served as a director of Shell Canada Limited.

Antonio Viana-Baptista, MA, MBA — Mr. Viana-Baptista is a Corporate Director and was appointed as a director of the Company in September 2009. Mr. Viana-Baptista has a Masters degree in Economics from the Universidade Catolica Lisbon, Portugal and a Masters of Business Administration, Honors and Distinction, from INSEAD. Prior to his retirement in January 2008, Mr. Viana-Baptista held various executive roles at Telefonica including General Manager, CEO, Telefonica Spain; Chairman and CEO, Telefoncia Moviles and Telefonica International. Prior to joining Telefonica, he held positions with Banco Portugues de Investimento as Executive Director and with McKinsey & Company as Principal Partner, Madrid, Spain and Lisbon. Mr. Viana-Baptista is currently a director of the following public companies: Telesp, SA (Brazil), SEMAPA (Portugal) and NH Hoteles (Spain).

The Board has also determined that each of Ms. Stymiest, Mr. Richardson and Mr. Kerr is an audit committee financial expert within the meaning of General Instruction B(8)(a) of form 40-F under the U.S. Securities Exchange Act of 1934, as amended. The SEC has indicated that the designation of a person as an audit committee financial expert does not make such person an “expert” for any purpose, impose any duties, obligations or liability on such person that are greater than those imposed on members of the Audit Committee and the Board who do not carry this designation or affect the duties, obligations or liability of any other member of the audit committee or the Board.

As set out in the Audit and Risk Management Committee’s charter, the committee is responsible for pre-approving all non-audit services to be provided to the Company by its independent external auditor. The Company’s practice requires senior management to report to the Audit and Risk Management Committee any provision of services by the auditors and requires consideration as to whether the provision of the services other than audit services is compatible with maintaining the auditor’s independence. All audit and audit-related services are pre-approved by the Audit and Risk Management Committee.

Audit Fees

The aggregate fees billed by Ernst & Young LLP (EY) chartered accountants, the Company’s independent external auditor, for the fiscal years ended February 27, 2010 and February 28, 2009, respectively, for professional services rendered by EY for the audit of the Company’s annual financial statements or services that are normally provided by EY in connection with statutory and regulatory filings or engagements for such fiscal years were $2,117,000 and $1,955,000, respectively.

Audit-Related Fees

The aggregate fees billed by EY for the fiscal years ended February 27, 2010 and February 28, 2009, respectively, for assurance and related services rendered by EY that are reasonably

related to the performance of the audit review of the Company's financial statements and are not reported above as audit fees were $86,000 and $108,000. Professional services provided included procedures in support of stock option investigations.

Tax Fees

The aggregate fees billed by E&Y for the fiscal years ended February 27, 2010 and February 28, 2009, respectively, for professional services rendered by E&Y for tax compliance, tax advice, tax planning and other services were $8,000 and $4,000 respectively. Tax services provided included international tax compliance engagements.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the Company's knowledge, there were no directors or executive officers or any associate or affiliate of a director or executive officer with a material interest in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar in Canada is Computershare Investor Services Inc. of Canada, 100 University Ave., 9 th Fl., Toronto, Ontario M5J 2Y1. The co-transfer agent and registrar for the common shares in the United States is Computershare Trust Company, Inc. at its offices in Denver, Colorado.

MATERIAL CONTRACTS

Other than as noted below, the Company has not entered into any material contracts, on or after January 1, 2002, that are required to be filed pursuant to NI 51-102 of the Canadian Securities Administrators. The Company has entered into a licensing and settlement agreement with NTP, Inc. (the "Settlement and Licensing Agreements") both of which can be found under the Company's profile on www.sedar.com. The Settlement and Licensing Agreements are summarized in the Company's material change report filed on SEDAR on March 10, 2006, which is incorporated by reference in the AIF.

INTERESTS OF EXPERTS

Ernst & Young LLP, Chartered Accountants, Licensed Public Accountants, is the external auditor who prepared the Independent Auditors' Report to Shareholders in respect of the audited annual consolidated financial statements of the Company for the year ended February 27, 2010 and the Report to Shareholders of an Independent Registered Public Accounting Firm on the Company's internal controls over financial reporting. Ernst & Young LLP is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and applicable securities laws.

ADDITIONAL INFORMATION & DOCUMENTS INCORPORATED BY REFERENCE

Additional information related to the Company can be found on SEDAR at www.sedar.com or on the SEC's website at www.sec.gov. Additional financial information is provided in the Company's audited consolidated financial statements and the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for the year ended February 27, 2010, which can be found at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness to the Company, principal holders of the securities of the Company and securities authorized for issuance under equity compensation plans, is contained in the Company's most recent management information circular.

GLOSSARY

Set forth below are certain terms defined as they are used in this annual information form:

1xRTT	Single carrier (1X) Radio Transmission Technology. 1xRTT is the first phase in CDMA's evolution to third-generation (3G) technology. 1xRTT networks should allow for greater network capacity (more users; fewer dropped calls) high bit rate packet data transfer.
3G wireless	Third generation (3G) wireless. Third generation wireless is a global framework that is implemented regionally in Europe (UMTS), North America (CDMA2000) and Japan (NTT DoCoMo). 3G is designed for high-speed wireless multimedia data and voice. It plans to offer high-quality audio and video and advanced global roaming, which means users would be able to go anywhere and automatically be handed off to whatever wireless system is available.
4G wireless	Fourth generation (4G) wireless. Fourth generation is successor to 3G and 2G standards. The nomenclature of the generations generally refers to a change in the fundamental nature of the service. The first was the move from analogue to digital (2G), which was followed by multi-media support (3G) and now 4G, which refers to all IP packet switched networks and increases in data speeds.
Analog	Analog transmission uses energy waves to transmit information. In the case of wireless voice transmission, the sound waves of a human voice are converted directly to specific, continuously variable characteristics of a radio wave. Broadcast and telephone transmission have typically used analog technology.
API	Application Programming Interface.
ASIC	Application Specific Integrated Circuit.
Bluetooth®	Bluetooth is a specification for the use of low-power radio communications to wirelessly link phones, computers and other network devices over short distances.
CAL	Client Access License. A Client Access License gives the user the right to access the services and software of a particular server.
CDMA	Code Division Multiple Access. A method for transmitting simultaneous signals over a shared portion of the spectrum. The foremost application ofCDMA is the digital cellular phone technology from QUALCOMM that operates in the 800MHz band and 1.9GHz PCS band. Unlike GSM and TDMA, which divides the spectrum into different time slots, CDMA uses a spread spectrum technique to assign a code to each conversation.

Common Criteria Certification	An internationally approved set of security standards that provide an independent and objective validation of the security of a particular IT solution or product. This certification is accepted by 25 countries under the Common Criteria Recognition Agreement which includes the US, Canada, Germany, France and many others.
CRM	Customer Relationship Management. Customer relationship management is strategy for managing a company's interactions with customers and sales prospects. It involves using technology to organize, automate and synchronize business processes—principally sales related activities, but also those for marketing, customer service, and technical support.
DataTAC	A wireless packet-switched network which evolved from a network developed by IBM and Motorola for their repair crews.
Denial of Service Attack	An attack designed to flood a network with unnecessary traffic in order to prevent legitimate users of a system from having access.
Digital	A way of processing information by storing it as binary numbers. A digital circuit is either on or off, and a digital signal is either present or absent. Contrast with analog.
EDGE	See 3G Wireless
EMS	Electronics Manufacturing Services. Is a term used for companies that design, test, manufacture, distribute, and provide return/repair services for electronic components and assemblies for original equipment manufacturers (OEMs).
Ev-DO	Evolution Data Only. Ev-DO is a high-speed network protocol used for wireless Internet data communications. It is one of the major Third Generation, or 3G, wireless standards. Some CDMA 1xRTT carriers are in the process of implementing this protocol on their networks.
Firewall	A technological barrier designed to prevent unauthorized or unwanted communications between sections of a computer network.
Firmware	Computer programming instructions that are stored in a read-only memory unit, including flash, ROM, PROM, EPROM and EEPROM, rather than being implemented through software.

GPRS	General Packet Radio Service. An enhancement to the GSM (see below) mobile communications system that supports data packets. GPRS enables continuous flows of IP data packets over the system for such applications as Web browsing and data access. GPRS differs from GSM's short messaging service, which is limited to messages of 160 bytes in length.
GPS	Global Positioning System.
GSM	Global System for Mobile Communications. A digital cellular phone technology based on TDMA that is the predominant system in Europe, but is also used around the world. Operating in the 900MHz and 1.8GHz bands in Europe and the 1.9GHz PCS band in the U.S., GSM defines the entire cellular system, not just the air interface (i.e. TDMA, CDMA). GSM phones use a Subscriber Identity Module (SIM) smart card that contains user account information.
HDI	High Density Interconnect. A measure of the average amount of circuitry package in a given area of assembly.
HSPA	High-Speed Packet Access. A family of radio interface standards that will improve the speed and accuracy of traffic over cellular networks. HSPA builds on the existing WCDMA technology that has already been deployed to allow carriers to offer better speeds and larger bandwidth intensive services like streaming audio and video.
HSDPA	High-Speed Downlink Packet Access. A 3G technology in the HSPA family that allows for faster data downloads of up to 14Mbps and improved data traffic handling.
HSUPA	High-Speed Uplink Packet Access. A 3G technology in the HSPA family that allows for faster upload connections up to 5.76Mbps.
Hybrid PBXs	Hybrid PBXs support both traditional Time Division Multiplexed (TDM) phones to VoIP, easing the transition from TDM to VoIP.
iDEN	Integrated Digital Enhanced Network. A wireless communications technology from Motorola that provides support for voice, data, short messages (SMS) and dispatch radio (two-way radio) in one phone. Operating in the 800MHz and 1.5GHz bands and based on TDMA, iDEN uses Motorola's VSELP

	(Vector Sum Excited Linear Predictors) vocoder for voice compression and QAM modulation to deliver 64 Kbps over a 25 kHz channel. Each 25 kHz channel can be divided six times to transmit any mix of voice, data, dispatch or text message. Used by various carriers around the globe, Nextel Communications provides nationwide coverage in the U.S.
IM	Instant Messaging. A medium which enables two or more people communicate in real time utilizing typed text over an electronic network.
IP	Intellectual Property. Intangible property that is the result of creativity (such as patents or trademarks or copyrights).
ISP	Internet Service Provider. A business that supplies Internet connectivity services to individuals, businesses and other organizations.
ITC	Income Tax Credit.
J2ME	Java 2 Platform, Micro Edition. A version of Java 2 for small devices such as PDAs, phones and handhelds. The Connected Limited Device Configuration (CLDC) provides the programming interface for wireless applications. The Mobile Information Device Profile (MIDP) provides support for a graphical interface, networking and storage. J2ME uses the K Virtual Machine (KVM), a specialized virtual machine for devices with limited memory.
Java	An object-oriented programming language developed by Sun Microsystems, Inc. Java Ô was designed to be secure and platform-neutral such that it can be run on any type of platform, making Java a useful language for programming Internet applications.
Java Virtual Machine	Enables a set of computer software programs and/or data structures to use a virtual machine model for the execution of other computer programs and scripts.
MDS	Mobile Data Service. The BlackBerry® Mobile Data System is a flexible framework for application development that a person can use to add and manage applications their organization’s environment. As a component of the BlackBerry® Enterprise Server, the BlackBerry MDS offers security, wireless connectivity, and manageability options.
MMS	Multimedia Messaging Service. A standard for telephony messaging systems that allows sending messages that include multimedia objects.

MVS	Mobile Voice Service. BlackBerry MVS converges office desk phones and BlackBerry ® smartphones, extending the same mobility advantages the BlackBerry® Enterprise Solution provides for wireless email and data to voice communications.
NOC	Network Operations Centre. A central location for network management. It functions as a control centre for network monitoring, analysis and accounting.
OEM	Original Equipment Manufacturer. A licensee or purchaser of a product who typically resells that product under another trade name, in different packaging, or combined with other products or services. OEM licensing arrangements are sometimes referred to as “private label” licensing.
OTA	Over The Air. The standard for the sending and receiving of applications or software without the need for tethering or downloading. Carriers and OEM’s are able to push applications to a mobile device without the end-user initiating any type of process.
PBX	Private Branch Exchange. A private telephone network used within an enterprise. Users share a fixed number of outside lines instead of being provided with one outside line for each individual user. This allows for use of extensions as opposed to direct dial numbers.
PDA	Personal digital assistant. A hand held portable microcomputer.
PIM	Personal Information Management.
Packet-Switched Network	A network in which the data to be transmitted is divided into standard-sized packets, each of which is given the receiver’s address. Each of the packets that make up the transmission travels separately; packets do not have to travel in sequence or by the same paths. When all the packets have arrived at their destination, the receiver reassembles them into the original message.
Prosumer	Prosumer refers to ‘professional consumers’. The prosumer is typically looking to purchase and use professional-level equipment for both their business and personal lives. BlackBerry Prosumer is a hosted wireless email solution for professional consumers that does not include access to the BlackBerry Enterprise Server solution.

QWERTY	The modern-day keyboard layout on English-language computer and typewriter keyboards. It takes its name from the first six characters seen in the far left of the keyboard's top row of letters.
ROM	Read Only Memory. A class of storage media used in computers and other electronic devices. Once data has been written to a ROM chip, it cannot be removed and can only be read.
SDK	Software Developers Kit. A set of software routines and utilities used to help programmers write an application.
SME	Small and Medium-sized Enterprise.
SMS	Short Message Service. A text message service that enables short messages of generally no more than 140-160 characters in length to be sent and transmitted from a wireless device and is broadly supported on cellular phones. SMS was introduced in the GSM system and later supported by all other digital-based mobile communications systems.
SureType	SureType technology, developed by Research In Motion®, integrates a traditional phone keypad and a familiar QWERTY-style keyboard with intuitive software that "learns" as you type, recognizing word patterns and allowing you to easily enter information. This technology allows you to easily, quickly, and accurately enter words without having to get used to a non-QWERTY-based keyboard layout. SureType also has the ability to recognize character letter sequences that are common in the English language, such as "ing".
Thin and Thick Clients	A thin client is a computer or a computer program which depends heavily on some other computer to fulfill its traditional computational roles, whereas a thick client is a full featured computer that is fully functional regardless of being connected to a network or other device.
Triple DES	Triple Data Encryption Standard. A specification for encryption for computer data developed by IBM and adopted by the United States government. DES uses a 56-bit encryption key. Triple DES uses a more sophisticated 112-bit encryption key and is used by the American Banking Association.
UMA	Unlicensed Mobile Access. Unlicensed mobile Access provides a handover sequence between unlicensed spectrum technologies like Wi-Fi and Bluetooth and a carriers' cellular network.

UMTS	See 3G wireless.
VAR	Value Added Reseller. An entity that adds some feature or “value” to an existing product before sale to the end customer.
Virtual pre-load	An icon or program sent wirelessly to a user’s device without the end user initiating the transfer.
WCDMA	See 3G wireless.
Widget	A stand alone application built using web technologies (HTML, Javascript, and CSS) which is capable of performing any and all actions on the device similar to RIM’s existing Java applications.
Wi-Fi	Wireless Fidelity. A generic term for referring to wireless network components that run on the Wi-Fi Alliances IEEE 802.11 wireless standards. The standard was created so that manufacturers could produce wireless equipment that would be compatible with one another.

APPENDIX A

CHARTER OF THE AUDIT AND RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS OF RESEARCH IN MOTION LIMITED AS ADOPTED BY THE BOARD ON DECEMBER 17, 2009

1. AUTHORITY

The Audit and Risk Management Committee (the " **Committee**") of the Board of Directors (the " **Board**") of Research In Motion Limited (the "**Corporation**") is established pursuant to Section 5.03 of the Corporation's By-law No. A3 and Section 158 of the Ontario Business Corporations Act. The Committee shall be comprised of three or more directors as determined from time to time by resolution of the Board. Consistent with the appointment of other Board committees, the members of the Committee shall be appointed by the Board at the annual organizational meeting of the Board or at such other time as may be determined by the Board, and shall serve until the earlier of (i) the death of the member; or (ii) the resignation, disqualification or removal of the member from the Committee or from the Board. The Chair of the Committee shall be a member of the Committee designated by the Board, provided that if the Board does not so designate a Chair, the members of the Committee, by majority vote, may designate a Chair. The duties of the Chair are included in Annex A.

The presence in person or by telephone of a majority of the Committee's members shall constitute a quorum for any meeting of the Committee. All actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present. Any decision or determination of the Committee reduced to writing and signed by all members of the Committee who would have been entitled to vote on such decision or determination at a meeting of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

2. PURPOSE OF THE COMMITTEE

The Committee's purpose is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation and its subsidiaries as well as the oversight of the risk performance and audit function, including risk management frameworks, principles and policies to ensure that management is effectively managing the Corporation's risks. It is the objective of the Committee to maintain free and open means of communication among the Board, the independent auditors and the financial and senior management of the Corporation.

3. COMPOSITION OF THE COMMITTEE

Each member of the Committee shall be an "independent" director within the meaning of Section 301 of the Sarbanes-Oxley Act of 2002 ("**Sarbanes-Oxley**"), the rules promulgated thereunder by the Securities and Exchange Commission (the " **SEC**"), the rules of the Nasdaq

Stock Market ("**Nasdaq**") and National Instrument 52-110 "Audit Committees" of the securities regulators in Canada (the " **Canadian Regulators**"), and, as such, shall be free from any relationship that may interfere with the exercise of his or her independent judgment as a member of the Committee. A majority of the members of the Committee shall be resident Canadians.

All members of the Committee shall be financially literate at the time of their election to the Committee. "Financial literacy" shall be determined by the Board in the exercise of its business judgment, and shall include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably expected to be raised by the Corporation's financial statements. At least one member of the Committee shall be an "audit committee financial expert" with the meaning of Section 407 of Sarbanes-Oxley and the rules promulgated thereunder by the SEC.

Committee members, if they or the Board deem it appropriate, may enhance their understanding of finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant or firm. At least annually, the Committee shall review its performance and the contribution of each of its members. This review will be completed on a confidential basis in conjunction with the annual Board of Directors performance review process.

4. MEETINGS OF THE COMMITTEE

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities. The Chair or any member of the Committee may call meetings of the Committee by notifying the Corporate Secretary of the Corporation. Notice of meetings may be done through any efficient communication medium (i.e. email, facsimile, mail, etc.) provided the notification is capable of being received at least twenty-four (24) hours in advance of the meeting. Each member of the Committee shall be responsible for providing up-to-date contact information to the Corporate Secretary to ensure efficient and timely communication. All independent directors may attend Committee meetings, provided that directors who are not members of the Committee shall not be entitled to vote, nor shall their attendance be counted as part of the quorum of the Committee.

As part of its purpose to foster open communications, the Committee shall meet at least annually with management and the Corporation's independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups or persons believe should be discussed privately. The Committee will have unrestricted access to management and employees of the Corporation in order to carry out its duties and responsibilities. In addition, the Committee should meet or confer with the independent auditors and management to review the Corporation's financial statements, MD&A, annual and interim earnings press releases and related filings prior to their public release and filing with the Ontario Securities Commission ("**OSC**"), the SEC or any other regulatory body. The Chair should work with the Chief Financial Officer and management to establish the agendas for Committee meetings. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary.

Minutes of the Committee will be recorded and maintained by the Corporate Secretary and presented to the Committee at the next Committee meeting for approval. The Corporate Secretary, or his/her designate as approved by the Committee Chair, shall act as secretary for the meetings. For in camera sessions of the Committee without management present, minutes will be recorded and maintained by the Chair of the Committee or his/her designate. Each member of the Board will have access to the minutes of the Committee's meetings, regardless of whether he or she is a member of the Committee, and the Chair shall report to the Board at its next meeting on the activities, findings and recommendations of the Committee following each meeting. Minutes relating to in camera sessions may be provided to Board members with the consent of the Chair.

5. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee is responsible for the oversight of the Corporation's accounting, financial reporting and risk management processes, including (i) the Corporation's internal controls, and the nomination and appointment (subject to Board and shareholder approval), compensation, retention, evaluation and oversight of the work of the Corporation's independent auditors engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Corporation and (ii) the oversight of the Corporation's Risk Performance and Audit Group ("**RPA Group**") as more particularly detailed below. The independent auditors and the RPA Group, through the Senior Vice-President, Risk Performance and Audit ("**SVP, RPA**") or his/her designee must report and otherwise communicate directly to the Committee and are accountable to the Committee. The Committee's oversight responsibilities include the authority to approve all audit engagement fees and terms, as well as all permitted non-audit engagements and resolution of disagreements between management and the independent auditors regarding financial reporting as well as oversight of the annual audit plan of the RPA Group. The Committee shall take such actions as it may deem necessary to satisfy itself that the Corporation's auditors are independent of management within the meaning of applicable law.

While there is no "blueprint" to be followed by the Committee in carrying out its duties and responsibilities, the following should be considered within the authority of the Committee:

Selection and Evaluation of External Auditors

(1) Make recommendations to the Board as to the selection of the firm of independent public accountants to audit the books and accounts of the Corporation and its subsidiaries for each fiscal year;

(2) Review and approve the Corporation's independent auditors' annual engagement letter, including the proposed fees contained therein;

(3) Review the performance of the Corporation's independent auditors, including the lead partner, discuss the timing and process for implementing the rotation of the lead partner, and make recommendations to the Board regarding the replacement or termination of the independent auditors when circumstances warrant;

(4) Oversee the independence of the Corporation's independent auditors by, among other things:

(i) requiring the independent auditors to deliver to the Committee on a periodic basis a formal written statement delineating all relationships between the independent auditors and the Corporation;

(ii) reviewing and approving hiring policies concerning partners, employees and former partners and employees of the present and former independent auditors; and

(iii) actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and take appropriate action to satisfy itself of the auditors' independence;

(5) Instruct the Corporation's independent auditors that:

(i) they are ultimately accountable to the Committee;

(ii) they must report directly to the Committee; and

(iii) the Committee is responsible for the appointment (subject to Board and shareholder approval), compensation, retention, evaluation and oversight of the Corporation's independent auditors;

(6) Review and pre-approve all audit and permitted non-audit services to be provided by the independent auditors to the Corporation, including tax services;

Oversight of Annual Audit and Quarterly Reviews

(1) Review and accept, if appropriate, the annual audit plan of the Corporation's independent auditors, including the scope of audit activities, and monitor such plan's progress and results during the year;

(2) Confirm through private discussions with the Corporation's independent auditors and the Corporation's management that no management restrictions are being placed on the scope of the independent auditors' work;

(3) Review the results of the year-end audit of the Corporation, including (as applicable):

(i) the audit reports on the Corporation's financial statements and management's assessment of internal control over financial reporting, the published financial statements, the management representation letter, the "Memorandum Regarding Accounting Procedures and Internal Control" or similar memorandum prepared by the Corporation's independent auditors, any other pertinent reports and management's responses concerning such memorandum;

(ii) the qualitative judgments of the independent auditors about the appropriateness, not just the acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the Corporation and, particularly, about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates;

(iii) the selection and application of the Corporation's critical accounting policies;

(iv) the methods used to account for significant unusual transactions;

(v) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;

(vi) management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;

(vii) significant recorded and unrecorded audit adjustments;

(viii) any material accounting issues among management, the RPA Group (as defined below) and the independent auditors; and

(ix) other matters required to be communicated to the Committee under applicable auditing standards by the independent auditors;

(4) Review the Corporation's interim financial statements and quarterly earnings press releases and report thereon to the Board before such documents are approved by the Board and disclosed to the public;

(5) Review with management and the Corporation's independent auditors such accounting policies (and changes therein) of the Corporation, including any financial reporting issues which could have a material impact on the Corporation's financial statements, as are deemed appropriate for review by the Committee prior to any year-end filings with the SEC, the OSC or other regulatory body;

Oversight of Risk Management

(1) Require management to identify and review with the Committee a portfolio view of the major areas of risk facing the Corporation and management's strategies to manage those risks;

(2) Review, at least annually, management's risk appetite;

(3) At least annually, review in light of risk appetite, the Corporation's enterprise risk management process, including key policies and procedures for the effective identification, assessment, monitoring and control of the Corporation's principal risks and the Corporation's compliance with such policies and procedures;

(4) Require, at least quarterly, management to update the Committee on any material or noteworthy changes relating to (1)-(3), immediately above;

(5) Consult periodically with the Compensation, Nomination and Governance Committee and the Strategic Planning Committee on risk management matters within their respective purview;

(6) Encourage an open and constructive risk dialogue between the Board and management on areas relating to risk management.

Oversight of the RPA Group and Quarterly Reviews

(1) Review the Committee's level of involvement and interaction with the Corporation's RPA Group, including the Committee's line of authority and role in appointing and compensating employees in the RPA Group;

(2) Review and advise on the appointment, replacement, reassignment, or dismissal of the Senior Vice-President, Risk Performance & Audit;

(3) Review the performance, effectiveness, degree of independence and objectivity of the RPA Group and the adequacy of its audit process;

(4) Review RPA Group reports, as well as management's response to such reports, and review and approve the annual audit plan of the RPA Group, including the proposed audit universe, priorities, staffing, and, on a quarterly basis, the status of the audit plan and the then current assessment and management of risk;

(5) Review the effectiveness of the RPA Group's methodology relating to its assessment of risks to the Corporation, including the factors considered and the relative weighting of such factors, and consider changes in management's assessment of risks;

(6) Review with management the progress and results of all RPA Group projects, approve procedures for implementing accepted recommendations, and, when deemed necessary or appropriate by the Committee, direct the Corporation's Co-Chief Executive Officer to assign additional audit projects to the SVP, RPA;

(7) Meet privately with the SVP, RPA to discuss any areas of concern, and to confirm that (i) significant issues are brought to the Committee's attention, (ii) the principal risks of the Corporation's business have been identified by management and appropriate policies and systems have been implemented to manage such risks, and (iii) the integrity of the Company's internal control and management information systems are satisfactory;

Oversight of Financial Reporting Process and Internal Controls

(1) Review the adequacy and effectiveness of the Corporation's accounting and internal control policies and procedures through inquiry and discussions with the Corporation's independent auditors and management of the Corporation;

(2) Review with management the Corporation's administrative, operational and accounting internal controls and internal control over financial reporting, including controls and security of the computerized information systems, and evaluate whether the Corporation is operating in accordance with its prescribed policies, procedures and codes of conduct;

(3) Review with management and the independent auditors any reportable conditions and material weaknesses affecting the Corporation's internal control and financial reporting;

(4) Receive periodic reports from the Corporation's independent auditors and management of the Corporation to assess the impact on the Corporation of significant accounting or financial reporting developments proposed by the Canadian Institute of Chartered Accountants, the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, the SEC, the OSC or other regulatory body, or any other significant accounting or financial reporting related matters that may have a bearing on the Corporation;

(5) Establish and maintain free and open means of communication between and among the Board, the Committee, the Corporation's independent auditors, the RPA Group and management;

Other Matters

(1) Meet at least annually with the general counsel, and outside counsel when appropriate, to review legal and regulatory matters, including any matters that may have a material impact on the financial statements of the Corporation;

(2) Review the Corporation's policies relating to the avoidance of conflicts of interest and review and approve related party transactions as required by the Corporation's Code of Ethics and applicable laws and listing rules, as well as policies and procedures with respect to officers' expense accounts and perquisites. The Committee shall consider the results of any review of these policies and procedures by the Corporation's independent auditors;

(3) Oversee, review, and periodically update the Corporation's Code of Ethics and the Corporation's system to monitor compliance with and enforcement of the Code of Ethics;

(4) Review and approve capital and operating expenditure limits on an annual basis and review and approval of any exceptions to such limits proposed by the Corporation from time to time;

(5) Oversee areas under the responsibility of management, including the examination of securities trading by insiders;

(6) Conduct or authorize investigations into any matters within the Committee's scope of responsibilities, including retaining outside counsel or other consultants or experts for this purpose;

(7) Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and

(8) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

With respect to the exercise of its duties and responsibilities, the Committee should:

(1) exercise reasonable diligence in gathering and considering all material information;

(2) remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions;

(3) understand and weigh alternative courses of conduct that may be available;

(4) focus on weighing the benefit versus harm to the Corporation and its shareholders when considering alternative recommendations or courses of action;

(5) if the Committee deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining independent counsel, accountants or others to assist the Committee in fulfilling its duties and responsibilities; and

(6) provide management, the Corporation's independent auditors and the RPA Group with appropriate opportunities to meet privately with the Committee.

Nothing in this Charter is intended, or should be determined, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject at law. The essence of the Committee's responsibilities is to monitor and review the activities described in this Charter to gain reasonable assurance, but not to ensure, that such activities are being conducted properly and effectively by the Corporation.

6. FUNDING

The Committee's effectiveness may be compromised if it is dependent on management's discretion to compensate the independent auditors or the advisors employed by the Committee. Consequently, the Corporation shall provide for appropriate funding, as determined by the Committee, for payment of any compensation (1) to any independent auditors engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Corporation, and (2) to any independent counsel or other advisors employed by the Committee.

7. DISCLOSURE AND REVIEW OF CHARTER

The charter shall be (1) published in the Corporation's annual report, information circular or annual information form of the Corporation as required by law; and (2) be posted in an up-to-date format on the Corporation's web site. The Committee should review and reassess annually the adequacy of this Charter.

* * *

While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's consolidated financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Similarly, it is not the responsibility of the Committee to ensure that the Corporation complies with all laws and regulations.

ANNEX A
(Duties and Responsibilities of the Chair)

In addition to the duties and responsibilities set out in the Board of Directors Mandate and this Charter, the Chair will:

1. Provide overall leadership to enhance the effectiveness of the Committee, including:
    a. Recommend and oversee the appropriate structure, composition, membership, and activities delegated to the Committee;
    b. Chair all meetings of the Committee at which the Chair is in attendance and manage the meeting agenda so that appropriate time and consideration can be given to the agenda items;
    c. Lead discussions, foster candor among meeting participants and encourage Committee members to ask questions of senior management, its advisors and advisors of the Committee, and express viewpoints during meetings;
    d. Schedule and set the agenda for Committee meetings with input from other Committee members, the Committee's advisors, the Lead Director of the Board of Directors, the Co-CEOs, the Corporate Secretary and senior management as appropriate and consider, on a proactive basis, emerging matters that should be addressed by the Committee;
    e. Facilitate the timely, accurate and proper flow of information to and from the Committee and, with input from Committee members, maintain an open dialogue with the Corporate Secretary regarding the timeliness, quantity, quality and completeness of information provided by senior management and advisors to the Committee;
    f. Arrange for management, internal personnel, external advisors, and others to attend and present at Committee meetings as appropriate;
    g. Arrange sufficient time during Committee meetings to fully discuss agenda items and, as appropriate, defer matters that require more information or time for discussion to a subsequent meeting;
    h. In cooperation with the Corporate Secretary, identify, monitor and report back to the Committee on the status of matters requiring action by senior management or the Committee following the meeting with a view to ensuring that matters are acted upon in a timely manner;
    i. Review draft minutes of Committee meetings prior to their presentation to the Committee for approval and ensure that minutes are reviewed and approved by the Committee in accordance with this Charter;
    j. Carry out the responsibilities and duties of the Committee, as outlined in this Charter, and
    k. Review the Committee charter and duties and responsibilities with Committee members at least annually.
2. Foster responsible decision-making by the Committee and its individual members.

3. Provide for in-camera sessions at all scheduled meetings of the Committee without management present and, as appropriate, without the Corporate Secretary present.

4. Following each meeting of the Committee, report to the Board of Directors on the activities, findings and any recommendations of the Committee.

5. Perform such other duties, within the scope of its duties and responsibilities be assigned by the Board of Directors.

Exhibit 1.2

Audited Consolidated Financial Statements for the fiscal year ended February 27, 2010

REPORT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of **Research In Motion Limited**

We have audited the accompanying consolidated balance sheets of **Research In Motion Limited** [the "Company"] as at February 27, 2010 and February 28, 2009, and the related consolidated statements of operations, shareholders' equity and cash flows for the years ended February 27, 2010, February 28, 2009 and March 1, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at February 27, 2010 and February 28, 2009, and the results of its operations and its cash flows for the years ended February 27, 2010, February 28, 2009 and March 1, 2008, in conformity with United States generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of February 27, 2010, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 1, 2010 expressed an unqualified opinion thereon.

Ernst & Young LLP

Kitchener, Canada,
April 1, 2010.

Chartered Accountants
Licensed Public Accountants

REPORT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Shareholders of **Research In Motion Limited**

We have audited **Research In Motion Limited's** [the "Company"] internal control over financial reporting as of February 27, 2010, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ["the COSO criteria"]. The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that [1] pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; [2] provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and [3] provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of February 27, 2010, based on the COSO criteria**.**

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as at February 27, 2010 and February 28, 2009, and the consolidated statements of operations, shareholders' equity and cash flows for the years ended February 27, 2010, February 28, 2009 and March 1, 2008 of the Company and our report dated April 1, 2010 expressed an unqualified opinion thereon.

Ernst & Young LLP

Kitchener, Canada,
April 1, 2010.

Chartered Accountants
Licensed Public Accountants

Research In Motion Limited
Incorporated under the Laws of Ontario
(United States dollars, in thousands)

Consolidated Balance Sheets

	As at	
	February 27, 2010	February 28, 2009
Assets		
Current		
Cash and cash equivalents	$ 1,550,861	$ 835,546
Short-term investments	360,614	682,666
Accounts receivable, net	2,593,742	2,112,117
Other receivables	206,373	157,728
Inventories	621,611	682,400
Other current assets	285,539	187,257
Deferred income tax asset	193,916	183,872
	5,812,656	4,841,586
Long-term investments	958,248	720,635
Property, plant and equipment, net	1,956,581	1,334,648
Intangible assets, net	1,326,363	1,066,527
Goodwill	150,561	137,572
Deferred income tax asset	—	404
	$10,204,409	$8,101,372
Liabilities		
Current		
Accounts payable	$ 615,620	$ 448,339
Accrued liabilities	1,638,260	1,238,602
Income taxes payable	95,650	361,460
Deferred revenue	67,573	53,834
Deferred income tax liability	14,674	13,116
	2,431,777	2,115,351
Deferred income tax liability	141,382	87,917
Income taxes payable	28,587	23,976
	2,601,746	2,227,244
Commitments and contingencies		
Shareholders' Equity		
Capital stock		
Preferred shares, authorized unlimited number of non-voting, cumulative, redeemable and retractable	—	—
Common shares, authorized unlimited number of non-voting, redeemable, retractable Class A common shares and unlimited number of voting common shares. Issued — 557,328,394 voting common shares (February 28, 2009 — 566,218,819)	2,207,609	2,208,235
Treasury stock (note 11)		
February 27, 2010 — 1,458,950 (February 28, 2009 — nil)	(94,463)	—
Retained earnings	5,274,365	3,545,710
Additional paid-in capital	164,060	119,726
Accumulated other comprehensive income	51,092	457
	7,602,663	5,874,128
	$10,204,409	$8,101,372

See notes to consolidated financial statements.

On behalf of the Board:

John Richardson
Director

Mike Lazaridis
Director

Research In Motion Limited
(United States dollars, in thousands)

Consolidated Statements of Shareholders' Equity

	Capital Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance as at March 3, 2007	$2,099,696	$ 36,093	$ —	$ 359,227	$ (11,516)	$2,483,500
Comprehensive income (loss):						
Net income	—	—	—	1,293,867	—	1,293,867
Net change in unrealized gains on available-for-sale investments	—	—	—	—	13,467	13,467
Net change in fair value of derivatives designated as cash flow hedges during the year	—	—	—	—	37,564	37,564
Amounts reclassified to earnings during the year	—	—	—	—	(9,232)	(9,232)
Other paid-in capital	—	9,626	—	—	—	9,626
Shares issued:						
Exercise of stock options	62,889	—	—	—	—	62,889
Transfers to capital stock from stock option exercises	7,271	(7,271)	—	—	—	—
Stock-based compensation	—	33,700	—	—	—	33,700
Excess tax benefits from stock-based compensation	—	8,185	—	—	—	8,185
Balance as at March 1, 2008	$2,169,856	$ 80,333	$ —	$1,653,094	$ 30,283	$3,933,566
Comprehensive income (loss):						
Net income	—	—	—	1,892,616	—	1,892,616
Net change in unrealized gains on available-for-sale investments	—	—	—	—	(7,161)	(7,161)
Net change in fair value of derivatives designated as cash flow hedges during the year	—	—	—	—	(6,168)	(6,168)
Amounts reclassified to earnings during the year	—	—	—	—	(16,497)	(16,497)
Shares issued:						
Exercise of stock options	27,024	—	—	—	—	27,024
Transfers to capital stock from stock option exercises	11,355	(11,355)	—	—	—	—
Stock-based compensation	—	38,100	—	—	—	38,100
Excess tax benefits from stock-based compensation	—	12,648	—	—	—	12,648
Balance as at February 28, 2009	$2,208,235	$119,726	$ —	$3,545,710	$ 457	$5,874,128
Comprehensive income:						
Net income	—	—	—	2,457,144	—	2,457,144
Net change in unrealized gains on available-for-sale investments	—	—	—	—	6,803	6,803
Net change in fair value of derivatives designated as cash flow hedges during the year	—	—	—	—	28,324	28,324
Amounts reclassified to earnings during the year	—	—	—	—	15,508	15,508
Shares issued:						
Exercise of stock options	30,246	—	—	—	—	30,246
Transfers to capital stock from stock option exercises	15,647	(15,647)	—	—	—	—
Stock-based compensation	—	58,038	—	—	—	58,038
Excess tax benefits from stock-based compensation	—	1,943	—	—	—	1,943
Purchase of treasury stock	—	—	(94,463)	—	—	(94,463)
Common shares repurchased	(46,519)			(728,489)		(775,008)

Balance as at February 27, 2010	$2,207,609	$164,060	$(94,463)	$5,274,365	$	51,092	$7,602,663

See notes to consolidated financial statements.

Research In Motion Limited
(United States dollars, in thousands, except per share data)

Consolidated Statements of Operations

	For the Year Ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Revenue			
Devices and other	$12,535,998	$ 9,410,755	$4,914,366
Service and software	2,417,226	1,654,431	1,095,029
	$14,953,224	11,065,186	6,009,395
Cost of sales			
Devices and other	7,979,163	5,718,041	2,758,250
Service and software	389,795	249,847	170,564
	8,368,958	5,967,888	2,928,814
Gross margin	6,584,266	5,097,298	3,080,581
Operating expenses			
Research and development	964,841	684,702	359,828
Selling, marketing and administration	1,907,398	1,495,697	881,482
Amortization	310,357	194,803	108,112
Litigation	163,800	—	—
	3,346,396	2,375,202	1,349,422
Income from operations	3,237,870	2,722,096	1,731,159
Investment income	28,640	78,267	79,361
Income before income taxes	3,266,510	2,800,363	1,810,520
Provision for income taxes	809,366	907,747	516,653
Net income	$ 2,457,144	$ 1,892,616	$1,293,867
Earnings per share			
Basic	$ 4.35	$ 3.35	$ 2.31
Diluted	$ 4.31	$ 3.30	$ 2.26

See notes to consolidated financial statements.

Research In Motion Limited
(United States dollars, in thousands)

Consolidated Statements of Cash Flows

	For the Year Ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Cash flows from operating activities			
Net income	$ 2,457,144	$ 1,892,616	$ 1,293,867
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	615,621	327,896	177,366
Deferred income taxes	51,363	(36,623)	(67,244)
Income taxes payable	4,611	(6,897)	4,973
Stock-based compensation	58,038	38,100	33,700
Other	8,806	5,867	3,303
Net changes in working capital items	(160,709)	(769,114)	130,794
Net cash provided by operating activities	3,034,874	1,451,845	1,576,759
Cash flows from investing activities			
Acquisition of long-term investments	(862,977)	(507,082)	(757,656)
Proceeds on sale or maturity of long-term investments	473,476	431,713	260,393
Acquisition of property, plant and equipment	(1,009,416)	(833,521)	(351,914)
Acquisition of intangible assets	(421,400)	(687,913)	(374,128)
Business acquisitions, net of cash acquired	(143,375)	(48,425)	(6,200)
Acquisition of short-term investments	(476,956)	(917,316)	(1,249,919)
Proceeds on sale or maturity of short-term investments	970,521	739,021	1,325,487
Net cash used in investing activities	(1,470,127)	(1,823,523)	(1,153,937)
Cash flows from financing activities			
Issuance of common shares	30,246	27,024	62,889
Additional paid-in capital	—	—	9,626
Excess tax benefits from stock-based compensation	1,943	12,648	8,185
Purchase of treasury stock (note 11)	(94,463)	—	—
Common shares repurchased	(775,008)	—	—
Repayment of debt	(6,099)	(14,305)	(302)
Net cash provided by (used in) financing activities	(843,381)	25,367	80,398
Effect of foreign exchange gain (loss) on cash and cash equivalents	(6,051)	(2,541)	4,034
Net increase (decrease) in cash and cash equivalents for the year	715,315	(348,852)	507,254
Cash and cash equivalents, beginning of year	835,546	1,184,398	677,144
Cash and cash equivalents, end of year	$ 1,550,861	$ 835,546	$ 1,184,398

See notes to consolidated financial statements.

1. RESEARCH IN MOTION LIMITED AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Research In Motion Limited ("RIM" or the "Company") is a leading designer, manufacturer and marketer of innovative wireless solutions for the worldwide mobile communications market. Through the development of integrated hardware, software and services that support multiple wireless network standards, RIM provides platforms and solutions for seamless access to time-sensitive information including email, phone, short messaging service (SMS), Internet and intranet-based applications. RIM technology also enables a broad array of third party developers and manufacturers to enhance their products and services with wireless connectivity to data. RIM's portfolio of award-winning products, services and embedded technologies are used by thousands of organizations and millions of consumers around the world and include the BlackBerry wireless solution, and other software and hardware. The Company's sales and marketing efforts include collaboration with strategic partners and distribution channels, as well as its own supporting sales and marketing teams, to promote the sale of its products and services. The Company was incorporated on March 7, 1984 under the Ontario Business Corporations Act. The Company's shares are traded on the Toronto Stock Exchange under the symbol "RIM" and on the NASDAQ Global Select Market under the symbol "RIMM".

Basis of presentation and preparation

The consolidated financial statements include the accounts of all subsidiaries of the Company with intercompany transactions and balances eliminated on consolidation. All of the Company's subsidiaries are wholly-owned. These consolidated financial statements have been prepared by management in accordance with United States generally accepted accounting principles ("U.S. GAAP") on a basis consistent for all periods presented except as described in note 2. Certain of the comparative figures have been reclassified to conform to the current year presentation.

The Company's fiscal year end date is the 52 or 53 weeks ending on the last Saturday of February, or the first Saturday of March. The fiscal years ended February 27, 2010, February 28, 2009, and March 1, 2008 comprise 52 weeks.

The significant accounting policies used in these U.S. GAAP consolidated financial statements are as follows:

Use of estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions with respect to the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Significant areas requiring the use of management estimates relate to the determination of reserves for various litigation claims, provisions for excess and obsolete inventories and liabilities for purchase commitments with contract manufacturers and suppliers, fair values of assets acquired and liabilities assumed in business combinations, royalties, amortization expense, implied fair value of goodwill, provision for income taxes, realization of deferred income tax assets and the related components of the valuation allowance, provisions for warranty and the fair values of financial instruments. Actual results could differ from these estimates.

Foreign currency translation

The U.S. dollar is the functional and reporting currency of the Company. Foreign currency denominated assets and liabilities of the Company and all of its subsidiaries are translated into U.S. dollars. Accordingly, monetary assets and liabilities are translated using the exchange rates in effect at the consolidated balance sheet date and revenues and expenses at the rates of exchange prevailing when the transactions occurred. Remeasurement adjustments are included in income. Non-monetary assets and liabilities are translated at historical exchange rates.

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and liquid investments with maturities of three months or less at the date of acquisition.

Accounts receivable, net

The accounts receivable balance which reflects invoiced and accrued revenue is presented net of an allowance for doubtful accounts. The allowance for doubtful accounts reflects estimates of probable losses in accounts receivables. The Company is dependent on a number of significant customers and on large complex contracts with respect to sales of the majority of its products, software and services. The Company expects the majority of its accounts receivable balances to continue to come from large customers as it sells the majority of its devices and software products and service relay access through network carriers and resellers rather than directly.

The Company evaluates the collectability of its accounts receivables based upon a combination of factors on a periodic basis such as specific credit risk of its customers, historical trends and economic circumstances. The Company, in the normal course of business, monitors the financial condition of its customers and reviews the credit history of each new customer. When the Company becomes aware of a specific customer's inability to meet its financial obligations to the Company (such as in the case of bankruptcy filings or material deterioration in the customer's operating results or financial position, and payment experiences), RIM records a specific bad debt provision to reduce the customer's related accounts receivable to its estimated net realizable value. If circumstances related to specific customers change, the Company's estimates of the recoverability of accounts receivables balances could be further adjusted. The allowance for doubtful accounts as at February 27, 2010 is $2.0 million (February 28, 2009- $2.1 million).

While the Company sells its products and services to a variety of customers, three customers comprised 20%, 13% and 10% of the Company's revenue (February 28, 2009 – three customers comprised 23%, 14% and 10%; March 1, 2008 — three customers comprised 21%, 15% and 12%).

Investments

The Company's investments, other than cost method investments of $2.5 million and equity method investments of $4.1 million, consist of money market and other debt securities, and are classified as available-for-sale for accounting purposes. The Company does not exercise significant influence with respect to any of these investments.

Investments with maturities one year or less, as well as any investments that management intends to hold for less than one year, are classified as short-term investments. Investments with maturities in excess of one year are classified as long-term investments.

The Company determines the appropriate classification of investments at the time of purchase and subsequently reassesses the classification of such investments at each balance sheet date. Investments classified as available-for-sale are carried at fair value with unrealized gains and losses recorded in accumulated other comprehensive income (loss) until such investments mature or are sold. The Company uses the specific identification method of determining the cost basis in computing realized gains or losses on available-for-sale investments which are recorded in investment income.

The Company assesses individual investments in an unrealized loss position to determine whether the unrealized loss is other-than-temporary. The Company makes this assessment by considering available evidence, including changes in general market conditions, specific industry and individual company data, the length of time and the extent to which the fair value has been less than cost, the financial condition, the near-term prospects of the individual investment and the Company's intent and ability to hold the investments. In the event that a decline in the fair value of an investment occurs and the decline in value is considered to be other-than-temporary, an impairment charge is recorded in investment income equal to the difference between the cost basis and the fair value of the individual investment at the balance sheet date of the reporting period for which the assessment was made. The fair value of the investment then becomes the new cost basis of the investment.

Effective in the second quarter of fiscal 2010, if a debt security's market value is below its amortized cost and the Company either intends to sell the security or it is more likely than not that the Company will be required to sell the security before its anticipated recovery, the Company records an other-than-temporary impairment charge to investment income for the entire amount of the impairment. For other-than-temporary impairments on debt securities that the Company does not intend to sell and it is not more likely than not that the entity will be required to sell the security before its anticipated recovery, the Company would separate the other-than-temporary impairment into the amount representing the credit loss and the amount related to all other factors. The Company would record the other-than-temporary impairment related to the credit loss as a charge to investment income and the remaining other-than-temporary impairment would be recorded as a component of accumulated other comprehensive income.

Derivative financial instruments

The Company uses derivative financial instruments, including forward contracts and options, to hedge certain foreign currency exposures. The Company does not use derivative financial instruments for speculative purposes.

The Company records all derivative instruments at fair value on the consolidated balance sheets. The fair value of these instruments is calculated based on quoted currency spot rates and interest rates. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative instrument and the resulting designation.

For derivative instruments designated as cash flow hedges, the effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income, net of tax, and subsequently reclassified into income in the same period or periods in which the hedged item affects income. The ineffective portion of the derivative's gain or loss is recognized in current income. In order for the Company to receive hedge accounting treatment, the cash flow hedge must be highly effective in offsetting changes in the fair value of the hedged item and the relationship between the hedging instrument and the associated hedged item must be formally documented at the inception of the hedge relationship. Hedge effectiveness is formally assessed, both at hedge inception and on an ongoing basis, to determine whether the derivatives used in hedging transactions are highly effective in offsetting changes in the value of the hedged items.

The Company formally documents relationships between hedging instruments and associated hedged items. This documentation includes: identification of the specific foreign currency asset, liability or forecasted transaction being hedged; the nature of the risk being hedged; the hedge objective; and the method of assessing hedge effectiveness. If an anticipated transaction is deemed no longer likely to occur, the corresponding derivative instrument is de-designated as a hedge and any associated deferred gains and losses in accumulated other comprehensive income are recognized in income at that time. Any future changes in the fair value of the instrument are recognized in current income. The Company did not reclassify any significant gains (losses) from accumulated other comprehensive income into income as a result of the de-designation of any derivative instrument as a hedge during fiscal 2010.

For any derivative instruments that do not meet the requirements for hedge accounting, or for any derivative instrument for which hedge accounting is not elected, the changes in fair value of the instruments are recognized in income in the current period and will generally offset the changes in the U.S. dollar value of the associated asset, liability, or forecasted transaction.

Inventories

Raw materials are stated at the lower of cost and replacement cost. Work in process and finished goods inventories are stated at the lower of cost and net realizable value. Cost includes the cost of materials plus direct labour applied to the product and the applicable share of manufacturing overhead. Cost is determined on a first-in-first-out basis.

Property, plant and equipment, net

Property, plant and equipment is stated at cost less accumulated amortization. No amortization is provided for construction in progress until the assets are ready for use. Amortization is provided using the following rates and methods:

Buildings, leaseholds and other	Straight-line over terms between 5 and 40 years
BlackBerry operations and other information technology	Straight-line over terms between 3 and 5 years
Manufacturing equipment, research and development equipment and tooling	Straight-line over terms between 2 and 8 years
Furniture and fixtures	Declining balance at 20% per annum

Intangible assets, net

Intangible assets are stated at cost less accumulated amortization and are comprised of acquired technology, licenses, and patents. Acquired technology consists of purchased developed technology arising from the Company's business acquisitions. Licenses include licenses or agreements that the Company has negotiated with third parties upon use of third parties' technology. Patents comprise trademarks, internally developed patents, as well as individual patents or portfolios of patents acquired from third parties. Costs capitalized and subsequently amortized include all costs necessary to acquire intellectual property, such as patents and trademarks, as well as legal defense costs arising out of the assertion of any Company-owned patents.

Intangible assets are amortized as follows:

Acquired technology	Straight-line over 2 to 5 years
Licenses	Straight-line over terms of the license agreements or on a per unit basis based upon the anticipated number of units sold during the terms, subject to a maximum of 5 years
Patents	Straight-line over 17 years or over estimated useful life

Goodwill

Goodwill represents the excess of the purchase price of business acquisitions over the fair value of identifiable net assets acquired. Goodwill is allocated as at the date of the business combination. Goodwill is not amortized, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate the asset may be impaired.

The Company is organized and managed as a single reportable business segment ("reporting unit"). The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit including goodwill is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired, and the second step is unnecessary.

In the event that the fair value of the reporting unit, including goodwill, is less than the carrying value, the implied fair value of the reporting unit's goodwill is compared with its carrying amount to measure the amount of the impairment loss, if any. The implied fair value of goodwill is determined in the same manner as the value of goodwill is determined in a business combination using the fair value of the reporting unit as if it were the purchase price. When the carrying amount of the reporting unit goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate line item in the consolidated statements of operations.

Impairment of long-lived assets

The Company reviews long-lived assets such as property, plant and equipment and intangible assets with finite useful lives for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset, a loss is recognized for the excess of the carrying amount over the fair value of the asset.

Income taxes

The Company uses the liability method of tax allocation to account for income taxes. Deferred income tax assets and liabilities are recognized based upon temporary differences between the financial reporting and tax bases of assets and liabilities, and measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred income tax assets to the amount that is more likely than not to be realized. The Company considers both positive evidence and negative evidence, to determine whether, based upon the weight of that evidence, a valuation allowance is required. Judgment is required in considering the relative impact of negative and positive evidence.

Significant judgment is required in evaluating the Company's uncertain tax positions and provisions for income taxes. Liabilities for uncertain tax positions are recognized based on a two-step approach. The first step is to evaluate whether a tax position has met the recognition threshold by determining if the weight of available evidence indicates that it is more likely than not to be sustained upon examination. The second step is to measure the tax position that has met the recognition threshold as the largest amount that is more than 50% likely of being realized upon settlement. The Company continually assesses the likelihood and amount of potential adjustments and adjusts the income tax provisions, income tax payable and deferred taxes in the period in which the facts that give rise to a revision become known. The Company recognizes interest and penalties related to uncertain tax positions as interest expense that is netted and reported within investment income.

The Company uses the flow-through method to account for investment tax credits ("ITCs") earned on eligible scientific research and experimental development expenditures. Under this method, the ITCs are recognized as a reduction to income tax expense.

Revenue recognition

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, the product has been delivered or the services have been provided to the customer, the sales price is fixed or determinable and collectability is reasonably assured. In addition to this general policy, the following paragraphs describe the specific revenue recognition policies for each major category of revenue.

Devices

Revenue from the sales of BlackBerry devices is recognized when title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. For hardware products for which software is deemed not to be incidental, the Company recognizes revenue in accordance with industry specific software revenue recognition guidance. The Company records reductions to revenue for estimated commitments related to price protection and for customer incentive programs, including reseller and end-user rebates. The estimated cost of the incentive programs are accrued based on historical experience, as a reduction to revenue in the period the Company has sold the product and committed to a plan. Price protection is accrued as a reduction to revenue based on estimates of future price reductions and certain agreed customer inventories at the date of the price adjustment. In addition, provisions are made at the time of sale for warranties and royalties. For further discussion on warranties see note 13.

Service

Revenue from service is recognized rateably on a monthly basis when the service is provided. In instances where the Company bills the customer prior to performing the service, the prebilling is recorded as deferred revenue.

Software

Revenue from licensed software is recognized at the inception of the license term and in accordance with industry specific software revenue recognition guidance. When the fair value of a delivered element has not been established, the Company uses the residual method to recognize revenue if the fair value of undelivered elements is determinable. Revenue from software maintenance, unspecified upgrades and technical support contracts is recognized over the period that such items are delivered or that services are provided.

Other

Revenue from the sale of accessories is recognized when title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. Technical support ("T-Support") contracts extending beyond the current period are recorded as deferred revenue. Revenue from repair and maintenance programs is recognized when the service is delivered which is when the title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. Revenue for non-recurring engineering contracts is recognized as specific contract milestones are met. The attainment of milestones approximates actual performance.

Shipping and handling costs

Shipping and handling costs charged to income are included in cost of sales where they can be reasonably attributed to certain revenue; otherwise they are included in selling, marketing and administration.

Multiple-element arrangements

The Company enters into transactions that represent multiple-element arrangements which may include any combination of hardware and/or service or software and T-Support. These multiple-element arrangements are assessed to determine whether they can be separated into more than one unit of accounting or element for the purpose of revenue recognition. When the appropriate criteria for separating revenue into more than one unit of accounting is met and there is vendor specific objective evidence of fair value for all units of accounting or elements in an arrangement, the arrangement consideration is allocated to the separate units of accounting or elements based on each unit's relative fair value. When the fair value of a delivered element has not been established, the Company uses the residual method to recognize revenue if the fair value of undelivered elements is determinable. This vendor specific objective evidence of fair value is established through prices charged for each revenue element when that element is sold separately. The revenue recognition policies described above are then applied to each unit of accounting.

Research and development

Research costs are expensed as incurred. Development costs for BlackBerry devices and licensed software to be sold, leased or otherwise marketed are subject to capitalization beginning when a product's technological feasibility has been established and ending when a product is available for general release to customers. The Company's products are generally released soon after technological feasibility has been established and therefore costs incurred subsequent to achievement of technological feasibility are not significant and have been expensed as incurred.

Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in net assets of a business enterprise during a period from transactions and other events and circumstances from non-owner sources and includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company's reportable items of comprehensive income are cash flow hedges as described in note 17 and changes in the fair value of available-for-sale investments as described in note 5. Realized gains or losses on available-for-sale investments are reclassified into investment income using the specific identification basis.

Earnings per share

Earnings per share is calculated based on the weighted-average number of shares outstanding during the year. The treasury stock method is used for the calculation of the dilutive effect of stock options.

Stock-based compensation plans

The Company has stock-based compensation plans, which are described in note 11(b).

The Company has an incentive stock option plan for officers and employees of the Company or its subsidiaries. Under the terms of the plan, as revised in fiscal 2008, no stock options may be granted to independent directors. Prior to fiscal 2007, the Company accounted for stock-based compensation expense based on the grant-date fair value as determined under the intrinsic value method. Beginning in fiscal 2007, the Company adopted the modified prospective transition ("MPT") method to record stock-based compensation expense. Stock-based compensation expense calculated using the MPT approach is recognized on a prospective basis in the financial statements for all new and unvested stock options that are ultimately expected to vest as the requisite service is rendered beginning in the Company's fiscal 2007 year. The Company measures stock-based compensation expense at the grant date based on the award's fair value as calculated by the Black-Scholes-Merton ("BSM") option-pricing model and is recognized rateably over the vesting period. The BSM model requires various judgmental assumptions including volatility and expected option life. In addition, judgment is also applied in estimating the amount of stock-based awards that are expected to be forfeited, and if actual results differ significantly from these estimates, stock-based compensation expense and our results of operations would be impacted.

Any consideration paid by employees on exercise of stock options plus any recorded stock-based compensation within additional paid-in capital related to that stock option is credited to capital stock.

The Company has a Restricted Share Unit Plan (the "RSU Plan") under which eligible participants include any officer or employee of the Company or its subsidiaries. At the Company's discretion, Restricted Share Units ("RSUs") are redeemed for either common shares issued by the Company, common shares purchased on the open market by a trustee selected by the Company or the cash equivalent on the vesting dates established by the Board of Directors or the Compensation, Nomination and Governance Committee of the Board of Directors. The RSUs vest over a three-year period, either on the third anniversary date or in equal instalments on each anniversary date over the vesting period. The Company classifies RSUs as equity instruments as the Company has the ability and intent to settle the awards in shares. The compensation expense is calculated based on the fair value of each RSU as determined by the closing value of the Company's common shares on the business day of the grant date. The Company recognizes compensation expense over the vesting period of the RSU.

Upon issuance of the RSU, common shares for which RSUs may be exchanged will be purchased on the open market by a trustee selected and funded by the Company. The trustee has been appointed to settle the Company's obligation to deliver shares to individuals upon vesting. In addition, upon vesting, the trustee is required to sell enough shares to cover the individual recipient's minimum statutory withholding tax requirement, with the remaining shares delivered to the individual. As the Company is considered to be the primary beneficiary of the trust, the trust is considered a variable interest entity and is consolidated by the Company.

The Company has a Deferred Share Unit Plan (the "DSU Plan") adopted by the Board of Directors on December 20, 2007, under which each independent director will be credited with Deferred Share Units ("DSUs") in satisfaction of all or a portion of the cash fees otherwise payable to them for serving as a director of the Company. Grants under the DSU plan replace the stock option awards that were historically granted to independent members of the Board of Directors. At a minimum, 50% of each independent director's annual retainer will be satisfied in the form of DSUs. The director can elect to receive the remaining 50% in any combination of cash and DSUs. Within a specified period after such a director ceases to be a director, DSUs will be redeemed for cash with the redemption value of each DSU equal to the weighted average trading price of the Company's shares over the five trading days preceding the redemption date. Alternatively, subject to receipt of shareholder approval, the Company may elect to redeem DSUs by way of shares purchased on the open market or issued by the Company. DSUs are accounted for as liability-classified awards and are awarded on a quarterly basis. These awards are measured at their fair value on the date of issuance, and remeasured at each reporting period, until settlement.

Warranty

The Company provides for the estimated costs of product warranties at the time revenue is recognized. BlackBerry devices are generally covered by a time-limited warranty for varying periods of time. The Company's warranty obligation is affected by product failure rates, differences in warranty periods, regulatory developments with respect to warranty obligations in the countries in which the Company carries on business, freight expense, and material usage and other related repair costs.

The Company's estimates of costs are based upon historical experience and expectations of future return rates and unit warranty repair cost. If the Company experiences increased or decreased warranty activity, or increased or decreased costs associated with servicing those obligations, revisions to the estimated warranty liability would be recognized in the reporting period when such revisions are made.

Advertising costs

The Company expenses all advertising costs as incurred. These costs are included in selling, marketing and administration.

2. ADOPTION OF ACCOUNTING POLICIES

In February 2010, the Financial Accounting Standards Board ("FASB") issued authoritative guidance updating previously issued guidance on accounting for subsequent events. The guidance amends previous literature to remove the requirement for a Securities and Exchange Commission ("SEC") filer to disclose the date through which subsequent events have been evaluated and reaffirms that an SEC filer is required to evaluate subsequent events through the date the financial statements are issued. The Company adopted this authoritative guidance in the fourth quarter of fiscal 2010 and the adoption did not have a material impact on the results of operations and financial condition.

In August 2009, the FASB issued authoritative guidance on measuring the fair value of liabilities. The guidance amends previous literature and clarifies that in circumstances in which a quoted market price in an active market for an identical liability is not available, an entity is required to use a valuation technique that uses quoted market price of the identical liability when traded as an asset, the quoted market price of a similar liability or the quoted market price of a similar liability when traded as an asset to measure fair value. If these quoted prices are not available, an entity is required to use a valuation technique that is in accordance with existing fair value principles, such as the income or market approach. The Company adopted this authoritative guidance in the third quarter of fiscal 2010 and the adoption did not have a material impact on the Company's results of operations and financial condition.

In June 2009, the FASB issued the FASB Accounting Standards Codification ("the Codification"). The Codification became the source of authoritative U.S. GAAP recognized by the FASB to be applied to nongovernmental entities. The Codification did not change U.S. GAAP but reorganizes literature into a single source. The Codification is effective for interim periods ending after September 15, 2009. The Company adopted the Codification and has updated its disclosure and references to U.S. GAAP as required by the standard in the third quarter of fiscal 2010.

In May 2009, the FASB issued authoritative guidance on accounting for subsequent events that was previously only addressed in auditing literature. The guidance is largely similar to current guidance in the auditing literature with some minor exceptions that are not intended to result in significant changes in practice. The Company adopted the authoritative guidance and disclosure requirements in the second quarter of fiscal 2010 and the adoption did not have a material impact on the Company's results of operations and financial condition.

In April 2009, the FASB issued authoritative guidance on interim disclosures about fair value of financial instruments . The guidance expands the fair value disclosure of financial instruments to interim periods. In addition, it requires disclosures of the methods and significant assumptions used to estimate the fair value of financial instruments. The Company adopted the authoritative guidance and disclosure requirements in the second quarter of fiscal 2010 and the adoption did not have a material impact on the Company's results of operations and financial condition.

In April 2009, the FASB issued authoritative guidance on recognition and presentation of other-than-temporary impairments. The guidance applies to investments in which other-than-temporary impairments may be recorded and establishes a new model for measuring other-than-temporary impairments for debt securities. In addition, it requires additional disclosures related to debt and equity securities. The Company adopted the authoritative guidance in the second quarter of fiscal 2010 and the adoption did not have a material impact on the Company's results of operations and financial condition.

In April 2009, the FASB issued authoritative guidance on determining fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly. The Company adopted the authoritative guidance in the second quarter of fiscal 2010 and the adoption did not have a material impact on the Company's results of operations and financial condition.

In September 2006, the FASB issued authoritative guidance on fair value measurements which became effective for fiscal years beginning after November 15, 2007. However, in February 2008, the FASB issued further guidance which delayed the effective date relating to fair value measurements for non-financial assets and liabilities that are not measured at fair value on a recurring basis to November 15, 2008. The Company partially adopted the authoritative guidance on fair value measurements in the first quarter of fiscal 2009. The Company adopted the remaining portion of the authoritative guidance on fair value measurements relating to non-financial assets and liabilities that are not measured at fair value on a recurring basis in the first quarter of fiscal 2010. The adoption did not have a material impact on the Company's results of operations and financial condition.

In December 2007, the FASB issued authoritative guidance on business combinations. The guidance is broader in scope than previous guidance which applied only to business combinations in which control was obtained by transferring consideration. The issued guidance applies to all transactions and other events in which one entity obtains control over one or more other businesses. In April 2009, the FASB released further guidance with respect to business combinations specifically accounting for assets acquired and liabilities assumed in a business combination that arise from contingencies, which amends and clarifies the initial recognition and measurement, subsequent measurement and accounting, and related disclosures of assets and liabilities arising from contingencies in a business combination. This guidance is effective for assets and liabilities arising from contingencies in business combinations for which the acquisition date is on or after December 15, 2008. As discussed in note 9, the Company adopted the authoritative guidance on business combinations as amended, in the first quarter of fiscal 2010 and the adoption did not have a material impact on the Company's results of operations and financial

condition. In December 2007, the FASB issued authoritative guidance on noncontrolling interests in consolidated financial statements. The guidance requires that the noncontrolling interest in the equity of a subsidiary be accounted for and reported as equity, provides revised guidance on the treatment of net income and losses attributable to the noncontrolling interest and changes in ownership interests in a subsidiary and requires additional disclosures that identify and distinguish between the interests of the controlling and noncontrolling owners. The Company adopted the guidance in the first quarter of fiscal 2010 and the adoption did not have a material impact on the Company's results of operations and financial condition.

3. RECENTLY ISSUED PRONOUNCEMENTS

In January 2010, the FASB issued authoritative guidance to improve disclosures about fair value measurements. The guidance amends previous literature to require an entity to provide a number of additional disclosures regarding fair value measurements including significant transfers between Level 1 and Level 2 on a gross basis and the reasons for such transfers, transfers in and out of Level 3 on a gross basis and the reasons for such transfers, the entity's policy for recognizing transfers between Levels and to disclose information regarding purchases, sales, issuances and settlements on a gross basis in the Level 3 reconciliation of recurring fair value measurements. The guidance also further clarifies existing guidance on disclosure requirements around disaggregation and valuation techniques for both recurring and non-recurring fair value measurements in either Level 2 or Level 3. The new authoritative guidance is effective for interim and annual periods beginning after December 15, 2009, except for the requirement to separately disclose purchases, sales, issuances and settlements in the Level 3 reconciliation which is effective for interim and annual periods beginning after December 15, 2010. The Company will adopt the guidance in the first quarter of fiscal 2011 and the first quarter of fiscal 2012, respectively. The Company is currently evaluating the impact that the adoption of this guidance will have on its financial statement disclosures.

In October 2009, the FASB issued authoritative guidance on revenue recognition for arrangements with multiple deliverables. The guidance amends previous literature to require an entity to use an estimated selling price when vendor specific objective evidence or acceptable third party evidence does not exist for any products or services included in a multiple element arrangement. The arrangement consideration should be allocated among the products and services based upon their relative selling prices, thus eliminating the use of the residual method of allocation. The guidance also requires expanded qualitative and quantitative disclosures regarding significant judgements made and changes in applying the guidance. The new authoritative guidance is effective for revenue arrangements entered into or materially modified in fiscal years beginning after June 15, 2010 with early application permitted. The Company plans to adopt the guidance in the first quarter of fiscal 2011 and the Company does not expect the adoption will have a material impact on the Company's results of operations and financial condition.

In October 2009, the FASB issued authoritative guidance on certain revenue arrangements that include software elements. The guidance amends previous literature to exclude tangible products containing software components and non-software components that function together to deliver the product's essential functionality from applying software revenue recognition guidance to those products. The new authoritative guidance is effective for revenue arrangements entered into or materially modified in fiscal years on or after June 15, 2010 with early application permitted. The Company plans to adopt the guidance in the first quarter of fiscal 2011 and the Company does not expect the adoption will have a material impact on the Company's results of operations and financial condition.

In June 2009, the FASB issued authoritative guidance to amend the manner in which an enterprise performs an analysis to determine whether the enterprise's variable interest gives it a controlling interest in the variable interest entity ("VIE"). The guidance uses a qualitative risks and rewards approach by focusing on which enterprise has the power to direct the activities of the VIE, the obligation to absorb the entity's losses and rights to receive benefits from the entity. The guidance also requires enhanced disclosures related to the VIE. The new authoritative guidance is effective for annual periods beginning after November 15, 2009. The Company will adopt the guidance in the first quarter of fiscal 2011 and the Company does not expect the adoption will have a material impact on the Company's results of operations and financial condition.

In June 2009, the FASB issued authoritative guidance amending the accounting for transfers of financial assets. The guidance, among other things, eliminates the exceptions for qualifying special-purpose entities from the consolidation guidance, clarifies the requirements for transferred financial assets that are eligible for sale accounting and requires enhanced disclosures about a transferor's continuing involvement with transferred financial assets. This new authoritative guidance is effective for annual periods beginning after November 15, 2009. The Company will adopt the guidance in the first quarter of fiscal 2011 and the Company does not expect the adoption will have a material impact on the Company's results of operations and financial condition.

In November 2008, the SEC announced a proposed roadmap for comment regarding the potential use by U.S. issuers of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS is a comprehensive series of accounting standards published by the International Accounting Standards Board. On February 24, 2010, the SEC issued a statement describing its position regarding global accounting standards. Among other things, the SEC stated that it has directed its staff to execute a work plan which will include consideration of IFRS as it exists today and after completion of various "convergence" projects currently underway between U.S. and international accounting standards setters. By 2011, assuming completion of certain projects and the SEC staff's work plan, the SEC will decide whether to incorporate IFRS into the U.S. financial reporting system. The Company is currently assessing the impact that this proposed change would have on the consolidated financial statements, accompanying notes and disclosures, and will continue to monitor the development of the potential implementation of IFRS.

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The components of cash, cash equivalents and investments were as follows:

	Cost Basis	Unrealized Gains	Unrealized Losses	Recorded Basis	Cash and Cash Equivalents	Short-term Investments	Long-term Investments
As at February 27, 2010							
Bank balances	$ 535,445	$ —	$ —	$ 535,445	$ 535,445	$ —	$ —
Money market fund	3,278	—	—	3,278	3,278	—	—
Bankers acceptances and term deposits/certificates	377,596	—	—	377,596	377,596	—	—
Commercial paper and corporate notes/bonds	855,145	6,528	(49)	861,624	472,312	187,369	201,943
Treasury bills/notes	203,514	129	(12)	203,631	92,272	50,786	60,573
Government sponsored enterprise notes	447,131	2,590	(13)	449,708	69,958	111,977	267,773
Asset-backed securities	393,751	5,280	(50)	398,981	—	10,482	388,499
Auction-rate securities	40,527	—	(7,688)	32,839	—	—	32,839
Other investments	6,621	—	—	6,621	—	—	6,621
	$2,863,008	$14,527	$ (7,812)	$2,869,723	$ 1,550,861	$360,614	$958,248
As at February 28, 2009							
Bank balances	$ 477,855	$ —	$ —	$ 477,855	$ 477,855	$ —	$ —
Money market fund	5,000	—	—	5,000	5,000	—	—
Bankers acceptances and term deposits/certificates	14,963	8	—	14,971	—	14,971	—
Commercial paper and corporate notes/bonds	404,623	3,608	(443)	407,788	124,720	145,605	137,463
Treasury bills/notes	245,050	717	(153)	245,614	19,398	205,633	20,583
Government sponsored enterprise notes	666,627	2,922	(178)	669,371	208,573	316,457	144,341
Asset-backed securities	379,091	2,658	(1,540)	380,209	—	—	380,209
Auction-rate securities	40,529	—	(7,687)	32,842	—	—	32,842
Other investments	5,197	—	—	5,197	—	—	5,197
	$2,238,935	$ 9,913	$(10,001)	$2,238,847	$ 835,546	$682,666	$720,635

Realized gains and losses on available-for-sale securities comprise the following:

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Realized gains	$ 439	$ 158	$ 10
Realized losses	(17)	(1,801)	(410)
Net realized gains (losses)	$ 422	$ (1,643)	$ (400)

The contractual maturities of available-for-sale investments at February 27, 2010 were as follows:

	Cost Basis	Fair Value
Due in one year or less	$1,371,047	$1,372,752
Due in one to five years	773,471	783,451
Due after five years	173,146	168,176
No fixed maturity date	3,278	3,278
	$2,320,942	$2,327,657

Investments with continuous unrealized losses for less than 12 months and greater than 12 months and their related fair values were as follows:

	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized losses	Fair Value	Unrealized losses	Fair Value	Unrealized losses
As at February 27, 2010						
Commercial paper and corporate notes/bonds	$ 93,129	$ 49	$ —	$ —	$ 93,129	$ 49
Treasury bills/notes	91,109	12	—	—	91,109	12
Government sponsored enterprise notes	57,537	13	—	—	57,537	13
Asset-backed securities	18,820	50	—	—	18,820	50
Auction-rate securities	—	—	32,839	7,688	32,839	7,688
	$260,595	$ 124	$32,839	$ 7,688	$293,434	$ 7,812

	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized losses	Fair Value	Unrealized losses	Fair Value	Unrealized losses
As at February 28, 2009						
Commercial paper and corporate notes/bonds	$ 81,077	$ 391	$19,997	$ 52	$101,074	$ 443
Treasury bills/notes	130,713	153	—	—	130,713	153
Government sponsored enterprise notes	231,955	178	—	—	231,955	178
Asset-backed securities	125,019	1,540	—	—	125,019	1,540
Auction-rate securities	—	—	32,842	7,687	32,842	7,687
	$568,764	$ 2,262	$52,839	$ 7,739	$621,603	$10,001

Unrealized losses of $7.7 million primarily relate to auction-rate securities. Auction rate securities are debt instruments with long-term nominal maturity dates for which the interest rates are reset through a dutch auction process, typically every 7, 28 or 35 days. Interest is paid at the end of each auction period, and the auction normally serves as the mechanism for securities holders to sell their existing positions to interested buyers. As at February 27, 2010, the Company held $40.5 million in face value of investment grade auction rate securities which are experiencing failed auctions as a result of more sell orders than buy orders, and these auctions have not yet returned to normal operations. The interest rate for these securities has been set at the maximum rate specified in the program documents and interest continues to be paid every 28 days as scheduled. The Company has adjusted the reported value to reflect an unrealized loss of $7.7 million in fiscal 2009, which the Company considers temporary and is reflected in accumulated other comprehensive income (loss). In valuing these securities, the Company used a multi-year investment horizon and considered the underlying risk of the securities and the current market interest rate environment. The Company has the ability and intent to hold these securities until such time that market liquidity returns to normal levels, and does not consider the principal or interest amounts on these securities to be materially at risk at this time. As there is uncertainty as to when market liquidity for auction rate securities will return to normal, the Company has classified the failing auction rate securities as long-term investments on the balance sheet. As at February 27, 2010, the Company does not consider these investments to be other-than-temporarily impaired.

5. FAIR VALUE MEASUREMENTS

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use in pricing the asset or liability such as inherent risk, non-performance risk and credit risk. The Company applies the following fair value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels:

- Level 1 — Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Significant unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The carrying amounts of the Company's cash and cash equivalents, accounts receivable, other receivables, accounts payable and accrued liabilities, approximate fair value due to their short maturities. When determining the fair value of its investments held, the Company primarily relies on an independent third party valuator for the fair valuation of securities. Pricing inputs by the service provider are generally received from two primary vendors. The pricing inputs are reviewed for completeness, tolerance and accuracy on a daily basis by the service provider. The Company also reviews and understands the inputs used in the valuation process and assesses the pricing of the securities for reasonableness. To do this, the Company utilizes internally developed models to estimate fair value. Inputs into the internally developed models may include benchmark yields, reported trades, quotes, issuer spreads, benchmark curves (including Treasury benchmarks, LIBOR and swap curves), discount rates, derivative indices, recovery and default rates, prepayment rates, trustee reports, bids/offers and other reference data. In the event the Company disagrees with the pricing from the service provider, the Company will challenge the pricing and work with the service provider to determine the most reasonable fair value.

The fair value of currency forward contracts has been estimated using market quoted currency spot rates and interest rates. The estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. Changes in assumptions could have a significant effect on the estimates.

The following table presents the Company's assets and liabilities that are measured at fair value on a recurring basis:

As at February 27, 2010	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale investments				
Money market fund	$3,278	$ —	$ —	$ 3,278
Banker acceptances and term deposits/certificates	—	377,596	—	377,596
Commercial paper and corporate notes/bonds	—	846,496	15,128	861,624
Treasury bills/notes	—	203,631	—	203,631
Government sponsored enterprise notes	—	449,708	—	449,708
Asset-backed securities	—	398,981	—	398,981
Auction-rate securities	—	—	32,839	32,839
Total available-for-sale investments	$3,278	$2,276,412	$47,967	$2,327,657
Derivative instruments	—	97,261	—	97,261
Total assets	$3,278	$2,373,673	$47,967	$2,424,918
Liabilities				
Derivative instruments	$ —	$ 6,164	$ —	$ 6,164
Total liabilities	$ —	$ 6,164	$ —	$ 6,164

As at February 28, 2009	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale investments				
Money market fund	$5,000	$ —	$ —	$ 5,000
Bankers acceptances and term deposits/certificates	—	14,971	—	14,971
Commercial paper and corporate notes/bonds	—	389,086	18,702	407,788
Treasury bills/notes	—	245,614	—	245,614
Government sponsored enterprise notes	—	669,371	—	669,371
Asset-backed securities	—	380,209	—	380,209
Auction-rate securities	—	—	32,842	32,842
Total available-for-sale investments	$5,000	$1,699,251	$51,544	$1,755,795
Derivative instruments	—	70,100	—	70,100
Total assets	$5,000	$1,769,351	$51,544	$1,825,895
Liabilities				
Derivative instruments	$ —	$ 56,827	$ —	$ 56,827
Total liabilities	$ —	$ 56,827	$ —	$ 56,827

The following table summarizes the changes in fair value of the Company's Level 3 assets for the year ended February 27, 2010:

	Level 3
Balance at March 1, 2008	$59,418
Unrealized changes in fair value included in other comprehensive income	(4,457)
Accrued interest	1,072
Transfers out of Level 3	(4,489)
Balance at February 28, 2009	51,544
Accrued interest	(3)
Transfers out of Level 3	(3,574)
Balance at February 27, 2010	$47,967

6. INVENTORIES

Inventories were comprised as follows:

	February 27, 2010	February 28, 2009
Raw materials	$ 490,063	$ 464,497
Work in process	231,939	250,728
Finished goods	17,068	35,264
Provision for excess and obsolete inventories	(117,459)	(68,089)
	$ 621,611	$ 682,400

7. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment were comprised of the following:

	February 27, 2010		
	Cost	Accumulated amortization	Net book value
Land	$ 104,254	$ —	$ 104,254
Buildings, leaseholds and other	926,747	115,216	811,531
BlackBerry operations and other information technology	1,152,637	484,180	668,457
Manufacturing equipment, research and development equipment, and tooling	347,692	182,228	165,464
Furniture and fixtures	346,641	139,766	206,875
	$2,877,971	$ 921,390	$1,956,581

	February 28, 2009		
	Cost	Accumulated amortization	Net book value
Land	$ 90,257	$ —	$ 90,257
Buildings, leaseholds and other	608,213	70,017	538,196
BlackBerry operations and other information technology	732,486	316,398	416,088
Manufacturing equipment, research and development equipment, and tooling	247,608	108,676	138,932
Furniture and fixtures	244,502	93,327	151,175
	$1,923,066	$ 588,418	$1,334,648

As at February 27, 2010, the carrying amount of assets under construction was $254.3 million (February 28, 2009 — $88.9 million). Of this amount, $110.9 million (February 28, 2009 — $50.0 million) was included in buildings, leaseholds and other; $102.5 million (February 28, 2009 - $35.8 million) was included in BlackBerry operations and other information technology; and $40.9 million (February 28, 2009 — $3.2 million) was included in manufacturing equipment, research and development equipment, and tooling.

As at February 27, 2010, $31.7 million has been classified as an asset held for sale and accordingly has been reclassified from property, plant and equipment to other current assets.

For the year ended February 27, 2010, amortization expense related to property, plant and equipment was $344.5 million (February 28, 2009 — $203.4 million; March 1, 2008 — $133.1 million).

8. INTANGIBLE ASSETS, NET

Intangible assets were comprised of the following:

	February 27, 2010		
	Cost	Accumulated amortization	Net book value
Acquired technology	$ 165,791	$ 70,777	$ 95,014
Licenses	711,969	196,618	515,351
Patents	889,467	173,469	715,998
	$1,767,227	$ 440,864	$1,326,363

	February 28, 2009		
	Cost	Accumulated amortization	Net book value
Acquired technology	$ 92,819	$ 41,518	$ 51,301
Licenses	427,471	61,112	366,359
Patents	733,632	84,765	648,867
	$1,253,922	$ 187,395	$1,066,527

During fiscal 2010, the additions to intangible assets primarily consisted of $104 million as part of a definitive agreement to settle all outstanding worldwide patent litigation (“the Visto Litigation”) with Visto Corporation (“Visto”) as described in note 12(c), agreements with third parties totalling approximately $245.7 million for the use of intellectual property, software, messaging services and other BlackBerry related features and intangible assets associated with the business acquisitions discussed in note 9.

During fiscal 2009, the Company entered into agreements with third parties totalling $353.5 million for the use of intellectual property, software, messaging services and other BlackBerry related features. In addition, the Company entered into several agreements to acquire portfolios of patents relating to wireless communication technologies totalling $279.5 million. The acquired patents were recorded as intangible assets and are being amortized over their estimated useful lives.

For the year ended February 27, 2010, amortization expense related to intangible assets was $271.1 million (February 28, 2009 — $124.5 million; March 1, 2008 — $44.3 million). Total additions to intangible assets in fiscal 2010 were $531.0 million (2009 — $721.1 million).

Based on the carrying value of the identified intangible assets as at February 27, 2010 and assuming no subsequent impairment of the underlying assets, the annual amortization expense for the next five fiscal years is expected to be as follows: 2011 — $324 million; 2012 — $275 million; 2013 — $227 million; 2014 — $139 million; and 2015 — $61 million.

The weighted-average remaining useful life of the acquired technology is 3.4 years (2009 – 3.7 years).

9. BUSINESS ACQUISITIONS

During fiscal 2010, the Company purchased for cash consideration certain assets of a company whose acquired technologies will be used in next generation wireless technologies. The transaction closed on February 9, 2010.

During fiscal 2010, the Company purchased for cash consideration 100% of the common shares of Torch Mobile Inc. (“Torch”). The transaction closed on August 21, 2009. Torch provides the Company with web browser based technology.

During fiscal 2010, the Company purchased for cash consideration 100% of the common shares of a company whose proprietary software will be incorporated into the Company’s software. The transaction closed on May 22, 2009.

During fiscal 2010, the Company purchased 100% of the common shares of Certicom Corp. (“Certicom”) at a price of CAD $3.00 for each common share of Certicom or approximately CAD $131.3 million. The transaction closed on March 23, 2009. Certicom is a leading provider of cryptography required by software vendors and device manufacturers looking to protect the value of content, applications and devices with government approved security using Elliptic Curve Cryptography.

The acquisitions were accounted for using the acquisition method whereby identifiable assets acquired and liabilities assumed were measured at their fair values as of the date of acquisition. The excess of the acquisition price over such fair value, if any, is recorded as goodwill, which is not expected to be deductible for tax purposes. In-process research and development is charged to amortization expense immediately after acquisition. The Company includes the operating results of each acquired business in the consolidated financial statements from the date of acquisition.

Effective fiscal 2010, the Company expenses: (a) all direct costs associated with the acquisitions as incurred; (b) compensation paid to employees for pre-combination services as part of the consideration paid; and (c) compensation paid to employees for post-combination services as operating expenses separate from the business combination. The Company no longer expenses in-process research and development; instead it is capitalized and amortized over its estimated useful life once it is ready for use. The Company recognizes the excess of net assets acquired over consideration paid in income.

During fiscal 2009, the Company purchased 100% of the common shares of Chalk Media Corp (“Chalk”). The transaction closed on January 30, 2009. Chalk is the developer of Mobile chalkboard™, which enables the rapid creation and secure, tracked deployment of media-rich “Pushcasts”™ to BlackBerry smartphones.

During fiscal 2009, the Company purchased 100% of the common shares of a company whose proprietary software is being incorporated into the Company's software. The transaction closed on February 13, 2009.

During fiscal 2008, the Company purchased the assets and intellectual property of a company. The transaction closed on November 19, 2007. In addition, the Company purchased 100% of the common shares of a company whose proprietary software has been incorporated into the Company's software. The transaction closed on August 22, 2007.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition along with prior year's acquisition allocations:

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Assets purchased			
Current assets	$ 19,282	$ 1,155	$ 23
Capital assets	—	494	—
Deferred income tax asset	26,000	3,097	—
Acquired technology	72,971	31,226	1,035
In-process research and development	—	1,919	—
Patents	36,600	—	960
Goodwill	12,989	23,117	4,523
	167,842	61,008	6,541
Liabilities assumed	15,072	12,583	—
Deferred income tax liability	751	—	341
	15,823	12,583	341
Net non-cash assets acquired	152,019	48,425	6,200
Cash acquired	8,370	1,421	1
Net assets acquired	160,389	49,846	6,201
Excess of net assets acquired over consideration paid	(8,588)	—	—
Consideration paid	$ 151,801	$ 49,846	$6,201

During fiscal 2010, the Company recorded a gain of $8.6 million as a result of the excess of net assets acquired over consideration paid on one of the acquisitions. In addition, the Company expensed $6.5 million of acquisition related costs due to the four acquisitions. Both of these items were recognized in selling, marketing and administration in the period. The excess of net assets acquired over consideration paid resulted from the combination of the significant value attributed to the identifiable intangible assets and the Company's ability to utilize tax losses of an acquiree, which was generally not available to other market participants.

The weighted average amortization period of the acquired technology related to the business acquisitions completed in fiscal 2010 is approximately 3.7 years (2009 – 4.6 years).

The weighted average amortization period of the patents related to the business acquisition completed in fiscal 2010 is approximately 18.1 years (2009 – nil years).

Pro forma results of operations for the acquisitions have not been presented because the effects of the operations, individually or in aggregate, are not considered to be material to the Company's consolidated results.

10. INCOME TAXES

The difference between the amount of the provision for income taxes and the amount computed by multiplying income before income taxes by the statutory Canadian tax rate is reconciled as follows:

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Statutory Canadian tax rate	32.8%	33.4%	35.7%
Expected income tax provision	$1,072,395	$935,881	$645,994
Differences in income taxes resulting from:			
Impact of Canadian U.S. dollar functional currency election	(145,000)	—	—
Investment tax credits	(101,214)	(81,173)	(58,726)
Manufacturing and processing activities	(52,053)	(49,808)	(24,984)
Foreign exchange	2,837	99,575	(30,826)
Foreign tax rate differences	5,291	(16,273)	(29,909)
Non-deductible stock compensation	9,600	10,500	10,400
Adjustments to deferred tax balances for enacted changes in tax laws and rates	7,927	1,260	(4,648)
Other differences	9,583	7,785	9,352
	$ 809,366	$907,747	$516,653

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Income before income taxes:			
Canadian	$2,999,263	$2,583,976	$1,635,074
Foreign	267,247	216,387	175,446
	$3,266,510	$2,800,363	$1,810,520

The provision for (recovery of) income taxes consists of the following:

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Provision for (recovery of) income taxes:			
Current			
Canadian	$ 695,790	$ 880,035	$555,895
Foreign	62,642	68,501	31,950
Deferred			
Canadian	20,965	(36,013)	(73,294)
Foreign	29,969	(4,776)	2,102
	$ 809,366	$ 907,747	$516,653

Deferred income tax assets and liabilities consist of the following temporary differences:

	As at	
	February 27, 2010	February 28, 2009
Assets		
Non-deductible reserves	$ 190,491	$ 177,669
Tax loss carryforwards	34,947	11,176
Unrealized losses on financial instruments	—	1,902
Other tax carryforwards	12,892	3,972
Net deferred income tax assets	238,330	194,719
Liabilities		
Capital assets	(161,707)	(91,193)
Research and development	(21,396)	(20,283)
Unrealized gains on financial instruments	(17,367)	—
Net deferred income tax liabilities	(200,470)	(111,476)
Net deferred income tax asset	$ 37,860	$ 83,243
Deferred income tax asset — current	$ 193,916	$ 183,872
Deferred income tax liability — current	(14,674)	(13,116)
Deferred income tax asset — long-term	—	404
Deferred income tax liability — long-term	(141,382)	(87,917)
	$ 37,860	$ 83,243

The Company determined that it is more likely than not that it can realize its deferred income tax assets. Accordingly, no valuation allowance is required on its deferred income tax assets as at February 27, 2010 (February 28, 2009- $nil). The Company will continue to evaluate and examine the valuation allowance on a regular basis, and when required, the valuation allowance may be adjusted.

The Company has not provided for Canadian deferred income taxes or foreign withholding taxes that would apply on the distribution of the income of its non-Canadian subsidiaries, as this income is intended to be reinvested indefinitely.

The Company's total unrecognized income tax benefits as at February 27, 2010 and February 28, 2009 were $161.2 million and $137.4 million respectively. The change in unrecognized income tax benefits during fiscal 2010 primarily relates to changes in measurement of existing uncertain tax positions related to the foreign exchange. A reconciliation of the beginning and ending amount of unrecognized income tax benefits that, if recognized, would affect the Company's effective tax rate is as follows:

	(in millions)
Unrecognized income tax benefits balance as at February 28, 2009	$ 137.4
Foreign exchange	35.8
Increase for tax positions of prior years	4.2
Settlement of tax positions	0.0
Other	(16.2)
Unrecognized income tax benefits balance as at February 27, 2010	$ 161.2

As at February 27, 2010, the total unrecognized income tax benefits of $161.2 million include approximately $118.1 million of unrecognized income tax benefits that have been netted against related deferred income tax assets. The remaining $43.1 million is recorded within current taxes payable and other non-current taxes payable on the Company's consolidated balance sheet as of February 27, 2010.

A summary of open tax years by major jurisdiction is presented below:

Canada (1)	Fiscal 2003 - 2010
United States (1)	Fiscal 2003 - 2010
United Kingdom	Fiscal 2004 - 2010

(1) Includes federal as well as provincial and state jurisdictions, as applicable.

The Company is subject to ongoing examination by tax authorities in the jurisdictions in which it operates. The Company regularly assesses the status of these examinations and the potential for adverse outcomes to determine the adequacy of the provision for income taxes. Specifically, the Canada Revenue Agency ("CRA") commenced an examination of the Company's fiscal 2006 to fiscal 2009 Canadian corporate tax filings in the fourth quarter of fiscal 2010.

The Company has other non-Canadian income tax audits pending. While the final resolution of these audits is uncertain, the Company believes the ultimate resolution of these audits will not have a material adverse effect on its consolidated financial position, liquidity or results of operations. The Company believes it is reasonably possible that approximately $14.1 million of its gross unrecognized income tax benefit will decrease in the next twelve months.

The Company recognizes interest and penalties related to unrecognized income tax benefits as interest expense that is netted and reported within investment income. The amount of interest accrued as at February 27, 2010 was approximately $9.3 million (February 28, 2009 — approximately $5.4 million). The amount of penalties accrued as at February 27, 2010 was nil (February 28, 2009 — nil).

11. CAPITAL STOCK

(a) Capital stock

The Company is authorized to issue an unlimited number of non-voting, redeemable, retractable Class A common shares, an unlimited number of voting common shares and an unlimited number of non-voting, cumulative, redeemable, retractable preferred shares. At February 27, 2010 and February 28, 2009, there were no Class A common shares or preferred shares outstanding.

The Company declared a 3-for-1 stock split of the Company's outstanding common shares on June 28, 2007. The stock split was implemented by way of a stock dividend. Shareholders received an additional two common shares of the Company for each common share held. The stock dividend was paid on August 20, 2007 to common shareholders of record at the close of business on August 17, 2007. All share, earnings per share and stock option data have been adjusted to reflect this stock dividend.

The following details the changes in issued and outstanding common shares for the three years ended February 27, 2010:

	Capital Stock		Treasury Stock	
	Stock Outstanding (000's)	Amount	Stock Outstanding (000's)	Amount
Common shares outstanding as at March 3, 2007	557,613	$2,099,696	—	$ —
Exercise of stock options	5,039	62,889	—	—
Transfers to capital stock resulting from stock option exercises	—	7,271	—	—
Common shares outstanding as at March 1, 2008	562,652	2,169,856	—	—
Exercise of stock options	3,565	27,024	—	—
Conversion of restricted share units	2	—	—	—
Transfers to capital stock resulting from stock option exercises	—	11,355	—	—
Common shares outstanding as at February 28, 2009	566,219	2,208,235	—	—
Exercise of stock options	3,408	30,246	—	—
Conversion of restricted share units	2	—	—	—
Transfers to capital stock resulting from stock option exercises	—	15,647	—	—
Restricted share unit plan purchase of shares	—	—	1,459	(94,463)
Common shares repurchased	(12,300)	(46,519)	—	—
Common shares outstanding as at February 27, 2010	557,329	$2,207,609	1,459	$(94,463)

On November 4, 2009, the Company's Board of Directors authorized a Common Share Repurchase Program for the repurchase and cancellation, through the facilities of the NASDAQ Stock Market, common shares having an aggregate purchase price of up to $1.2 billion, or approximately 21 million common shares based on trading prices at the time of the authorization. This represents approximately 3.6% of the outstanding common shares of the Company at the time of the authorization. In the third quarter of fiscal 2010, the Company repurchased 12.3 million common shares at a cost of $775.0 million pursuant to the Common Share Repurchase Program. There was a reduction of $46.5 million to capital stock and the amounts paid in excess of the per share paid-in capital of the common shares of $728.5 million was charged to retained earnings. All common shares repurchased by the Company pursuant to the Common Share Repurchase Program have been cancelled. The Common Share Repurchase Program will remain in place for up to 12 months from November 4, 2009 or until the purchases are completed or the program is terminated by the Company.

The Company had 557.4 million voting common shares outstanding, 8.9 million stock options to purchase voting common shares outstanding, 1.4 million RSUs outstanding and 34,801 DSUs outstanding as at March 30, 2010.

(b) Stock-based compensation

Stock Option Plan

The Company recorded a charge to income and a credit to paid-in-capital of $37.0 million in fiscal 2010 (fiscal 2009 — $38.1 million; fiscal 2008 — $33.7 million) in relation to stock-based compensation expense.

The Company has presented excess tax benefits from the exercise of stock-based compensation awards as a financing activity in the consolidated statement of cash flows.

Stock options granted under the plan generally vest over a period of five years and are generally exercisable over a period of six years to a maximum of ten years from the grant date. The Company issues new shares to satisfy stock option exercises. There are 6.0 million stock options vested and not exercised as at February 27, 2010. There are 13.6 million stock options available for future grants under the stock option plan.

In fiscal 2010, the Company completed the repricing to a higher exercise price of certain of its outstanding stock options. This repricing followed a voluntary internal review by the Company of its historical stock option granting practices. Repriced options in fiscal 2010, which were all done on a voluntary basis between the Company and the option holder , include 27 stock option grants to 25 individuals in respect of options to acquire 456,800 common shares (fiscal 2009 — 43 stock option grants to 40 individuals in respect of options to acquire 752,775 common shares). In addition, during fiscal 2008, the Company received $8.7 million in restitution, inclusive of interest, related to incorrectly priced stock options that were exercised prior to fiscal 2008. As the repricing of stock options reflects an increase in the exercise price of the option, there is no incremental stock compensation expense related to these repricing events.

As previously disclosed, the Company's Co-Chief Executive Officers voluntarily offered to assist the Company in defraying costs incurred in connection with the Review and the Restatement by contributing CAD $10.0 million (CAD $5.0 million by each Co-CEO) of those costs. As part of a settlement agreement reached with a pension fund, an additional CAD $5.0 million (CAD $2.5 million by each Co-CEO) was received in the third quarter of fiscal 2008. The Company received these voluntary payments in the second and third quarters of fiscal 2008 and were recorded net of income taxes as an increase to additional paid-in capital. Furthermore, as part of a settlement agreement reached with the Ontario Securities Commission ("OSC"), on February 5, 2009, Messrs. Balsillie, Lazaridis and Kavelman also agreed to contribute, in aggregate, a total of approximately CAD $83.1 million to RIM, consisting of (i) a total of CAD $38.3 million to RIM in respect of the outstanding benefit arising from incorrectly priced stock options granted to all RIM employees from 1996 to 2006, and (ii) a total of CAD $44.8 million to RIM (CAD $15.0 million of which had previously been paid) to defray costs incurred by RIM in the investigation and remediation of stock options, granting practices and related governance practices at RIM. These contributions are being made through Messrs. Balsillie, Lazaridis and Kavelman undertaking not to exercise certain vested RIM options to acquire an aggregate of 1,160,129 common shares of RIM. These options have a fair value equal to the aggregate contribution amounts determined using a BSM calculation based on the last trading day prior to the day the OSC issued a notice of hearing in respect of the matters giving rise to the settlement. In the first quarter of fiscal 2010, options to acquire an aggregate of 758,837 common shares of RIM expired in satisfaction of the undertakings not to exercise options. These options are included in the disclosure of forfeitures during the period in the table below. The remaining options subject to the undertakings are shown as outstanding, vested and exercisable as at February 27, 2010 in the table below and expire at specified dates between February 28, 2010 and October 2013. Messrs. Balsillie, Lazaridis, Kavelman and Angelo Loberto, previously Vice-President of Finance (currently with the Company in another role), also paid a total of CAD $9.1 million to the OSC as an administrative penalty and towards the costs of the OSC's investigation.

In June 2007, the Board amended the Stock Option Plan to provide that options held by directors of the Company will not terminate upon a director ceasing to be a director of the Company if such person is appointed as a Director Emeritus of the Board. This resulted in a modification for accounting purposes of unvested options previously granted to two directors who where appointed Directors Emeritus during the second quarter of fiscal 2008, which in turn required the Company to record additional compensation expense in fiscal 2008 in the amount of $3.5 million.

A summary of option activity since March 3, 2007 is shown below:

	Options Outstanding			
	Number (in 000's)	Weighted-Average Exercise Price	Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Balance as at March 3, 2007	19,161	$ 10.85		
Granted during the year	2,518	101.60		
Exercised during the year	(5,039)	10.82		
Forfeited/cancelled/expired during the year	(174)	31.76		
Balance as at March 1, 2008	16,466	$ 28.66		
Exercised during the year	(3,565)	7.60		
Forfeited/cancelled/expired during the year	(170)	60.25		
Balance as at February 28, 2009	12,731	$ 27.51		
Granted during the year	559	64.14		
Exercised during the year	(3,408)	8.87		
Forfeited/cancelled/expired during the year	(859)	15.03		
Balance as at February 27, 2010	9,023	$ 44.18	2.44	$307,626
Vested and expected to vest as at February 27, 2010	8,814	$ 43.62	2.41	$304,259
Exercisable as at February 27, 2010	5,968	$ 32.15	1.76	$258,577

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the aggregate difference between the closing stock price of the Company's common shares on February 27, 2010 and the exercise price for in-the-money options) that would have been received by the option holders if all in-the-money options had been exercised on February 27, 2010. The intrinsic value of stock options exercised during fiscal 2010, calculated using the average market price during the period, was approximately $58 per share.

A summary of unvested stock options since February 28, 2009 is shown below:

	Options Outstanding	
	Number (in 000's)	Weighted Average Grant Date Fair Value
Balance as at February 28, 2009	4,045	$ 29.69
Granted during the period	559	33.02
Vested during the period	(1,468)	24.83
Forfeited during the period	(80)	37.45
Balance as at February 27, 2010	3,056	$ 32.44

As at February 27, 2010, there was $74.7 million of unrecognized stock-based compensation expense related to unvested stock options which will be expensed over the vesting period, which, on a weighted-average basis, results in a period of approximately 1.9 years. The total fair value of stock options vested during the year ended February 27, 2010 was $36.5 million.

Cash received from the stock options exercised for the year ended February 27, 2010 was $30.2 million (February 28, 2009 — $27.0 million). Tax benefits realized by the Company related to the stock options exercised was $1.9 million (February 28, 2009 — $12.6 million; March 1, 2008 - $8.2 million).

During the year ended February 27, 2010, there were 559 stock options granted. The weighted-average fair value of stock options granted during fiscal 2010 and fiscal 2008 were calculated using the BSM option-pricing model with the following assumptions:

	For the year ended	
	February 27, 2010	March 1, 2008
Number of options granted (000's)	559	2,518
Weighted-average grant date fair value of stock options granted during the year	$ 33.02	$ 47.11
Assumptions:		
Risk-free interest rate	1.8%	4.3%
Expected life in years	4.2	4.6
Expected dividend yield	0%	0%
Volatility	65%	41% - 57%

There were no stock options granted during fiscal 2009.

The Company has not paid a dividend in the previous twelve fiscal years and has no current expectation of paying cash dividends on its common shares. The risk-free interest rates utilized during the life of the stock options are based on a U.S. Treasury security for an equivalent period. The Company estimates the volatility of its common shares at the date of grant based on a combination of the implied volatility of publicly traded options on its common shares, and historical volatility, as the Company believes that this is a better indicator of expected volatility going forward. The expected life of stock options granted under the plan is based on historical exercise patterns, which the Company believes are representative of future exercise patterns.

Restricted Share Unit Plan

During fiscal 2010, the trustee purchased 1,458,950 common shares for total consideration of approximately $94.5 million to comply with its obligations to deliver shares upon vesting. These purchased shares are classified as treasury stock for accounting purposes and included in the shareholders' equity section of the Company's consolidated balance sheet.

The Company recorded compensation expense with respect to RSUs of $21.0 million in the year ended February 27, 2010 (February 28, 2009 — $196; March 1, 2008 — $33).

A summary of RSU activity since February 28, 2009 is shown below:

	Number (in 000's)	Average Grant Date Fair Value	Remaining Contractual Life in Years	Aggregate Instrinsic Value
Balance as at February 28, 2009	3	$117.36		
Granted during the period	1,470	66.03		
Released during the period	(2)	117.36		
Cancelled during the period	(22)	66.06		
Balance as at February 27, 2010	1,449	$ 66.09	2.16	$102,713
Vested and expected to vest at February 27, 2010	1,328	$ 66.10	2.15	$ 94,156

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the aggregate closing share price of the Company's common shares on February 27, 2010) that would have been received by RSU holders if all RSUs had been redeemed on February 27, 2010.

As of February 27, 2010, there was $66.9 million of unrecognized compensation expense related to RSUs which will be expensed over the vesting period, which, on a weighted-average basis, results in a period of approximately 1.7 years.

Deferred Share Unit Plan

The Company issued 14,593 DSUs in the year ended February 27, 2010. There are 34,801 DSUs outstanding as at February 27, 2010 (February 28, 2009 — 20,208). The Company had a liability of $2.5 million in relation to the DSU plan as at February 27, 2010 (February 28, 2009 — $834).

12. COMMITMENTS AND CONTINGENCIES

(a) Credit Facility

The Company has $150.0 million in unsecured demand credit facilities (the "Facilities") to support and secure operating and financing requirements. As at February 27, 2010, the Company has utilized $6.9 million of the Facilities for outstanding letters of credit, and $143.1 million of the Facilities are unused.

(b) Lease commitments

The Company is committed to future minimum annual lease payments under operating leases as follows:

	Real Estate	Equipment and other	Total
For the years ending			
2011	$ 35,088	$ 1,917	$ 37,005
2012	30,611	1,202	31,813
2013	27,841	163	28,004
2014	26,178	—	26,178
2015	21,755	—	21,755
Thereafter	63,631	—	63,631
	$205,104	$ 3,282	$208,386

For the year ended February 27, 2010, the Company incurred rental expense of $39.6 million (February 28, 2009 — $22.7 million; March 1, 2008 — $15.5 million).

(c) Litigation

On July 23, 2009, the Company settled the Visto Litigation. The key terms of the settlement involved the Company receiving a perpetual and fully-paid license on all Visto patents, a transfer of certain Visto intellectual property, a one-time payment by the Company of $267.5 million and the parties executing full and final releases in respect of the Visto Litigation. Of the total payment by the Company, $163.8 million was expensed as a litigation charge in the second quarter of fiscal 2010. The remainder of the payment was recorded as intangible assets.

The Company is involved in litigation in the normal course of its business, both as a defendant and as a plaintiff. The Company may be subject to claims (including claims related to patent infringement, purported class actions and derivative actions) either directly or through indemnities against these claims that it provides to certain of it partners. In particular, the industry in which the Company competes has many participants that own, or claim to own, intellectual property, including participants that have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by the Company in its products. The Company has received, and may receive in the future, assertions and claims from third parties that the Company's products infringe on their patents or other intellectual property rights. Litigation has been and will likely continue to be necessary to determine the scope, enforceability and validity of third-party proprietary rights or to establish the Company's proprietary rights. Regardless of whether claims that the Company is infringing patents or other intellectual property rights have any merit, those claims could be time-consuming to evaluate and defend, result in costly litigation, divert management's attention and resources, subject the Company to significant liabilities and could have other effects. Additional lawsuits and claims, including purported class actions and derivative actions, may also be filed or made based upon the Company's historical stock option granting practices.

Management reviews all of the relevant facts for each claim and applies judgment in evaluating the likelihood and, if applicable, the amount of any potential loss. Where it is considered likely for a material exposure to result and where the amount of the claim is quantifiable, provisions for loss are made based on management's assessment of the likely outcome. The Company does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of the loss cannot be reasonably estimated. Any settlements or awards under such claims are provided for when reasonably determinable.

Additional lawsuits and claims, including purported class actions and derivative actions, may be filed or made based upon the Company's historical stock option granting practices. Management assesses such claims and where considered likely to result in a material exposure and, where the amount of the claim is quantifiable, provisions for loss are made based on management's assessment of the likely outcome. The Company does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of the loss cannot be reasonably estimated. Any settlements or awards under such claims are provided for when reasonably determinable.

See the "Legal Proceedings and Regulatory Action" section of RIM's Annual Information Form for additional unaudited information regarding the Company's legal proceedings, which is included in RIM's Annual Report on Form 40-F and "Legal Proceedings" in the Management's Discussion and Analysis ("MD&A") of financial condition and results of operations for fiscal 2010.

13. PRODUCT WARRANTY

The Company estimates its warranty costs at the time of revenue recognition based on historical warranty claims experience and records the expense in cost of sales. The warranty accrual balance is reviewed quarterly to establish that it materially reflects the remaining obligation based on the anticipated future expenditures over the balance of the obligation period. Adjustments are made when the actual warranty claim experience differs from estimates.

The change in the Company's warranty expense and actual warranty experience from March 3, 2007 to February 27, 2010 as well as the accrued warranty obligations as at February 27, 2010 are set forth in the following table:

Accrued warranty obligations as at March 3, 2007	$ 36,669
Actual warranty experience during fiscal 2008	(68,166)
Fiscal 2008 warranty provision	116,045
Accrued warranty obligations as at March 1, 2008	84,548
Actual warranty experience during fiscal 2009	(146,434)
Fiscal 2009 warranty provision	258,757
Adjustments for changes in estimate	(12,536)
Accrued warranty obligations as at February 28, 2009	184,335
Actual warranty experience during fiscal 2010	(416,393)
Fiscal 2010 warranty provision	462,834
Adjustments for changes in estimate	21,541
Accrued warranty obligations as at February 27, 2010	$ 252,317

14. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Net income for basic and diluted earnings per share available to common shareholders	$2,457,144	$1,892,616	$1,293,867
Weighted-average number of shares outstanding (000's) — basic	564,492	565,059	559,778
Effect of dilutive securities (000's) — stock-based compensation	5,267	9,097	13,052
Weighted-average number of shares and assumed conversions (000's) — diluted	569,759	574,156	572,830
Earnings per share — reported			
Basic	$ 4.35	$ 3.35	$ 2.31
Diluted	$ 4.31	$ 3.30	$ 2.26

15. COMPREHENSIVE INCOME (LOSS)

The components of comprehensive income (loss) are shown in the following table:

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Net income	$2,457,144	$1,892,616	$1,293,867
Net change in unrealized gains (losses) on available-for-sale investments	6,803	(7,161)	13,467
Net change in fair value of derivatives designated as cash flow hedges during the year, net of income taxes of $13,190 (February 28, 2009 - tax recovery of $8,641; March 1, 2008 - income taxes of $19,238)	28,324	(6,168)	37,564
Amounts reclassified to earnings during the year, net of income tax recovery of $6,079 (February 28, 2009 - income taxes of $4,644; March 1, 2008 - income taxes of $5,142)	15,508	(16,497)	(9,232)
Comprehensive income	$2,507,779	$1,862,790	$1,335,666

The components of accumulated other comprehensive income (loss) are as follows:

	As at		
	February 27, 2010	February 28, 2009	March 1, 2008
Accumulated net unrealized gains (losses) on available- for-sale investments	$ 6,715	$ (88)	$ 7,073
Accumulated net unrealized gains on derivative instruments designated as cash flow hedges	44,377	545	23,210
Total accumulated other comprehensive income	$ 51,092	$ 457	$30,283

The components of unrealized gains (losses) on derivative instruments are as follows:

	As at	
	February 27, 2010	February 28, 2009
Unrealized gains included in other current assets	$ 97,261	$ 70,100
Unrealized losses included in accrued liabilities	(6,164)	(56,827)
Net fair value of unrealized gains on derivative instruments	$ 91,097	$ 13,273

16. SUPPLEMENTAL INFORMATION

(a) Cash flows resulting from net changes in working capital items are as follows:

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Accounts receivable	$(480,610)	$(936,514)	$(602,055)
Other receivables	(44,719)	(83,039)	(34,515)
Inventories	60,789	(286,133)	(140,360)
Other current assets	(52,737)	(50,280)	(26,161)
Accounts payable	167,281	177,263	140,806
Accrued liabilities	442,065	506,859	383,020
Income taxes payable	(266,517)	(113,868)	401,270
Deferred revenue	13,739	16,598	8,789
	$(160,709)	$(769,114)	$ 130,794

(b) Certain statement of cash flow information related to interest and income taxes paid is summarized as follows:

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Interest paid during the year	$ —	$ 502	$ 518
Income taxes paid during the year	$1,081,720	$ 946,237	$216,095

(c) The following items are included in the accrued liabilities balance:

	As at	
	February 27, 2010	February 28, 2009
Marketing costs	$ 91,554	$ 91,160
Vendor inventory liabilities	125,761	18,000
Warranty	252,316	184,335
Royalties	383,939	279,476
Rebates	146,304	134,788
Other	638,386	530,843
	$1,638,260	$1,238,602

Other accrued liabilities as noted in the above chart, include, among other things, salaries, payroll withholding taxes and incentive accruals, none of which are greater than 5% of the current liability balance.

(d) Additional information

Advertising expense, which includes media, agency and promotional expenses totalling $790.8 million (February 28, 2009 — $718.9 million; March 1, 2008 — $336.0 million) is included in selling, marketing and administration expense.

Selling, marketing and administration expense for the fiscal year includes $58.4 million with respect to foreign exchange losses (February 28, 2009 – loss of $6.1 million; March 1, 2008 – loss of $5.3 million). For the year ended February 27, 2010, the Company recorded a $54.3 million charge primarily relating to the reversal of foreign exchange gains previously recorded in fiscal 2009 on the revaluation of Canadian dollar denominated tax liability balances. Throughout fiscal 2009, foreign exchange gains were offset by foreign exchange losses incurred as a part of the Company's risk management foreign currency hedging program. With the enactment of changes to the functional currency tax legislation by the Government of Canada in the first quarter of fiscal 2010, the Company changed the basis for calculating its income tax provision for its Canadian operations from Canadian dollars, to the U.S. dollar, its reporting currency with an effective date being the beginning of fiscal 2009. The gains realized on the revaluation of these tax liabilities previously denominated in Canadian dollars throughout fiscal 2009 were reversed upon enactment of the changes to the rules in the first quarter of fiscal 2010.

17. DERIVATIVE FINANCIAL INSTRUMENTS

Values of financial instruments outstanding were as follows:

	February 27, 2010		
Assets (Liabilities)	Notional Amount	Carrying Amount	Estimated Fair Value
Currency forward contracts — asset	$2,630,304	$97,261	$97,261
Currency forward contracts — liability	$ 574,776	$ (6,164)	$ (6,164)

	February 28, 2009		
Assets (Liabilities)	Notional Amount	Carrying Amount	Estimated Fair Value
Currency forward contracts — asset	$1,147,709	$ 70,100	$ 70,100
Currency forward contracts — liability	$ 975,543	$(56,827)	$(56,827)

The Company uses derivative instruments to manage exposures to foreign exchange risk resulting from transactions in currencies other than its functional currency, the U.S. dollar. The Company's risk management objective in holding derivative instruments is to reduce the volatility of current and future income as a result of changes in foreign currency. To limit its exposure to adverse movements in foreign currency exchange rates, the Company enters into foreign currency forward and option contracts.

The majority of the Company's revenues in fiscal 2010 are transacted in U.S. dollars. However, portions of the revenues are denominated in, Canadian dollars, Euros, and British Pounds. Purchases of raw materials are primarily transacted in U.S. dollars. Other expenses, consisting of the majority of salaries, certain operating costs and manufacturing overhead are incurred primarily in Canadian dollars. The Company enters into forward contracts to hedge portions of these anticipated transactions to reduce the volatility on income associated with the foreign currency exposures. The Company also enters into forward contracts to reduce the effects of foreign exchange gains and losses resulting from the revaluation of certain foreign currency monetary assets and liabilities. At February 27, 2010 approximately 38% of cash and cash equivalents, 22% of accounts receivables and 7% of accounts payable and accrued liabilities are denominated in foreign currencies (February 28, 2009 – 36%, 26% and 4%, respectively).

The Company enters into forward contracts to hedge exposures relating to foreign currency anticipated transactions. These contracts have been designated as cash flow hedges, with the effective portion of the change in fair value initially recorded in accumulated other comprehensive income and subsequently reclassified to income in the period in which the cash flows from the associated hedged transactions affect income. Any ineffective portion of the change in fair value of the cash flow hedge is recognized in current period income. As at February 27, 2010 and February 28, 2009, the derivatives designated as cash flow hedges were considered to be fully effective with no resulting portions being designated as ineffective. The maturity dates of these instruments range from March 2010 to December 2012. As at February 27, 2010, the net unrealized gains on these forward contracts was $62.2 million (February 28, 2009 – net unrealized losses of $2.7 million; March 1, 2008 – net unrealized gains of $34.6 million). Unrealized gains associated with these contracts were recorded in other current assets and accumulated other comprehensive income. Unrealized losses were recorded in accrued liabilities and accumulated other comprehensive income. In fiscal 2011, $59.5 million of net unrealized gains on these forward contracts will be reclassified to income.

The following table shows the fair values of derivative instruments designated as cash flow hedges in the consolidated balance sheets:

	As at			
	February 27, 2010		February 28, 2009	
	Balance Sheet Classification	Fair Value	Balance Sheet Classification	Fair Value
Currency forward contracts — asset	Other current assets	$66,246	Other current assets	$48,074
Currency forward contracts — liability	Accrued liabilities	$ 4,039	Accrued liabilities	$50,756

The following table show the impact of derivative instruments designated as cash flow hedges on the consolidated statements of operations for the year ended February 27, 2010:

	Amount of Gain (Loss) Recognized in OCI on Derivative Instruments (Effective Portion)	Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)
Currency Forward Contracts	$ 51,812	Revenue	$ (34,204)
Currency Forward Contracts	$ 3,069	Cost of sales	$ 4,706
Currency Forward Contracts	$ 1,897	Selling, marketing and administration	$ 2,809
Currency Forward Contracts	$ 4,966	Research and development	$ 6,270

The following table show the impact of derivative instruments designated as cash flow hedges on the consolidated statements of operations for the year ended February 28, 2009:

	Amount of Gain (Loss) Recognized in OCI on Derivative Instruments (Effective Portion)	Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)
Currency Forward Contracts	$ 47,272	Revenue	$ 43,212
Currency Forward Contracts	$ (9,991)	Cost of sales	$ (4,425)
Currency Forward Contracts	$ (14,986)	Selling, marketing and administration	$ (6,638)
Currency Forward Contracts	$ (24,977)	Research and development	$ (11,063)

As part of its risk management strategy, the Company may maintain net monetary asset and/or liability balances in foreign currencies. The Company enters into foreign exchange forward contracts to hedge certain monetary assets and liabilities that are exposed to foreign currency risk. The principal currencies hedged include the Canadian dollar, Euro, and British Pound. These contracts are not subject to hedge accounting, and any gains or losses are recognized in income each period, offsetting the change in the U.S. dollar value of the asset or liability. The maturity dates of these instruments range from March 2010 to May 2010. As at February 27, 2010, net unrealized gains of $28.9 million were recorded in respect of these instruments (February 28, 2009 — net unrealized gains of $16.0 million; March 1, 2009 — net unrealized losses of $6.9 million). Unrealized gains associated with these contracts were recorded in other current assets and selling, marketing and administration. Unrealized losses were recorded in accrued liabilities and selling, marketing and administration.

The following table shows the fair values of derivative instruments that are not subject to hedge accounting in the consolidated balance sheets:

	As at			
	February 27, 2010		February 28, 2009	
	Balance Sheet Classification	Fair Value	Balance Sheet Classification	Fair Value
Currency forward contracts — asset	Other current assets	$31,014	Other current assets	$22,026
Currency forward contracts — liability	Accrued liabilities	$ 2,126	Accrued liabilities	$ 6,071

The following table shows the impact of derivative instruments that are not subject to hedge accounting on the consolidated statement of operations for the year ended February 27, 2010:

	Location of Loss Recognized in Income on Derivative Instruments	Amount of Loss in Income on Derivative Instruments
Currency Forward Contracts	Selling, marketing and administration	$ (55,125)

The following table shows the impact of derivative instruments that are not subject to hedge accounting on the consolidated statement of operations for the year ended February 28, 2009:

	Location of Gain Recognized in Income on Derivative Instruments	Amount of Gain in Income on Derivative Instruments
Currency Forward Contracts	Selling, marketing and administration	$ 24,782

The Company is exposed to credit risk on derivative financial instruments arising from the potential for counterparties to default on their contractual obligations. The Company mitigates this risk by limiting counterparties to highly rated financial institutions and by continuously monitoring their creditworthiness. The Company's exposure to credit loss and market risk will vary over time as a function of currency exchange rates. The Company measures its counterparty credit exposure as a percentage of the total fair value of the applicable derivative instruments. Where the net fair value of derivative instruments with any counterparty is negative, the Company deems the credit exposure to that counterparty to be nil. As at February 27, 2010, the maximum credit exposure to a single counterparty, measured as a percentage of the total fair value of derivative instruments with net unrealized gains was 24% (February 28, 2009 — 60%; March 1, 2008 — 40%).

The Company is exposed to market and credit risk on its investment portfolio. The Company reduces this risk by investing in liquid, investment grade securities and by limiting exposure to any one entity or group of related entities. As at February 27, 2010, no single issuer represented more than 8% of the total cash, cash equivalents and investments (February 28, 2009, no single issuer represented more than 12% of the total cash, cash equivalents and investments).

Cash and cash equivalents and investments are invested in certain instruments of varying maturities. Consequently, the Company is exposed to interest rate risk as a result of holding investments of varying maturities. The fair value of investments, as well as the investment income derived from the investment portfolio, will fluctuate with changes in prevailing interest rates. The Company does not currently utilize interest rate derivative instruments in its investment portfolio.

18. SEGMENT DISCLOSURES

The Company is organized and managed as a single reportable business segment. The Company's operations are substantially all related to the research, design, manufacture and sales of wireless communications products, services and software.

Selected financial information is as follows:

Revenue, classified by major geographic segments in which our customers are located, was as follows:

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Revenue			
Canada	$ 843,762	$ 887,005	$ 438,302
United States	8,619,762	6,967,598	3,528,858
United Kingdom	1,447,417	711,536	461,592
Other	4,042,283	2,499,047	1,580,643
	$14,953,224	$11,065,186	$6,009,395

Revenue			
Canada	5.6%	8.0%	7.3%
United States	57.7%	63.0%	58.7%
United Kingdom	9.7%	6.4%	7.7%
Other	27.0%	22.6%	26.3%
	100.0%	100.0%	100.0%

	For the year ended		
	February 27, 2010	February 28, 2009	March 1, 2008
Revenue mix			
Devices	$12,115,765	$ 9,089,736	$4,768,610
Service	2,158,591	1,402,560	860,641
Software	258,635	251,871	234,388
Other	420,233	321,019	145,756
	$14,953,224	$11,065,186	$6,009,395

	As at	
	February 27, 2010	February 28, 2009
Capital assets, intangible assets and goodwill		
Canada	$ 2,605,267	$1,948,337
United States	682,291	482,826
United Kingdom	46,009	49,454
Other	99,938	58,130
	$ 3,433,505	$2,538,747
Total assets		
Canada	$ 4,502,522	$3,218,640
United States	4,059,174	2,646,783
United Kingdom	1,195,534	1,931,387
Other	447,179	304,562
	$10,204,409	$8,101,372

Exhibit 1.3

Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 27, 2010

RESEARCH IN MOTION LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS AND FISCAL YEAR ENDED FEBRUARY 27, 2010

April 1, 2010

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read together with the audited consolidated financial statements and the accompanying notes (the "Consolidated Financial Statements") of Research In Motion Limited ("RIM" or the "Company") for the fiscal year ended February 27, 2010. The Consolidated Financial Statements are presented in U.S. dollars and have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). All financial information in this MD&A is presented in U.S. dollars, unless otherwise indicated.

RIM has prepared this MD&A with reference to *National Instrument 51-102* "Continuous Disclosure Obligations" of the Canadian Securities Administrators. Under the U.S./Canada Multijurisdictional Disclosure System, the Company is permitted to prepare this MD&A in accordance with the disclosure requirements of Canada, which requirements are different from those of the United States. This MD&A provides information for the fiscal year ended February 27, 2010 and up to and including April 1, 2010.

Additional information about the Company, including the Company's Annual Information Form, which is included in RIM's Annual Report on Form 40-F, can be found on SEDAR at www.sedar.com and on the U.S. Securities and Exchange Commission's ("SEC") website at www.sec.gov.

Special Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws, including statements relating to:

- assumptions and expectations described in the Company's critical accounting policies and estimates;
- the Company's expectations regarding the adoption and impact of accounting pronouncements;
- the Company's expectations regarding the average selling price ("ASP") of its BlackBerry devices;
- the Company's estimates regarding revenue sensitivity for the effect of a change in ASP;
- the Company's expectations regarding gross margin;
- the Company's estimates regarding its effective tax rate;
- the Company's estimates of purchase obligations and other contractual commitments; and
- the Company's expectations with respect to the sufficiency of its financial resources.

The words "expect", "anticipate", "estimate", "may", "will", "should", "intend", "believe", "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by RIM in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that RIM believes are appropriate in the circumstances. Many factors could cause RIM's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements,

including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors" section of RIM's Annual Information Form, which is included in RIM's Annual Report on Form 40-F:

- third-party claims for infringement of intellectual property rights by RIM and the outcome of any litigation with respect thereto;
- RIM's ability to successfully obtain patent or other proprietary or statutory protection for its technologies and products;
- RIM's ability to obtain rights to use software or components supplied by third parties;
- potential impact of copyright levies in numerous countries;
- RIM's ability to enhance current products and develop new products on a timely basis;
- intense competition within RIM's industry, including the possibility that strategic transactions by RIM's competitors or carrier partners could weaken RIM's competitive position or require RIM to reduce its prices to compete effectively;
- RIM's ability to establish new, and to build on existing, relationships with its network carrier partners and distributors, and its dependence on a limited number of significant customers;
- RIM's reliance on its suppliers for functional components and the risk that suppliers will not be able to supply components on a timely basis or in sufficient quantities;
- the efficient and uninterrupted operation of RIM's network operations center and the networks of its carrier partners, and the risk of other business interruptions;
- dependence on key personnel and RIM's ability to attract and retain key personnel;
- RIM's ability to manage production facilities and its reliance on third-party manufacturers for certain products;
- the occurrence or perception of a breach of RIM's security measures, or an inappropriate disclosure of confidential or personal information;
- the continued quality and reliability of RIM's products and services and the potential effect of defects in products and services;
- risks associated with RIM's expanding foreign operations;
- reliance on strategic alliances and relationships with third-party network infrastructure developers, software platform vendors and service platform vendors;
- effective management of growth and ongoing development of RIM's service and support operations;
- regulation, certification and health risks, and risks relating to the misuse of RIM's products;
- restrictions on import and use of RIM's products in certain countries due to encryption of the products and services;
- reduced spending by customers due to the uncertainty of economic and geopolitical conditions;
- risks associated with acquisitions, investments and other business initiatives;
- foreign exchange risks;
- tax liabilities, resulting from changes in tax laws or otherwise, associated with RIM's worldwide operations;
- general commercial litigation and other litigation claims as part of RIM's operations;
- changes in interest rates affecting RIM's investment portfolio and the creditworthiness of its investment portfolio;
- government regulation of wireless spectrum and radio frequencies;
- collection, storage, transmission, use and distribution of user and personal information could give rise to liabilities or additional costs;
- expansion and availability of attractive content for BlackBerry App World;

- difficulties in forecasting RIM's quarterly financial results and the growth of its subscriber base; and
- risks related to RIM's historical stock option granting practices.

These factors should be considered carefully, and readers should not place undue reliance on RIM's forward-looking statements. RIM has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Overview

RIM is a leading designer, manufacturer and marketer of innovative wireless solutions for the worldwide mobile communications market. Through the development of integrated hardware, software and services that support multiple wireless network standards, RIM provides platforms and solutions for seamless access to time-sensitive information, including email, phone, short messaging service, Internet and intranet-based applications. RIM technology also enables a broad array of third party developers and manufacturers to enhance their products and services with wireless connectivity to data. RIM's portfolio of award-winning products, services and embedded technologies are used by thousands of organizations and millions of consumers around the world and include the BlackBerry® wireless solution, the RIM Wireless Handheld ™ product line, software development tools and other software and hardware. The Company's sales and marketing efforts include collaboration with strategic partners and distribution channels, as well as its own supporting sales and marketing teams, to promote the sale of its products and services.

Sources of Revenue

RIM's primary revenue stream is generated by the BlackBerry wireless solution, which includes sales of BlackBerry wireless devices, software and service. The BlackBerry wireless solution provides users with a wireless extension of their work and personal email accounts, including Microsoft Outlook®, IBM® Lotus Notes®, Novell® GroupWise®, and many ISP email services.

RIM generates hardware revenues from sales, primarily to carriers, of BlackBerry wireless devices, which provide users with the ability to send and receive wireless messages and data. RIM's BlackBerry wireless devices also incorporate a mobile phone, web-browsing capability and enables the use of data functions such as calendar, address book, task and memo lists and other functions associated with personal organizers. Certain BlackBerry devices also include multimedia capabilities.

RIM generates service revenues from billings to its BlackBerry subscriber account base primarily from a monthly infrastructure access fee to a carrier or reseller where a carrier or other reseller bills the BlackBerry subscriber. The BlackBerry subscriber account base is the total of all subscriber accounts that have an active status at the end of a reporting period. Each carrier instructs RIM to create subscriber accounts and determines whether each subscriber account should have an active status. Each carrier is charged a service fee for each subscriber account each month, with substantially all of such service fees having no regard to the amount of data traffic that the subscriber account passes over the BlackBerry architecture. If a carrier instructs RIM to deactivate a subscriber account, then RIM no longer includes that subscriber account in its BlackBerry subscriber account base and ceases billing the carrier with respect to such account from the date of notification of its deactivation. On a quarterly basis, RIM may make an estimate of pending deactivations for certain carriers that do not use a fully-integrated provisioning system. It is, however, each carrier's

responsibility to report changes to its subscriber account status on a timely basis to RIM. The number of subscriber accounts is a non-financial metric and is intended to highlight the change in RIM's subscriber base and should not be relied upon as an indicator of RIM's financial performance. The number of subscriber accounts does not have any standardized meaning prescribed by U.S. GAAP and may not be comparable to similar metrics presented by other companies.

An important part of RIM's BlackBerry wireless solution is the software that is installed at the corporate or small and medium size enterprise server level, and in some cases on personal computers. Software revenues include fees from (i) licensing RIM's BlackBerry Enterprise Server™ ("BES") software; (ii) BlackBerry Client Access Licenses ("CALs"), which are charged for each subscriber using the BlackBerry service via a BES; (iii) maintenance and upgrades to software; and (iv) technical support ("T-Support").

Revenues are also generated from non-warranty repairs, sales of accessories and non-recurring engineering development contracts ("NRE").

Fiscal 2010 Operating Results – Executive Summary

The following table sets forth certain consolidated statement of operations data, which is expressed in thousands of dollars, for the periods indicated, except for share and per share amounts, as well as certain consolidated balance sheet data, as at February 27, 2010, February 28, 2009 and March 1, 2008, which is expressed in thousands of dollars.

	As at and for the Fiscal Year Ended				
	February 27, 2010	February 28, 2009	**Change 2010/2009**	March 1, 2008	**Change 2009/2008**
	(in thousands, except for per share amounts)				
Revenue	**$ 14,953,224**	$ 11,065,186	**$ 3,888,038**	$ 6,009,395	**$ 5,055,791**
Cost of sales	**8,368,958**	5,967,888	**2,401,070**	2,928,814	**3,039,074**
Gross margin	**6,584,266**	5,097,298	**1,486,968**	3,080,581	**2,016,717**
Operating expenses					
Research and development	**964,841**	684,702	**280,139**	359,828	**324,874**
Selling, marketing and administration (1)	**1,907,398**	1,495,697	**411,701**	881,482	**614,215**
Amortization	**310,357**	194,803	**115,554**	108,112	**86,691**
Litigation (2)	**163,800**	—	**163,800**	—	**—**
	3,346,396	2,375,202	**971,194**	1,349,422	**1,025,780**
Income from operations	**3,237,870**	2,722,096	**515,774**	1,731,159	**990,937**
Investment income	**28,640**	78,267	**(49,627)**	79,361	**(1,094)**
Income before income taxes	**3,266,510**	2,800,363	**466,147**	1,810,520	**989,843**
Provision for income taxes (1)	**809,366**	907,747	**(98,381)**	516,653	**391,094**
Net income	**$ 2,457,144**	$ 1,892,616	**$ 564,528**	$ 1,293,867	**$ 598,749**
Earnings per share					
Basic	**$ 4.35**	$ 3.35	**$ 1.00**	$ 2.31	**$ 1.04**
Diluted	**$ 4.31**	$ 3.30	**$ 1.01**	$ 2.26	**$ 1.04**
Weighted-average number of shares outstanding (000's)					
Basic	**564,492**	565,059		559,778	
Diluted	**569,759**	574,156		572,830	
Total assets	**$ 10,204,409**	$ 8,101,372	**$ 2,103,037**	$ 5,511,187	**$ 2,590,185**
Total liabilities	**$ 2,601,746**	$ 2,227,244	**$ 374,502**	$ 1,577,621	**$ 649,623**
Total long-term liabilities	**$ 169,969**	$ 111,893	**$ 58,076**	$ 103,190	**$ 8,703**
Shareholders' equity	**$ 7,602,663**	$ 5,874,128	**$ 1,728,535**	$ 3,933,566	**$ 1,940,562**

Notes:

(1) Selling, marketing and administration includes unusual charges of $96.4 million and provision for income taxes includes a benefit of $175.1 million, both recognized in fiscal 2010. These items related to a charge for the payment on account of certain employee tax liabilities related to certain previously exercised stock options with measurement date issues that were exercised during certain time periods and the foreign exchange impact of the enactment of functional currency tax legislation in Canada. See "Non-GAAP Financial Measures".

(2) In fiscal 2010, the Company settled all Visto Corporation ("Visto") outstanding worldwide patent litigation (the "Visto Litigation"). The key terms of the settlement involved the Company receiving a perpetual and fully-paid license on all Visto patents, a transfer of certain Visto intellectual property, a one-time payment by the Company of $267.5 million and the parties executing full and final releases in respect of the Visto Litigation. Of the total payment by the Company, $163.8 million was expensed as a litigation charge in fiscal 2010. The remainder of the payment was recorded as intangible assets. See "Non-GAAP Financial Measures".

The following table sets forth certain consolidated statement of operations data expressed as a percentage of revenue for the periods indicated:

	For the Fiscal Year Ended				
	February 27, 2010	February 28, 2009	**Change 2010/2009**	March 1, 2008	**Change 2009/2008**
Revenue	**100.0%**	100.0%	**—**	100.0%	**—**
Cost of sales	**56.0%**	53.9%	**2.1%**	48.7%	**5.2%**
Gross margin	**44.0%**	46.1%	**(2.1)%**	51.3%	**(5.2)%**
Operating expenses					
Research and development	**6.5%**	6.2%	**0.3%**	6.0%	**0.2%**
Selling, marketing and administration	**12.8%**	13.5%	**(0.7)%**	14.7%	**(1.2)%**
Amortization	**2.1%**	1.8%	**0.3%**	1.8%	**—**
Litigation	**1.1%**	—	**1.1%**	—	**—**
	22.5%	21.5%	**1.0%**	22.5%	**(1.0)%**
Income from operations	**21.5%**	24.6%	**(3.1)%**	28.8%	**(4.2)%**
Investment income	**0.2%**	0.7%	**(0.5)%**	1.3%	**(0.6)%**
Income before income taxes	**21.7%**	25.3%	**(3.6)%**	30.1%	**(4.8)%**
Provision for income taxes	**5.4%**	8.2%	**(2.8)%**	8.6%	**(0.4)%**
Net income	**16.3%**	17.1%	**(0.8)%**	21.5%	**(4.4)%**

Revenue for fiscal 2010 was $14.95 billion, an increase of $3.88 billion, or 35.1%, from $11.07 billion in fiscal 2009. The number of BlackBerry devices sold increased by approximately 10.7 million, or 41.1%, to approximately 36.7 million in fiscal 2010, compared to approximately 26.0 million in fiscal 2009. Device revenue increased by $3.03 billion, or 33.3%, to $12.12 billion, reflecting primarily the higher number of devices sold. Service revenue increased by $756.0 million, or 53.9% to $2.16 billion, reflecting the increase of approximately 17 million net new BlackBerry subscriber accounts since the end of fiscal 2009. The total BlackBerry subscriber account base increased to over 41 million at the end of fiscal 2010. Software revenue increased by $6.7 million to $258.6 million in fiscal 2010 and Other revenue increased by $99.2 million to $420.2 million in fiscal 2010.

The Company's net income for fiscal 2010 was $2.46 billion, an increase of $564.5 million, or 29.8%, compared to net income of $1.89 billion in fiscal 2009. Basic earnings per share ("basic EPS") was $4.35 and diluted earnings per share ("diluted EPS") was $4.31 in fiscal 2010 compared to $3.35 basic EPS and $3.30 diluted EPS in fiscal 2009, a 30.6% increase in diluted EPS compared to fiscal 2009.

The $564.5 million increase in net income in fiscal 2010 primarily reflects an increase in gross margin in the amount of $1.48 billion, resulting primarily from the increased number of device shipments, additional subscriber accounts and a decrease of $98.4 million for the provision for income taxes, which was partially offset by the decrease of consolidated gross margin percentage, and by an increase of $971.2 million in the Company's operating expenses.

A more comprehensive analysis of these factors is contained in "Results of Operations".

Critical Accounting Policies and Estimates

General

The preparation of the Consolidated Financial Statements requires management to make estimates and assumptions with respect to the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates and assumptions are based upon management's historical experience and are believed by management to be reasonable under the circumstances. Such estimates and assumptions are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ significantly from these estimates.

The Company's critical accounting policies and estimates have been reviewed and discussed with the Company's Audit & Risk Management Committee and are set out below. The Company's significant accounting policies are described in Note 1 to the Consolidated Financial Statements. Except as noted below, there have not been any changes to the Company's critical accounting policies and estimates during the past three fiscal years.

Revenue Recognition

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, the product has been delivered or the services have been provided to the customer, the sales price is fixed or determinable and collectability is reasonably assured. In addition to this general policy, the following paragraphs describe the specific revenue recognition policies for each major category of revenue.

Devices

Revenue from the sale of BlackBerry devices is recognized when title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. For hardware products for which the software is deemed not to be incidental, the Company recognizes revenue in accordance with industry-specific software revenue recognition guidance. In addition, provisions are made at the time of sale for warranties and royalties. For additional information on warranties and royalties, see below.

Service

Revenue is recognized rateably on a monthly basis when the service is provided. In instances where the Company bills the customer prior to performing the service, the prebilling is recorded as deferred revenue.

See "Sources of Revenue" for more information on the calculation of the number of subscriber accounts.

Software

Revenue from licensed software is recognized at the inception of the license term and in accordance with industry-specific software revenue recognition guidance. When the fair value of a delivered element has not been established, the Company uses the residual method to recognize revenue if the fair value of undelivered elements is determinable. Revenue from software maintenance, unspecified upgrades and T-Support contracts is recognized over the period that such items are delivered or that services are provided.

Other

Revenue from the sale of accessories is recognized when title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. Revenue for non-recurring engineering contracts is recognized as specific contract milestones are met. The attainment of milestones approximates actual performance. Revenue from repair and maintenance programs is recognized when the service is delivered which is when the title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled.

Multiple-Element Arrangements

The Company enters into transactions that represent multiple-element arrangements which may include any combination of hardware and/or service or software and T-Support. These multiple-element arrangements are assessed to determine whether they can be separated into more than one unit of accounting or element for the purpose of revenue recognition. When the appropriate criteria for separating revenue into more than one unit of accounting is met and there is vendor specific objective evidence of fair value for all units of accounting or elements in an arrangement, the arrangement consideration is allocated to the separate units of accounting or elements based on each unit's relative fair value. When the fair value of a delivered element has not been established, the Company uses the residual method to recognize revenue if the fair value of undelivered elements is determinable. This vendor specific objective evidence of fair value is established through prices charged for each revenue element when that element is sold separately. The revenue recognition policies described above are then applied to each unit of accounting.

Allowance for Doubtful Accounts and Bad Debt Expense

The Company is dependent on a number of significant customers and on large complex contracts with respect to sales of the majority of its products, software and services. The Company expects increasing accounts receivable balances with its large customers to continue as it sells an increasing number of its wireless devices and software products and service relay access through network carriers and resellers rather than directly.

The Company evaluates the collectability of its accounts receivables based upon a combination of factors on a periodic basis, such as specific credit risk of its customers, historical trends and economic circumstances. The Company, in the normal course of business, monitors the financial condition of its customers and reviews the credit history of each new customer. When the Company becomes aware of a

specific customer's inability to meet its financial obligations to the Company (such as in the case of bankruptcy filings or material deterioration in the customer's operating results or financial position, and payment experiences), RIM records a specific bad debt provision to reduce the customer's related accounts receivable to its estimated net realizable value. If circumstances related to specific customers change, the Company's estimates of the recoverability of accounts receivables balances could be further adjusted.

Inventories and Inventory Purchase Commitments

Raw materials are stated at the lower of cost and replacement cost. Work in process and finished goods inventories are stated at the lower of cost and net realizable value. Cost includes the cost of materials plus direct labor applied to the product and the applicable share of manufacturing overhead. Cost is determined on a first-in-first-out basis.

The Company's policy for the valuation of inventory, including the determination of obsolete or excess inventory, requires management to estimate the future demand for the Company's products within specific time horizons. Inventory purchases and purchase commitments are based upon such forecasts of future demand and scheduled rollout of new products. The business environment in which RIM operates is subject to rapid changes in technology and customer demand. The Company performs an assessment of inventory during each reporting period, which includes a review of, among other factors, demand requirements, component part purchase commitments of the Company and certain key suppliers, product life cycle and development plans, component cost trends, product pricing and quality issues. If customer demand subsequently differs from the Company's forecasts, requirements for inventory write-offs that differ from the Company's estimates could become necessary. If management believes that demand no longer allows the Company to sell inventories above cost or at all, such inventory is written down to net realizable value or excess inventory is written off.

Furthermore, the Company records an accrual for estimated fees and vendor inventory liabilities related to non-cancelable purchase commitments with contract manufacturers and suppliers for quantities in excess of future demand forecasts.

For further details on the carrying value of inventory as at February 27, 2010, refer to Note 6 to the Consolidated Financial Statements, and for further details on the vendor inventory liabilities refer to Note 16 to the Consolidated Financial Statements.

Intangible Assets and Goodwill

Intangible assets are stated at cost less accumulated amortization and are comprised of acquired technology, licenses and patents.

In connection with business acquisitions completed by the Company, the Company identifies and estimates the fair value of (i) acquired technology, which is subsequently amortized straight-line over two to five years and, (ii) net assets acquired, including certain identifiable intangible assets other than goodwill and liabilities assumed in the acquisitions. Any excess of the purchase price over the estimated fair value of the net assets acquired is assigned to goodwill.

Under certain license agreements, the Company is committed to current and future royalty payments based on the sales of products using certain licensed technologies. License agreements involving up-front lump sum payments are capitalized as part of intangible assets and are then amortized straight-line over the terms of the license agreements or on a per unit basis based upon the anticipated number of units sold during the terms, subject to a maximum of five years.

Patents include trademarks, internally developed patents, as well as individual patents or portfolios of patents acquired from third parties or through the acquisition of third parties. Costs capitalized and subsequently amortized include all costs necessary to acquire intellectual property, as well as legal costs arising out of the defense of any Company-owned patents. Patents are amortized straight-line over 17 years or over their estimated useful life.

The Company assesses the impairment of intangible assets and goodwill whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In addition, goodwill is assessed for impairment on an annual basis. Unforeseen and adverse events, changes in circumstances and market conditions and adverse legal factors are potential indicators that the carrying amount of intangible assets and goodwill may not be recoverable and may require an impairment charge.

The useful lives of intangible assets are evaluated quarterly to determine if events or circumstances warrant a revision to their remaining period of amortization. Legal, regulatory and contractual factors, the effects of obsolescence, demand, competition and other economic factors are potential indicators that the useful life of an intangible asset may be revised.

The Company has concluded that no impairment relating to intangible assets and goodwill exists as of February 27, 2010.

For further details on the intangible assets and goodwill, refer to Notes 8 and 9 to the Consolidated Financial Statements.

Litigation

The Company is involved in litigation in the normal course of its business. The Company may be subject to claims (including claims related to patent infringement, purported class actions and derivative actions) either directly or through indemnities against these claims that it provides to certain of it partners. Management reviews all of the relevant facts for each claim and applies judgment in evaluating the likelihood and, if applicable, the amount of any potential loss. Where it is considered likely for a material exposure to result and where the amount of the claim is quantifiable, provisions for loss are made based on management's assessment of the likely outcome. The Company does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of the loss cannot be reasonably estimated. Any settlements or awards under such claims are provided for when reasonably determinable. For further details on legal matters, see "Legal Proceedings" below and see "Results of Operations – Litigation" for the fiscal year ended February 27, 2010.

Royalties

The Company recognizes its liability for royalties in accordance with the terms of existing license agreements. Where license agreements are not yet finalized, RIM recognizes its current estimates of the obligation in accrued liabilities in the Consolidated Financial Statements. When the license agreements are subsequently finalized, the estimate is revised accordingly. Management's estimates of royalty rates are based on the Company's historical licensing, royalty payment experience and forward-looking expectations.

Warranty

The Company provides for the estimated costs of product warranties at the time revenue is recognized. BlackBerry devices are generally covered by a time-limited warranty for varying periods of time. The Company's warranty obligation is affected by product failure rates, differences in warranty periods, regulatory developments with respect to warranty obligations in the countries in which the Company carries on business, freight expense, and material usage and other related repair costs.

The Company's estimates of costs are based upon historical experience and expectations of future return rates and unit warranty repair cost. To the extent that the Company experiences changes in warranty activity, or changes to costs associated with servicing those obligations, revisions to the estimated warranty liability would be required. For further details on the Company's warranty expense experience and estimates for fiscal 2010, refer to Note 13 to the Consolidated Financial Statements.

Income Sensitivity

The Company estimates that a 10% change to either the current average unit warranty repair cost, measured against the device sales volumes currently under warranty as at February 27, 2010, or to the current average warranty return rate, would have resulted in adjustments to warranty expense and pre-tax income of approximately $25.2 million, or 1.0% of consolidated annual net income.

Investments

All cash equivalents and investments, other than cost method investments of $2.5 million and equity method investments of $4.1 million, are classified as available-for-sale and are carried at fair value with unrealized gains and losses recorded in other comprehensive income (loss) until such investments mature or are sold. In the event of a decline in value which is other than temporary, the investment is written down to fair value by a charge to income.

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use in pricing the asset or liability, such as inherent risk, non-performance risk and credit risk. The Company applies the following fair value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels:

- Level 1 — Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Significant unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

When determining the fair value of its investments, the Company primarily relies on an independent third party valuator. Pricing inputs by the service provider are generally received from two primary vendors. The pricing inputs are reviewed for completeness, tolerance and accuracy on a daily basis by the service provider. The Company also reviews and understands the inputs used in the valuation process and assesses the pricing of the securities for reasonableness. To do this, the Company utilizes internally developed models to estimate fair value. Inputs into the internally developed models may include benchmark yields, reported trades, quotes, issuer spreads, benchmark curves (including Treasury benchmarks, LIBOR and swap curves), discount rates, derivative indices, recovery and default rates, prepayment rates, trustee reports, bids/offers and other reference data. In the event the Company disagrees with the pricing from the service provider, the Company will challenge the pricing and work with the service provider to determine the fair value.

Given the current market conditions and economic uncertainties, management exercises significant judgment in determining the fair value of the Company's investments and the investment's classification level within the three-tier fair value hierarchy. As at February 27, 2010, the Company had approximately 98% of its available-for-sale investments measured at fair value classified in Level 2.

The Company regularly assesses declines in the value of individual investments for impairment to determine whether the decline is other-than-temporary. The Company makes this assessment by considering available evidence, including changes in general market conditions, specific industry and individual company data, the length of time and the extent to which the market value has been less than cost, the financial condition, the near-term prospects of the individual investment and the Company's intent and ability to hold the investments to maturity. In the event that a decline in the fair value of an investment occurs and the decline in value is considered to be other-than-temporary, an appropriate write-down would be recorded. The Company's assessment on whether an investment is other-than-temporarily impaired or not, could change due to new developments or changes in assumptions or risks to any particular investment.

For further details on the Company's investments and fair value conclusions, refer to Note 4 and Note 5 to the Consolidated Financial Statements.

Income Taxes

The Company uses the liability method of tax allocation to account for income taxes. Under this method, deferred income tax assets and liabilities are recognized based upon differences between the financial reporting and tax bases of assets and liabilities, and measured using enacted tax rates and laws that will be in

effect when the differences are expected to reverse. The Company's deferred income tax asset balance represents temporary differences between the financial reporting and tax basis of assets and liabilities, including research and development costs and incentives, capital assets, non-deductible reserves and operating loss carryforwards, net of valuation allowances. The Company records a valuation allowance to reduce deferred income tax assets to the amount management considers to be more likely than not to be realized. The Company considers both positive evidence and negative evidence, to determine whether, based upon the weight of that evidence, a valuation allowance is required. Judgment is required in considering the relative impact of negative and positive evidence. If the Company determines that it is more likely than not that it will not be able to realize all or part of its deferred income tax assets in future fiscal periods, the valuation allowance would be increased, resulting in a decrease to net income in the reporting periods when such determinations are made.

Significant judgment is required in evaluating the Company's uncertain tax positions and provision for income taxes. The Company uses a two-step process in assessing its uncertain tax positions. The two-step process separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold by determining if the weight of available evidence indicates that it is more likely than not to be sustained upon examination. The second step is measuring a tax position that has met the recognition threshold as the largest amount of benefit that is more than 50% likely of being realized upon settlement. The Company continually assesses the likelihood and amount of potential adjustments and adjusts the income tax provisions, income tax payable and deferred taxes in the period in which the facts that give rise to a revision become known. The Company recognizes interest and penalties related to uncertain tax positions as interest expense that is netted and reported within investment income. For further details, refer to Note 10 to the Consolidated Financial Statements.

The Company uses the flow-through method to account for investment tax credits ("ITCs") earned on eligible scientific research and experimental development expenditures. The Company applies judgement in determining which expenditures are eligible to be claimed. Under this method, the ITCs are recognized as a reduction to income tax expense.

The Company's provision for income taxes is based on a number of estimates and assumptions as determined by management and is calculated in each of the jurisdictions in which it conducts business. The Company's consolidated income tax rates have differed from statutory rates primarily due to the tax impact of foreign exchange differences, ITCs, manufacturing activities, the amount of net income earned in Canada versus other operating jurisdictions and the rate of taxes payable in respect of those other operating jurisdictions, and non-deductible stock compensation. The Company enters into transactions and arrangements in the ordinary course of business in which the tax treatment is not entirely certain. In particular, certain countries in which it operates could seek to tax a greater share of income than has been provided. The final outcome of any audits by taxation authorities may differ from estimates and assumptions used in determining the Company's consolidated tax provision and accruals, which could result in a material effect on the consolidated income tax provision and the net income for the period in which such determinations are made.

Stock-Based Compensation

The Company has an incentive stock option plan for officers and employees of the Company or its subsidiaries.

The Company estimates stock-based compensation expense at the grant date based on the award's fair value as calculated by the Black-Scholes-Merton ("BSM") option-pricing model and is recognized rateably over the vesting period. The BSM model requires various judgmental assumptions including volatility, forfeiture rates and expected option life. If any of the assumptions used in the BSM model change significantly, stock-based compensation expense may differ materially in the future from that recorded in the current period.

In connection with its stock option review and the restatement of prior year financial statements, the Company applied judgment in choosing whether to revise measurement dates for prior option grants described below under "Restatement of Previously Issued Financial Statements". While the Company believes it made appropriate judgments in determining the correct measurement dates for its stock option grants in connection with the restatement, the issues surrounding past stock option grants and financial statement restatements are complex and guidance in these areas may continue to evolve. If new guidance imposes additional or different requirements or if the SEC or the Ontario Securities Commission ("OSC") disagrees with the manner in which the Company has accounted for and reported the financial impact, there is a risk the Company may have to further restate its prior financial statements, amend its filings with the SEC or the OSC (including the Consolidated Financial Statements and this MD&A), or take other actions not currently contemplated.

The Company has a Restricted Share Unit Plan (the "RSU Plan") under which eligible participants include any officer or employee of the Company or its subsidiaries. The RSU Plan was approved at the Company's Annual General Meeting on July 18, 2005 and received regulatory approval in August 2005. Restricted Share Units ("RSUs") are redeemed for either common shares issued by the Company, common shares purchased on the open market by a trustee selected by the Company or the cash equivalent on the vesting dates established by the Board of Directors or the Compensation, Nomination and Governance Committee of the Board of Directors. The compensation expense is calculated based on the fair value of the equity award and the amount is recognized over the vesting period of the RSU.

The Company has a Deferred Share Unit Plan (the "DSU Plan"), adopted by the Board of Directors on December 20, 2007, under which each independent director will be credited with Deferred Share Units ("DSUs") in satisfaction of all or a portion of the cash fees otherwise payable to them for serving as a director of the Company. Grants under the DSU plan replace the stock option awards that were historically granted to independent members of the Board of Directors. After such a director ceases to be a director, DSUs will be redeemed for cash with the redemption value of each DSU or, at the Company's option and subject to receipt of shareholder approval, by way of shares purchased on the open market or issued by the Company. DSUs are accounted for as liability-classified awards.

For further details on the Company's stock-based compensation, refer to Note 11 to the Consolidated Financial Statements.

Impact of Accounting Pronouncements Not Yet Implemented

In January 2010, the Financial Accounting Standards Board ("FASB") issued authoritative guidance to improve disclosures about fair value measurements. The guidance amends previous literature to require an entity to provide a number of additional disclosures regarding fair value measurements including significant transfers between Level 1 and Level 2 on a gross basis and the reasons for such transfers, transfers in and out of Level 3 on a gross basis and the reasons for such transfers, the entity's policy for recognizing transfers between Levels and to disclose information regarding purchases, sales, issuances and settlements on a gross

basis in the Level 3 reconciliation of recurring fair value measurements. The guidance also further clarifies existing guidance on disclosure requirements around disaggregation and valuation techniques for both recurring and non-recurring fair value measurements in either Level 2 or Level 3. The new authoritative guidance is effective for interim and annual periods beginning after December 15, 2009, except for the requirement to separately disclose purchases, sales, issuances and settlements in the Level 3 reconciliation, which is effective for interim and annual periods beginning after December 15, 2010. The Company will adopt the guidance in the first quarter of fiscal 2011 and the first quarter of fiscal 2012, respectively. The Company is currently evaluating the impact that the adoption of this guidance will have on its financial statement disclosures.

In October 2009, the FASB issued authoritative guidance on revenue recognition for arrangements with multiple deliverables. The guidance amends previous literature to require an entity to use an estimated selling price when vendor specific objective evidence or acceptable third party evidence does not exist for any products or services included in a multiple element arrangement. The arrangement consideration should be allocated among the products and services based upon their relative selling prices, thus eliminating the use of the residual method of allocation. The guidance also requires expanded qualitative and quantitative disclosures regarding significant judgements made and changes in applying the guidance. The new authoritative guidance is effective for revenue arrangements entered into or materially modified in fiscal years beginning after June 15, 2010, with early application permitted. The Company plans to adopt the guidance in the first quarter of fiscal 2011 and the Company does not expect the adoption will have a material impact on the Company's results of operations and financial condition.

In October 2009, the FASB issued authoritative guidance on certain revenue arrangements that include software elements. The guidance amends previous literature to exclude tangible products containing software components and non-software components that function together to deliver the product's essential functionality from applying software revenue recognition guidance to those products. The new authoritative guidance is effective for revenue arrangements entered into or materially modified in fiscal years on or after June 15, 2010 with early application permitted. The Company plans to adopt the guidance in the first quarter of fiscal 2011 and the Company's does not expect the adoption will have a material impact on the Company's results of operations and financial condition.

In June 2009, the FASB issued authoritative guidance to amend the manner in which an enterprise performs an analysis to determine whether the enterprise's variable interest gives it a controlling interest in the variable interest entity ("VIE"). The guidance uses a qualitative risks and rewards approach by focusing on which enterprise has the power to direct the activities of the VIE, the obligation to absorb the entity's losses and rights to receive benefits from the entity. The guidance also requires enhanced disclosures related to the VIE. The new authoritative guidance is effective for annual periods beginning after November 15, 2009. The Company will adopt the guidance in the first quarter of fiscal 2011 and the Company does not expect the adoption will have a material impact on the Company's results of operations and financial condition.

In June 2009, the FASB issued authoritative guidance amending the accounting for transfers of financial assets. The guidance, among other things, eliminates the exceptions for qualifying special-purpose entities from the consolidation guidance, clarifies the requirements for transferred financial assets that are eligible for sale accounting and requires enhanced disclosures about a transferor's continuing involvement with transferred financial assets. This new authoritative guidance is effective for annual periods beginning after November 15, 2009. The Company will adopt the guidance in the first quarter of fiscal 2011 and the Company does not expect the adoption will have a material impact on the Company's results of operations and financial condition.

In November 2008, the SEC announced a proposed roadmap for comment regarding the potential use by U.S. issuers of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS is a comprehensive series of accounting standards published by the International Accounting Standards Board. On February 24, 2010, the SEC issued a statement describing its position regarding global accounting standards. Among other things, the SEC stated that it has directed its staff to execute a work plan, which will include consideration of IFRS as it exists today and after completion of various "convergence" projects currently underway between U.S. and international accounting standards setters. By 2011, assuming completion of certain projects and the SEC staff's work plan, the SEC will decide whether to incorporate IFRS into the U.S. financial reporting system. The Company is currently assessing the impact that this proposed change would have on the consolidated financial statements, accompanying notes and disclosures, and will continue to monitor the development of the potential implementation of IFRS.

Restatement of Previously Issued Financial Statements

Overview

As discussed in greater detail under "Explanatory Note Regarding the Restatement of Previously Issued Financial Statements" in the MD&A for the fiscal year ended March 3, 2007 and Note 12(c) to the audited consolidated financial statements of the Company for the fiscal year ended March 3, 2007, the Company restated its consolidated balance sheet as of March 4, 2006 and its consolidated statements of operations, consolidated statements of cash flows and consolidated statements of shareholders' equity for the fiscal years ended March 4, 2006 and February 26, 2005, and the related note disclosures (the "Restatement"), to reflect additional non-cash stock compensation expense relating to certain stock-based awards granted prior to the adoption of the Company's stock option plan on December 4, 1996 (as amended from time to time, the "Stock Option Plan") and certain stock option grants during the 1997 through 2006 fiscal periods, as well as certain adjustments related to the tax accounting for deductible stock option expenses. The Restatement was the result of a voluntary internal review (the "Review") by the Company of its historical stock option granting practices. The Restatement did not result in a change in the Company's previously reported revenues, total cash and cash equivalents or net cash provided from operating activities.

OSC Settlement

As discussed in greater detail under "Restatement of Previously Issued Financial Statements — OSC Settlement" in the MD&A for the fiscal year ended February 28, 2009, on February 5, 2009, a panel of Commissioners of OSC approved a settlement agreement (the "Settlement Agreement") with the Company and certain of its officers and directors, including its co-Chief Executive Officers ("Co-CEOs") relating to the previously disclosed OSC investigation of the Company's historical stock option granting practices.

As part of the Settlement Agreement, the Company agreed to enter into an agreement with an independent consultant to conduct a comprehensive examination and review of the Company and report to the Company's board of directors and the staff of the OSC the Company's governance practices and procedures and its internal control over financial reporting. The Company retained Protiviti Co. ("Protiviti") to carry out this engagement. See "Independent Governance Assessment" and Appendix A to this MD&A for a further description of Protiviti's engagement, its recommendations and the Company's responses to such recommendations. A copy of Protiviti's recommendations will also appear on the website of the OSC.

Independent Governance Assessment

As described above, the Company's historical stock option granting practices were the subject of an internal review by a special committee (the "Special Committee") of the Board of Directors ("Board") and investigations by government authorities in Canada and the United States. In March 2007, the Special Committee made recommendations to the Board on corporate governance that were adopted by the Board. Later in the same year, the Company resolved litigation brought by a pension fund, which resulted in the Company implementing additional corporate governance changes. Since March 2007, five new independent directors have joined the Board. As a result of these developments, and the importance placed by the Board on enhanced governance standards, the Board has devoted a considerable amount of time and attention to corporate governance, and has had significant involvement in reviewing and improving the Company's corporate governance practices prior to the engagement of Protiviti described below.

Pursuant to the Settlement Agreement, the Company agreed to submit to an independent assessment of its governance practices and procedures by Protiviti. Protiviti is a consultant selected by staff of the OSC as being an independent entity with experience in governance assessments. Schedule "C" to the Settlement Agreement prescribed the procedures to be followed by the

Company and Protiviti in conducting the assessment. Protiviti proceeded to conduct its review subject to the terms of the Settlement Agreement.

Schedule "C" to the Settlement Agreement required Protiviti to prepare a draft report and submit that report to the Company for review and comment before the report was finalized. Schedule "C" contemplates that, with respect to each of the recommendations in the final report, the Company will (a) adopt the recommendation, (b) adopt alternative measures that the Company and Protiviti agree are acceptable to address the consultant's recommendation, or (c) decline to adopt the recommendation.

Where the Company has agreed to adopt a recommendation, either as initially proposed or as modified, the Company is required to disclose in its MD&A a description of the recommendation that the Company has agreed to implement, together with the Company's plan, along with any actions already taken, to implement the recommendation. A decision to decline to adopt a recommendation must be made by the Company's independent directors and the reasons for that decision must be set out in writing and disclosed in the Company's MD&A.

Arising from the events leading to the Settlement Agreement, the Company's Board and senior management team, including the Company's co-CEOs, are committed to establishing and maintaining high standards of corporate governance. This has been demonstrated by significant governance improvements adopted by the Company over the past four and a half years, together with additional improvements that the Company is in the process of adopting or has agreed to adopt.

Following field work, on October 26, 2009, Protiviti submitted a draft report to the Board and to staff of the OSC, as of June 30, 2009, regarding certain of the Company's corporate governance practices. The Lead Director and the Chair of the Board's Compensation, Nomination and Governance Committee, representing the independent directors of the Board, consulted with other Board members, participated in subsequent discussions with Protiviti concerning its draft reports and provided direction in connection with the Company's responses to the draft reports.

In the course of providing comments on the draft reports, the Lead Director and the Chair of the Board's Compensation, Nomination and Governance Committee and Protiviti had contemporaneous discussions concerning the necessity or appropriateness of the recommendations and the steps required by the Company to address certain of the recommendations, with a view to completing those discussions with the issuance of the final report contemplated by the Settlement Agreement. Following the conclusion of those discussions Protiviti issued its final report.

The final report contains 29 recommendations in 13 subject areas. The Company has addressed, agreed to adopt or has already adopted 27 of these recommendations in whole and two others in part.

The Board found the final report helpful in many respects, and considered all of the recommendations. Because the report reflects field work to June 30, 2009, it does not take into account certain governance changes and other enhancements adopted by the Company over the past nine months, many of which were contemplated or in progress during the course of Protiviti's engagement. Some recommendations have already been implemented or are being implemented by the Board because of the corporate governance work described above. In considering further changes to the Company's corporate governance practices, the Board is cognizant of the rapid and extraordinary growth of the Company, in terms of number of employees and its

expanding operations around the world. It is also recognizes that the Company's entrepreneurial culture has been a significant factor in the Company's success and that no one set of governance practices fits all companies. The Board wants to ensure that its governance practices, while fully compliant, are necessary or appropriate for the unique company that is RIM. As Protiviti itself notes in its report, considerable professional judgment is involved in evaluating the information provided and developing its observations and recommendations, such that others could evaluate the information differently and draw other conclusions. Ultimately, the Board believes that it is best situated, in terms of access to information and knowledge of the Company and its current governance practices, to determine which of the recommendations are necessary or appropriate for the Company and how such recommendations should be implemented.

Attached as Appendix A are the recommendations made by Protiviti in its final report, together with the Company's response to each recommendation. Where the Company has declined to adopt a recommendation, that decision was made by the Company's independent directors, and the reasons for that decision are set out in Appendix A. Appendix A also contains a brief discussion about Protiviti's scope of review as set out in Attachment "I" to Protiviti's final report.

SEC Settlements

As discussed in greater detail under "Restatement of Previously Issued Financial Statements — SEC Settlements" in the MD&A for the fiscal year ended February 28, 2009, on February 17, 2009, the Company, and certain of its officers, including its co-CEOs, entered into settlements with the SEC that resolved the previously disclosed SEC investigation of the Company's historical stock option granting practices.

Actions Taken as a Result of the Review

As previously disclosed and before the retention of Protiviti, the Board, based on the recommendations of the Special Committee, implemented a number of measures in response to the findings of the Special Committee, including measures that are designed to enhance the oversight and corporate governance of the Company and to strengthen the Company's control over its stock option granting process in particular. These measures include:

• Benefits from Option Grants – All directors and each of RIM's co-CEOs and Chief Operating Officers ("c-level officers") agreed in respect of options that were incorrectly priced to return any benefit on previously exercised options and to reprice unexercised options that were incorrectly priced. All vice presidents of the Company were asked to agree to similar treatment for their options that have dating issues, where those options were granted after the employee's commencement of employment and in the employee's capacity as vice president. All of the stock options held by directors, c-level officers and vice presidents that were subject to such repricing have been repriced, and the Company received $8.7 million, including interest, in restitution payments from its directors, c-level officers and vice presidents in fiscal 2008. In addition to the repricings described above, certain employees of the Company agreed in fiscal 2008 and fiscal 2009 to reprice stock options held by them that were incorrectly priced. In fiscal 2010, the Company completed the repricing to a higher exercise price of certain of its outstanding stock options. Repriced options in fiscal 2010, which were all done on a voluntary basis between the Company and the option holder, include 27 stock option grants in respect of options to acquire 456,800 common shares and in fiscal 2009 43 stock option grants in respect of options to acquire 752,775 common shares.

• Changes to the Company's Stock Option Granting Practices — In June 2007, the Board approved a formal policy on granting equity awards, the details of which are described in the Company's Management Information Circular, dated May 28, 2008 (the "Management Information Circular"), a copy of which can be found on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov. In addition, in July 2007, the Board of Directors determined to exclude independent directors from future stock option grants.

• Changes to the Board, Board Committees and Organizational Structure — In accordance with the Special Committee's recommendations and other considerations, the Board established in 2007 an Oversight Committee, separated the roles of Chairman and Chief Executive Officer, implemented other changes to the Board, Audit Committee, Compensation Committee, and Nominating Committee, and changed various management roles. In addition to Barbara Stymiest and John Wetmore, who became directors of the Company in March 2007, David Kerr and Roger Martin were elected as directors of the Company at the Annual General Meeting of the Company on July 17, 2007. Each of the new directors is "independent" within the meaning of applicable securities laws and stock exchange rules. As previously disclosed, each of Douglas Fregin, Kendall Cork and Douglas Wright did not stand for re-election at the Annual General Meeting of the Company in 2007. Kendall Cork and Douglas Wright were appointed to the honorary position of Director Emeritus of the Board effective July 17, 2007 in recognition of their substantial contributions to the Company over many years.

• Other Changes — The Company established an internal audit department and an individual commenced employment with the Company in the fourth quarter of fiscal 2008 in the position of Senior Vice President, Risk Performance and Audit. This new officer reports directly to the Audit & Risk Management Committee as well as administratively to the Co-Chief Executive Officer, Jim Balsillie. Additionally, the Company enhanced its capabilities in U.S. GAAP and in securities disclosure and compliance matters issues by establishing two new permanent full-time positions which have been filled, respectively, by an employee with expertise in U.S. GAAP and an employee with expertise in securities disclosure and compliance. The latter employee is assisting in the administration of the Company's equity awards granting program.

Review Costs

Included in the Company's selling, marketing and administration expenses in fiscal 2008 and fiscal 2009 are legal, accounting and other professional costs incurred by the Company as well as other costs incurred by the Company under indemnity agreements in favor of certain officers and directors of the Company, in each case in connection with the Review, the Restatement, and the regulatory investigations and litigation related thereto.

Jim Balsillie and Mike Lazaridis, the Company's Co-CEOs, voluntarily offered to assist the Company in defraying costs incurred in connection with the Review and the Restatement by contributing CAD $10.0 million (CAD $5.0 million each) of those costs. The Company received these voluntary payments in the second quarter of fiscal 2008, which were recorded net of income taxes as an increase to additional paid-in capital. In addition, as part of the Notice of Application that was filed with the Ontario Superior Court of Justice-Commercial List by a pension fund shareholder, seeking various orders against the Company and named directors, the Company and the other defendants entered into an agreement with the shareholder to settle the Application and a proposed derivative action. Under the settlement, among other things, the Company agreed to the payment of CAD $1.1 million on account of the shareholder's legal costs, and consistent with their earlier voluntary agreement to contribute CAD $5.0 million each to defray the costs incurred by RIM in connection with the Review, Jim Balsillie and Mike Lazaridis, agreed to pay RIM a further CAD $2.5 million each to defray the Review costs incurred by the Company. The Company received these voluntary payments of CAD $2.5 million each in the third quarter of fiscal 2008, which were recorded net of income taxes as an increase to additional paid-in capital. Under the Settlement Agreement, the co-CEOs and RIM's former Chief Financial Officer agreed to contribute an additional CAD $29.8 million (a total of CAD $44.8 million) to defray costs incurred by the Company in the investigation and remediation of stock options, granting practices and related governance practices at the Company. These contributions are being made through those individuals undertaking not to exercise vested RIM options to acquire an aggregate of 1,160,129 common shares of the Company. These options have a fair value equal to the aggregate contribution amounts determined using a BSM calculation based on the last trading day prior to the day the OSC issued a notice of hearing in respect of the matters giving rise to the settlement.

Risks Related to the Company's Historical Stock Option Granting Practices

As a result of the events described above, the Company continues to be subject to risks which are discussed in greater detail in the "Risk Factors" section of RIM's Annual Information Form, which is included in RIM's Annual Report on Form 40-F.

Results of Operations — Fiscal 2010 Compared to Fiscal 2009 and Fiscal 2008

Fiscal year end February 27, 2010 compared to fiscal year ended February 28, 2009

Revenue

Revenue for fiscal 2010 was $14.95 billion, an increase of $3.88 billion, or 35.1%, from $11.07 billion in fiscal 2009.

A comparative breakdown of the significant revenue streams is set forth in the following table:

	For the Fiscal Year Ended					
	February 27, 2010		February 28, 2009		**Change Fiscal 2010/2009**	
Number of devices sold	**36,707,000**		26,009,000		**10,698,000**	**41.1%**
Average Selling Price	**$ 330**		$ 349		**$ (19)**	**(5.4%)**
Revenue *(in thousands)*						
Devices	**$12,115,765**	**81.0%**	$ 9,089,736	82.1%	**$ 3,026,029**	**33.3%**
Service	**2,158,591**	**14.4%**	1,402,560	12.7%	**756,031**	**53.9%**
Software	**258,635**	**1.7%**	251,871	2.3%	**6,764**	**2.7%**
Other	**420,233**	**2.9%**	321,019	2.9%	**99,214**	**30.9%**
	$14,953,224	**100.0%**	$11,065,186	100.0%	**$ 3,888,038**	**35.1%**

Device revenue increased by $3.03 billion, or 33.3%, to $12.12 billion, or 81.0% of consolidated revenue, in fiscal 2010 compared to $9.09 billion, or 82.1%, of consolidated revenue in fiscal 2009. This increase in device revenue over the prior year was primarily attributable to a volume increase of approximately 10.7 million units, or 41.1%, to approximately 36.7 million devices in fiscal 2010 compared to approximately 26.0 million devices in fiscal 2009. ASP decreased to $330 in fiscal 2010 from $349 in fiscal 2009 reflecting a shift in the mix of certain products shipped in the fiscal year and the expansion of the Company's focus into broader market segments through the introduction of entry-level BlackBerry smartphones.

The Company estimates that a $10, or 3.0%, change in blended ASP would result in a fiscal year revenue change of approximately $367.1 million, based upon the Company's volume of devices shipped in fiscal 2010.

Service revenue increased by $756.0 million, or 53.9%, to $2.16 billion or 14.4% of consolidated revenue in fiscal 2010, compared to $1.40 billion, or 12.7% of consolidated revenue in fiscal 2009, reflecting the

Company's increase in BlackBerry subscriber accounts since fiscal 2009. Net BlackBerry subscriber account additions were approximately 17 million for fiscal 2010 compared to approximately 11 million for fiscal 2009. The total BlackBerry subscriber account base at the end of fiscal 2010 was over 41 million compared to approximately 25 million at the end of fiscal 2009. The percentage of the subscriber account base outside of North America at the end of fiscal 2010 was approximately 38%.

Software revenue includes fees from licensed BES software, CALs, technical support, maintenance and upgrades. Software revenue increased $6.7 million, or 2.7%, to $258.6 million in fiscal 2010 from $251.9 million in fiscal 2009. The majority of the increase was attributable to technical support and other software revenues, partially offset by a decrease in CALs.

Other revenue, which includes non-warranty repairs, accessories, NRE and gains and losses on revenue hedging instruments, increased by $99.2 million to $420.2 million in fiscal 2010 compared to $321.0 million in fiscal 2009. The majority of the increase was attributable to increases in non-warranty repair and sales of accessories offset partially by losses realized from revenue hedging instruments. See "Market Risk of Financial Instruments – Foreign Exchange" for additional information on the Company's hedging instruments.

Gross Margin

Consolidated gross margin increased by $1.48 billion, or 29.2%, to $6.58 billion, or 44.0% of revenue, in fiscal 2010, compared to $5.10 billion, or 46.1% of revenue, in fiscal 2009. The decrease of 2.1% in consolidated gross margin percentage was primarily due to a decrease in the blended device margins driven by shifts in product mix, the transition to new device platforms, the introduction of feature rich products to address broader market segments, and a decrease in device ASPs of approximately 5.4% compared to fiscal 2009. This decrease in gross margin was partially offset by higher service revenue which comprised 14.4% of total revenue mix in fiscal 2010 compared to 12.7% in the same period of fiscal 2009 along with a lower percentage of revenue from device shipments which comprised 81.0% of total revenue mix in fiscal 2010 compared to 82.1% in the same period of fiscal 2009. Gross margin percentage for devices is generally lower than the Company's consolidated gross margin percentage.

Operating Expenses

The table below presents a comparison of research and development, selling, marketing and administration, amortization and litigation expenses for fiscal 2010 compared to fiscal 2009.

	For the Fiscal Year Ended *(in thousands)*					
	February 27, 2010	**% of Revenue**	February 28, 2009	% of Revenue	**Change - Fiscal 2010/2009**	**% of Change**
Revenue	**$14,953,224**		$11,065,186		**$3,888,038**	**35.1%**
Operating expenses						
Research and development	**$ 964,841**	**6.5%**	$ 684,702	6.2%	**$ 280,139**	**40.9%**
Selling, marketing and administration	**1,907,398**	**12.8%**	1,495,697	13.5%	**411,701**	**27.5%**
Amortization	**310,357**	**2.1%**	194,803	1.8%	**115,554**	**59.3%**
Litigation	**163,800**	**1.1%**	—	—	**163,800**	—
Total	**$ 3,346,396**	**22.5%**	$ 2,375,202	21.5%	**$ 971,194**	**40.9%**

Total operating expenses for fiscal 2010 as a percentage of revenue increased by 1.0% to 22.5% of revenue compared to fiscal 2009.

Research and Development

Research and development expenditures consist primarily of salaries and benefits for technical personnel, new product development costs, travel, office and building infrastructure costs and other employee costs.

Research and development expenditures increased by $280.1 million to $964.8 million, or 6.5% of revenue, in fiscal 2010, compared to $684.7 million, or 6.2% of revenue, in fiscal 2009. The majority of the increases during fiscal 2010 compared to fiscal 2009 were attributable to salaries and benefits due to an increase in the average headcount associated with research and development activities, new product development costs and office and building infrastructure costs.

Selling, Marketing and Administration Expenses

Selling, marketing and administration expenses consist primarily of marketing, advertising and promotion, salaries and benefits, external advisory fees, information technology costs, office and related staffing infrastructure costs and travel expenses.

Selling, marketing and administration expenses increased by $411.7 million to $1.91 billion for fiscal 2010 compared to $1.50 billion for fiscal 2009. As a percentage of revenue, selling, marketing and administration expenses decreased to 12.8% in fiscal 2010 versus 13.5% in fiscal 2009. The net increase of $411.7 million was primarily attributable to increased expenditures for marketing, advertising and promotion, including additional programs to support new product launches, increased salary and benefits expenses primarily as a result of increased personnel, external advisory fees and information technology costs.

With the enactment of changes to the functional currency tax legislation by the Government of Canada in the first quarter of fiscal 2010, the Company changed the basis for calculating its income tax provision for its Canadian operations from Canadian dollars to the U.S. dollar, its reporting currency, with the effective date

being the beginning of fiscal 2009. Gains realized on the revaluation of these tax liabilities previously denominated in Canadian dollars throughout 2009 were reversed upon enactment of the changes to the rules in the first quarter of fiscal 2010. Included in the total selling, marketing and administration for fiscal 2010 is a $54.3 million charge primarily relating to the reversal of foreign exchange gains previously recorded in fiscal 2009 on the revaluation of Canadian dollar denominated tax liability balances. Throughout fiscal 2009, foreign exchange gains were offset by foreign exchange losses incurred as a part of the Company's foreign currency hedging program. See "Income Taxes" for the fiscal year ended February 27, 2010 for further details on the changes to the functional currency tax legislation in Canada, and "Market Risk of Financial Instruments – Foreign Exchange" for additional information on the Company's hedging instruments.

Selling, marketing and administration expenses for fiscal 2010 also included a charge of $42.1 million for the payment on account of certain employee tax liabilities related to certain previously-exercised stock options with measurement date issues that were exercised during certain time periods. The Company's Board of Directors approved the payment on account of certain incremental personal tax liabilities of certain employees, excluding RIM's Co-CEOs, related to the exercise of certain stock options issued by the Company.

Amortization Expense

The table below presents a comparison of amortization expense relating to capital assets and intangible assets recorded as amortization or cost of sales for fiscal 2010 compared to fiscal 2009. Intangible assets are comprised of patents, licenses and acquired technology.

	For the Fiscal Year Ended *(in thousands)*					
	Included in Amortization			**Included in Cost of sales**		
	February 27, 2010	February 28, 2009	**Change**	**February 27, 2010**	February 28, 2009	**Change**
Capital assets	**$ 184,946**	$ 119,209	**$ 65,737**	**$ 159,540**	$ 84,168	**$ 75,372**
Intangible assets	**125,411**	75,594	**49,817**	**145,724**	48,925	**96,799**
Total	**$ 310,357**	$ 194,803	**$115,554**	**$ 305,264**	$ 133,093	**$172,171**

Amortization

The increased amortization expense primarily reflects the impact of certain capital assets and intangible asset additions made during fiscal 2010.

Cost of sales

The increased amortization expense in fiscal 2010, related to the Company's manufacturing operations and BlackBerry service operations, primarily reflects the impact of amortization expense with respect to certain intangible assets and capital asset additions made during fiscal 2010.

Litigation

In fiscal 2010, the Company settled all the outstanding Visto Litigation. The key terms of the settlement involved the Company receiving a perpetual and fully-paid license on all Visto patents, a transfer of certain Visto intellectual property, a one-time payment by the Company of $267.5 million and the parties executing full and final releases in respect of the Visto Litigation. Of the total payment by the Company, $163.8 million was expensed as a litigation charge in the second quarter of fiscal 2010. The remainder of the payment was recorded as intangible assets.

Investment Income

Investment income decreased by $49.7 million to $28.6 million in fiscal 2010 from $78.3 million in fiscal 2009. The decrease primarily reflects the decrease in yields on investments due to lower interest rates when compared to the same period in fiscal 2009, offset partially by an increase in the Company's average cash and cash equivalents, short-term investments and long-term investments balances throughout fiscal 2010 compared to the prior fiscal year and the gain on sale of investments in fiscal 2009. See "Liquidity and Capital Resources".

Income Taxes

For fiscal 2010, the Company's income tax expense was $809.4 million, resulting in an effective tax rate of 24.8% compared to income tax expense of $907.7 million and an effective tax rate of 32.4% for the same period last year. The Company's effective tax rate reflects the geographic mix of earnings in jurisdictions with different tax rates.

In the first quarter of fiscal 2010, the Government of Canada enacted changes to its income tax legislation which allows the Company the option to elect, on an annual basis, to determine its Canadian income tax based on its functional currency (the U.S. dollar) rather than the Canadian dollar. While the Company had elected for Canadian tax purposes to adopt these rules in the third quarter of fiscal 2009, the Company could not recognize the related income tax benefit of electing to adopt these rules under U.S. GAAP until the first quarter of fiscal 2010. As a result of the enactment of the changes to the legislation and the Company's election, the Company was able to recalculate its fiscal 2009 Canadian income tax liability based on its functional currency (the U.S. dollar) and record an incremental income tax benefit of approximately $145.0 million to net income in fiscal 2010. This election should reduce the volatility in the Company's effective tax rate due to changes in foreign exchange. See "Non-GAAP Financial Measures".

The Company's effective tax rate in fiscal 2010 was lower due to the $145.0 million incremental tax benefit related to fiscal 2009 that resulted from the Company opting to elect to determine its Canadian income tax results on its functional currency (the U.S. dollar). The Company's adjusted tax rate for fiscal 2010 was approximately 29.4% in line with management's estimate of 29%-30%. The Company's effective tax rate in fiscal 2009 was higher primarily due to the significant depreciation of the Canadian dollar relative to the U.S. dollar in the third quarter of fiscal 2009 and its effect on the Company's U.S. dollar denominated assets and liabilities held by the Company's Canadian operating companies that are subject to tax in Canadian dollars. The incremental tax expense in fiscal 2009 resulting from the significant depreciation of the Canadian dollar relative to the U.S. dollar was $99.7 million resulting in an adjusted tax rate for fiscal 2009 of 28.9%.

Management anticipates that the Company's effective tax rate for fiscal 2011 will be approximately 28%. Management also anticipates the Company's effective tax rate will continue to decrease further in future years due to scheduled Canadian corporate tax rate reductions.

The Company has not provided for Canadian income taxes or foreign withholding taxes that would apply on the distribution of income of its non-Canadian subsidiaries, as this income is intended to be reinvested indefinitely by these subsidiaries.

Net Income

Net income was $2.46 billion, or $4.35 basic EPS and $4.31 diluted EPS, in fiscal 2010 compared to net income of $1.89 billion, or $3.35 basic EPS and $3.30 diluted EPS, in the prior fiscal year. The common shares repurchased by the Company in the third quarter of fiscal 2010 had an impact on the basic and diluted EPS amounts of $0.03 per share for fiscal 2010.

Adjusted net income for fiscal 2010 was $2.49 billion and adjusted diluted EPS was $4.37 in fiscal 2010. See "Non-GAAP Financial Measures".

The $564.5 million increase in net income in fiscal 2010 reflects primarily an increase in gross margin in the amount of $1.48 billion, resulting primarily from the increased number of device shipments, additional subscriber accounts and a decrease in the provision of income taxes of $98.4 million, which included a benefit of $145.0 million, which was partially offset by the decrease in consolidated gross margin percentage, as well as an increase of $971.2 million in the Company's operating expenses, which included a litigation charge of $163.8 million relating to the Visto Litigation and unusual charges of $96.4 million. See "Results of Operations — Selling, Marketing and Administration Expenses", "Results of Operations – Litigation" and "Results of Operations - Income Taxes" for the year ended February 27, 2010.

The weighted average number of shares outstanding was 564.5 million common shares for basic EPS and 569.8 million common shares for diluted EPS for the fiscal year ended February 27, 2010 compared to 565.1 million common shares for basic EPS and 574.2 million common shares for diluted EPS for the fiscal year ended February 28, 2009.

Common Shares Outstanding

On March 30, 2010, there were 557.4 million common shares, 8.9 million options to purchase common shares, 1.4 million restricted share units outstanding and 34,801 deferred share units outstanding.

The Company has not paid any cash dividends during the last three fiscal years.

On November 4, 2009, the Company's Board of Directors authorized a Common Share Repurchase Program for the repurchase and cancellation through the facilities of the NASDAQ Stock Market, common shares having an aggregate purchase price of up to $1.2 billion, or approximately 21 million common shares based on trading prices at the time of the authorization. This represents approximately 3.6% of the outstanding common shares of the Company at the time of the authorization. In the third quarter of fiscal 2010, the Company repurchased 12.3 million common shares at a cost of $775.0 million pursuant to the Common Share Repurchase Program. There was a reduction of $46.5 million to capital stock in the third quarter of fiscal

2010 and the amounts paid in excess of the per share paid-in capital of the common shares of $728.5 million were charged to retained earnings. All common shares repurchased by the Company pursuant to the Common Share Repurchase Program have been cancelled. The Common Share Repurchase Program will remain in place for up to 12 months from November 4, 2009 or until the purchases are completed or the program is terminated by the Company.

Fiscal year end February 28, 2009 compared to fiscal year ended March 1, 2008

Revenue

Revenue for fiscal 2009 was $11.07 billion, an increase of $5.06 billion, or 84.1%, from $6.01 billion in fiscal 2008.

A comparative breakdown of the significant revenue streams is set forth in the following table:

	For the Fiscal Year Ended					
	February 28, 2009		March 1, 2008		**Change Fiscal 2009/2008**	
Number of devices sold	**26,009,000**		13,780,000		**12,229,000**	**88.7%**
Average Selling Price	**$ 349**		$ 346		**$ 3**	**0.9%**
Revenue *(in thousands)*						
Devices	**$ 9,089,736**	**82.1%**	$ 4,768,610	79.4%	**$ 4,321,126**	**90.6%**
Service	**1,402,560**	**12.7%**	860,641	14.3%	**541,919**	**63.0%**
Software	**251,871**	**2.3%**	234,388	3.9%	**17,483**	**7.5%**
Other	**321,019**	**2.9%**	145,756	2.4%	**175,263**	**120.2%**
	$11,065,186	**100.0%**	$ 6,009,395	100.0%	**$ 5,055,791**	**84.1%**

Device revenue increased by $4.32 billion, or 90.6%, to $9.09 billion, or 82.1% of consolidated revenue, in fiscal 2009 compared to $4.77 billion, or 79.4%, of consolidated revenue in fiscal 2008. This increase in device revenue over the prior year was primarily attributable to a volume increase of approximately 12.2 million units, or 88.7%, to approximately 26.0 million devices in fiscal 2009 compared to approximately 13.8 million devices in fiscal 2008. ASP increased to $349 in fiscal 2009 from $346 in fiscal 2008 due primarily to a change in the BlackBerry device mix of certain new products that were feature rich and designed to operate on new network technologies.

Service revenue increased by $541.9 million, or 63.0%, to $1.40 billion or 12.7% of consolidated revenue in fiscal 2009 compared to $860.6 million, or 14.3% of consolidated revenue in fiscal 2008, reflecting the Company's increase in BlackBerry subscriber accounts since fiscal 2008. Net BlackBerry subscriber account additions were approximately 11 million for fiscal 2009 compared to approximately 6.1 million for fiscal 2008. The total BlackBerry subscriber account base at the end of fiscal 2009 was approximately 25 million

compared to approximately 14 million at the end of fiscal 2008. The percentage of the subscriber account base outside of North America at the end of fiscal 2009 was approximately 32%.

Software revenue includes fees from licensed BES software, CALs, technical support, maintenance and upgrades. Software revenue increased $17.5 million, or 7.5%, to $251.9 million in fiscal 2009 from $234.4 million in fiscal 2008. The majority of the increase was attributable to maintenance and CALs, offset by a decrease in BES and other software revenues.

Other revenue, which includes accessories, non-warranty repairs, NRE and gains and losses on revenue hedging instruments, increased by $175.3 million to $321.0 million in fiscal 2009 compared to $145.8 million in fiscal 2008. The majority of the increase was attributable to increases in non-warranty repair, gains realized from revenue hedging instruments and sales of accessories.

Gross Margin

Consolidated gross margin increased by $2.02 billion, or 65.5%, to $5.10 billion, or 46.1% of revenue, in fiscal 2009, compared to $3.08 billion, or 51.3% of revenue, in fiscal 2008. The decrease of 5.2% in consolidated gross margin percentage was primarily due to a decrease in the blended device margins primarily driven by the introduction of certain new feature rich products that incorporated new technologies which were adopted at a faster rate than historically, lower than anticipated unit shipments of previous generation products, and a higher percentage of device shipments which comprised 82.1% of the total revenue mix in fiscal 2009 compared to 79.4% in fiscal 2008. Gross margin percentage for devices is generally lower than the Company's consolidated gross margin percentage. The decrease in gross margin percentage relating to devices was offset in part by improved service margins resulting from cost efficiencies in RIM's network operations infrastructure as a result of the increase in BlackBerry subscriber accounts.

Operating Expenses

The table below presents a comparison of research and development, selling, marketing and administration, and amortization expenses for fiscal 2009 compared to fiscal 2008.

	For the Fiscal Year Ended *(in thousands)*					
	February 28, 2009		March 1, 2008		**Change - Fiscal 2009/2008**	
		% of Revenue		% of Revenue		**% of Change**
Revenue	**$11,065,186**		$6,009,395		**$5,055,791**	**84.1%**
Operating expenses						
Research and development	**$ 684,702**	**6.2%**	$ 359,828	6.0%	**$ 324,874**	**90.3%**
Selling, marketing and administration	**1,495,697**	**13.5%**	881,482	14.7%	**614,215**	**69.7%**
Amortization	**194,803**	**1.8%**	108,112	1.8%	**86,691**	**80.2%**
Total	**$ 2,375,202**	**21.5%**	$1,349,422	22.5%	**$1,025,780**	**76.0%**

Total operating expenses for fiscal 2009 as a percentage of revenue decreased by 1.0% to 21.5% of revenue compared to fiscal 2008.

Research and Development

Research and development expenditures increased by $324.9 million to $684.7 million, or 6.2% of revenue, in fiscal 2009, compared to $359.8 million, or 6.0% of revenue, in fiscal 2008. The majority of the increases during fiscal 2009 compared to fiscal 2008 were attributable to salaries and benefits due to an increase in the average headcount associated with research and development activities, new product development costs, travel and office and related staffing infrastructure costs.

Selling, Marketing and Administration Expenses

Selling, marketing and administration expenses increased by $614.2 million to $1.50 billion for fiscal 2009 compared to $881.5 million for the comparable period in fiscal 2008. As a percentage of revenue, selling, marketing and administration expenses decreased to 13.5% in fiscal 2009 compared to 14.7% in fiscal 2008. The net increase was primarily attributable to increased expenditures for marketing, advertising and promotion expenses including additional programs to support new product launches, salary and benefits expenses primarily as a result of increased personnel, external advisory fees, office and related staffing infrastructure costs and travel expenses.

Amortization Expense

The table below presents a comparison of amortization expense relating to capital assets and intangible assets recorded as amortization or cost of sales for fiscal 2009 compared to fiscal 2008. Intangible assets are comprised of patents, licenses and acquired technology.

	For the Fiscal Year Ended *(in thousands)*					
	Included in Amortization			**Included in Cost of sales**		
	February 28, 2009	March 1,2008	**Change**	**February 28, 2009**	March 1,2008	**Change**
Capital assets	**$ 119,209**	$ 87,800	**$31,409**	**$ 84,168**	$ 45,248	**$38,920**
Intangible assets	**75,594**	20,312	**55,282**	**48,925**	24,006	**24,919**
Total	**$ 194,803**	$ 108,112	**$86,691**	**$ 133,093**	$ 69,254	**$63,839**

Amortization

The increased amortization expense primarily reflects the impact of certain capital assets and intangible asset additions made during fiscal 2009.

Cost of sales

The increased amortization expense in fiscal 2009, related to the Company's manufacturing operations and BlackBerry service operations, primarily reflects the impact of amortization expense with respect to certain

intangible assets and capital asset additions made during fiscal 2009.

Investment Income

Investment income decreased by $1.1 million to $78.3 million in fiscal 2009 from $79.4 million in fiscal 2008. The decrease primarily reflects the decrease in yields due to lower interest rates when compared to the prior year, offset partially by an increase in the average cash and cash equivalents, short-term investments and long-term investments balances throughout fiscal 2009 when compared to the same period in the prior year and the gain on sale of investments in fiscal 2009.

Income Taxes

For fiscal 2009, the Company's income tax expense was $907.7 million, resulting in an effective tax rate of 32.4% compared to income tax expense of $516.7 million and an effective tax rate of 28.5% for the same period last year. The Company's effective tax rate reflects the geographic mix of income in jurisdictions with different tax rates. The Company's effective tax rate was approximately 3% higher than management's estimate of 29%-30% for the fiscal year primarily due to the significant depreciation of the Canadian dollar relative to the U.S. dollar in the third quarter of fiscal 2009 and its effect on the Company's U.S. dollar denominated assets and liabilities held by the Company's Canadian operating companies that are subject to tax in Canadian dollars. The incremental tax expense in fiscal 2009 resulting from the significant depreciation of the Canadian dollar relative to the U.S. dollar was $99.7 million resulting in an adjusted tax rate of 28.9%. The lower effective tax rate in fiscal 2008 was primarily due to the favorable impact of the depreciation of the U.S. dollar relative to the Canadian dollar.

As noted above, on March 12, 2009, subsequent to the Company's fiscal year end, the Government of Canada enacted legislation to allow the Company the option to determine its Canadian tax results based on its functional currency (the U.S. dollar) rather than the Canadian dollar. While the Company elected for Canadian tax purposes to adopt these rules in the third quarter of fiscal 2009, the Company could not recognize the related tax benefit of electing to adopt these rules for U.S. GAAP financial reporting purposes until the quarter in which they were enacted resulting in a $99.7 million higher provision for income taxes in fiscal 2009. As noted above, in the first quarter of fiscal 2010, the Company recorded an incremental, one time net benefit of approximately $145.0 million to net income relating to the adoption of the amending legislation.

Net Income

Net income was $1.89 billion in fiscal 2009, compared to net income of $1.29 billion in fiscal 2008. Basic EPS was $3.35 and diluted EPS was $3.30 in fiscal 2009 compared to $2.31 basic EPS and $2.26 diluted EPS, in fiscal 2008.

The $598.7 million increase in net income in fiscal 2009 reflects primarily an increase in gross margin in the amount of $2.02 billion, resulting primarily from the increased number of device shipments, which was partially offset by the decrease of consolidated gross margin percentage and an increase of $1.33 billion in the Company's research and development, selling, marketing and administration expenses and the Company's provision for income taxes, which included the negative impact of $99.7 million due to the significant

depreciation of the Canadian dollar relative to the U.S. dollar in the fiscal year. See "Income Taxes".

The weighted average number of shares outstanding was 565.1 million common shares for basic EPS and 574.2 million common shares for diluted EPS for the fiscal year ended February 28, 2009 compared to 559.8 million common shares for basic EPS and 572.8 million common shares for diluted EPS for the fiscal year ended March 1, 2008.

Stock Split

The Company declared a 3-for-1 stock split of the Company's outstanding common shares on June 28, 2007. The stock split was implemented by way of a stock dividend. Shareholders received two common shares of the Company for each common share held. The stock dividend was paid in the second quarter of fiscal 2008. All share, earnings per share and stock option data for the current fiscal year and prior comparative periods reflects this stock dividend.

Summary Results of Operations

Three months ended February 27, 2010 compared to the three months ended February 28, 2009

The following table sets forth certain unaudited consolidated statement of operations data, which is expressed in thousands of dollars, except for share and per share amounts and as a percentage of revenue, for the interim periods indicated.

	For the Three Months Ended				
	February 27, 2010		February 28, 2009		**Change Q4 Fiscal 2010/2009**
	(in thousands, except for per share amounts)				
Revenue	**$4,079,712**	**100.0%**	$3,463,193	100.0%	**$616,519**
Cost of sales	**2,216,622**	**54.3%**	2,079,615	60.0%	**137,007**
Gross margin	**1,863,090**	**45.7%**	1,383,578	40.0%	**479,512**
Operating expenses					
Research and development	**267,164**	**6.6%**	182,535	5.3%	**84,629**
Selling, marketing and administration	**497,642**	**12.2%**	406,493	11.7%	**91,149**
Amortization	**86,540**	**2.1%**	61,595	1.8%	**24,945**
	851,346	**20.9%**	650,623	18.8%	**200,723**
Income from operations	**1,011,744**	**24.8%**	732,955	21.2%	**278,789**
Investment income	**5,454**	**0.1%**	10,568	0.3%	**(5,114)**
Income before income taxes	**1,017,198**	**24.9%**	743,523	21.5%	**273,675**
Provision for income taxes	**307,076**	**7.5%**	225,264	6.5%	**81,812**
Net income	**$ 710,122**	**17.4%**	$ 518,259	15.0%	**$191,863**
Earnings per share					
Basic	**$ 1.27**		$ 0.92		**$ 0.35**
Diluted	**$ 1.27**		$ 0.90		**$ 0.37**
Weighted-average number of shares outstanding (000's)					
Basic	**557,114**		566,105		
Diluted	**561,130**		572,753		

Revenue

Revenue for the fourth quarter of fiscal 2010 was $4.08 billion, an increase of $616.5 million, or 17.8%, from $3.46 billion in the fourth quarter of fiscal 2009.

A comparative breakdown of the significant revenue streams is set forth in the following table:

	For the Three Months Ended					
	February 27, 2010		February 28, 2009		**Change Q4 Fiscal 2010/2009**	
Number of devices sold	**10,469,000**		7,780,000		**2,689,000**	**34.6%**
Average Selling Price	**$ 311**		$ 371		**$ (60)**	**(16.2%)**
Revenue *(in thousands)*						
Devices	**$ 3,254,401**	**79.8%**	$2,883,399	83.3%	**$ 371,002**	**12.9%**
Service	**640,517**	**15.7%**	415,223	12.0%	**225,294**	**54.3%**
Software	**68,590**	**1.7%**	58,756	1.7%	**9,834**	**16.7%**
Other	**116,204**	**2.8%**	105,815	3.0%	**10,389**	**9.8%**
	$ 4,079,712	**100.0%**	$3,463,193	100.0%	**$ 616,519**	**17.8%**

Device revenue increased by $371.0 million, or 12.9%, to $3.25 billion, or 79.8% of consolidated revenue, in the fourth quarter of fiscal 2010 compared to $2.88 billion, or 83.3%, of consolidated revenue in the fourth quarter of fiscal 2009. This increase in device revenue over the same period in the prior year was primarily attributable to a volume increase of approximately 2.7 million units, or 34.6%, to approximately 10.5 million devices in the fourth quarter of fiscal 2010 compared to approximately 7.8 million devices in the fourth quarter of fiscal 2009. ASP decreased to $311 in the fourth quarter of fiscal 2010 from $371 in the fourth quarter of fiscal 2009 reflecting the shift in mix of certain products shipped in the quarter and the expansion of the Company's focus into broader market segments. The Company currently expects ASP in the first quarter of fiscal 2011 to be slightly lower than the fourth quarter of fiscal 2010. ASP is dependent on a number of factors including projected future sales volumes, device mix, new device introductions for the Company's enterprise, prosumer and consumer offerings as well as pricing by competitors in the industry.

The Company estimates that a $10, or 3.2%, change in blended ASP would result in a quarterly revenue change of approximately $104.7 million, based upon the Company's volume of devices shipped in the fourth quarter of fiscal 2010.

Service revenue increased by $225.3 million, or 54.3%, to $640.5 million, or 15.7% of consolidated revenue in the fourth quarter of fiscal 2010, compared to $415.2 million, or 12.0% of consolidated revenue in the fourth quarter of fiscal 2009, reflecting the Company's increase in BlackBerry subscriber accounts since the fourth quarter of fiscal 2009. Net BlackBerry subscriber account additions were approximately 4.9 million for the fourth quarter of fiscal 2010 compared to approximately 3.9 million for the fourth quarter of fiscal 2009. The total BlackBerry subscriber account base at the end of the fourth quarter of fiscal 2010 was over 41 million subscribers compared to approximately 25 million subscribers at the end of the fourth quarter of fiscal 2009.

Software revenue increased $9.8 million, or 16.7%, to $68.6 million in the fourth quarter of fiscal 2010 from $58.8 million in the fourth quarter of fiscal 2009. The majority of the increase was attributable to technical support and other software revenues, partially offset by a decrease in CALs.

Other revenue increased by $10.4 million to $116.2 million in the fourth quarter of fiscal 2010 compared to $105.8 million in the fourth quarter of fiscal 2009. The majority of the increase was attributable to increases

in non-warranty repair and sales of accessories, partially offset by lower gains realized from revenue hedging instruments. See "Market Risk of Financial Instruments – Foreign Exchange" for additional information on the Company's hedging instruments.

Gross Margin

Consolidated gross margin increased by $479.5 million, or 34.7%, to $1.86 billion, or 45.7% of revenue, in the fourth quarter of fiscal 2010, compared to $1.38 billion, or 40.0% of revenue, in the fourth quarter of fiscal 2009. The increase of 5.7% in consolidated gross margin percentage was primarily due to an increase in the blended device margins driven by shifts in product mix and a lower percentage of revenue from device shipments which comprised 79.8% of total revenue mix in the fourth quarter of fiscal 2010 compared to 83.3% in the same period of fiscal 2009. As noted above, gross margin percentage for devices is generally lower than the Company's consolidated gross margin percentage.

The Company expects consolidated gross margin to be approximately 44.5% in the first quarter of fiscal 2011, based on the Company's current expectation for product mix, device ASP, current product costs and foreign exchange.

Operating Expenses

The table below presents a comparison of research and development, selling, marketing and administration, and amortization expenses for the quarter ended February 27, 2010, compared to the quarter ended November 28, 2009 and the quarter ended February 28, 2009. The Company believes that it is meaningful to also provide a comparison between the fourth quarter of fiscal 2010 and the third quarter of fiscal 2010 given that RIM's quarterly operating results vary substantially.

	For the Three Months Ended *(in thousands)*					
	February 27, 2010		November 28, 2009		February 28, 2009	
		% of Revenue		% of Revenue		% of Revenue
Revenue	**$4,079,712**		$3,924,310		$3,463,193	
Operating expenses						
Research and development	**$ 267,164**	**6.6%**	$ 242,329	6.2%	$ 182,535	5.3%
Selling, marketing and administration	**497,642**	**12.2%**	465,717	11.9%	406,493	11.7%
Amortization	**86,540**	**2.1%**	83,129	2.1%	61,595	1.8%
Total	**$ 851,346**	**20.9%**	$ 791,175	20.2%	$ 650,623	18.8%

Total operating expenses for the fourth quarter of fiscal 2010 as a percentage of revenue increased by 0.7% to 20.9% of revenues when compared to the third quarter of fiscal 2010.

Research and Development

Research and development expenditures increased by $84.7 million to $267.2 million, or 6.6% of revenue, in

the fourth quarter of fiscal 2010, compared to $182.5 million, or 5.3% of revenue, in the fourth quarter of fiscal 2009. The majority of the increases during the fourth quarter of fiscal 2010 compared to the fourth quarter of fiscal 2009 were attributable to salaries and benefits due to an increase in the average headcount associated with research and development activities, new product development costs and office and building infrastructure costs.

Selling, Marketing and Administration Expenses

Selling, marketing and administration expenses increased by $91.1 million to $497.6 million for the fourth quarter of fiscal 2010 compared to $406.5 million for the comparable period in fiscal 2009. As a percentage of revenue, selling, marketing and administration expenses increased to 12.2% in the fourth quarter of fiscal 2010 compared to 11.7% in the fourth quarter of fiscal 2009. The net increase was primarily attributable to increased expenditures for marketing, advertising and promotion, including additional programs to support new product launches, increased salary and benefits expenses primarily as a result of increased personnel, external advisory fees and information technology costs.

Amortization Expense

The table below presents a comparison of amortization expense relating to capital assets and intangible assets recorded as amortization or cost of sales for the quarter ended February 27, 2010 compared to the quarter ended February 28, 2009. Intangible assets are comprised of patents, licenses and acquired technology.

	For the Three Months Ended *(in thousands)*					
	Included in Amortization			**Included in Cost of sales**		
	February 27, 2010	February 28, 2009	**Change**	**February 27, 2010**	February 28, 2009	**Change**
Capital assets	**$ 53,340**	$ 36,662	**$16,678**	**$ 50,741**	$ 28,347	**$22,394**
Intangible assets	**33,200**	24,933	**8,267**	**43,574**	26,183	**17,391**
Total	**$ 86,540**	$ 61,595	**$24,945**	**$ 94,315**	$ 54,530	**$39,785**

Amortization

The increased amortization expense in the fourth quarter of fiscal 2010 primarily reflects the impact of certain capital assets and intangible asset additions made during fiscal 2010.

Cost of sales

The increased amortization expense in the fourth quarter of fiscal 2010, related to the Company's manufacturing operations and BlackBerry service operations, primarily reflects the impact of amortization expense with respect to certain intangible assets and capital asset additions made during fiscal 2010.

Investment Income

Investment income decreased by $5.1 million to $5.5 million in the fourth quarter of fiscal 2010 from $10.6 million in the fourth quarter of fiscal 2009. The decrease primarily reflects the decrease in yields on investments due to lower interest rates compared to the same period in fiscal 2009, offset partially by an increase in the Company's average cash and cash equivalents, short-term investments and long-term investments balances. See "Liquidity and Capital Resources".

Income Taxes

For the fourth quarter of fiscal 2010, the Company's income tax expense was $307.1 million, resulting in an effective tax rate of 30.2% compared to income tax expense of $225.3 million and an effective tax rate of 30.3% for the same period last year. The Company's effective tax rate reflects the geographic mix of income in jurisdictions with different tax rates.

Net Income

The Company's net income for the fourth quarter of fiscal 2010 was $710.1 million, an increase of $191.9 million, or 37.0%, compared to net income of $518.3 million in the fourth quarter of fiscal 2009. Basic EPS was $1.27 and diluted EPS was $1.27 in the fourth quarter of fiscal 2010 compared to $0.92 basic EPS and $0.90 diluted EPS in the fourth quarter of fiscal 2009, a 41.1% increase in diluted EPS when compared to fiscal 2009. The common shares repurchased by the Company in the third quarter of fiscal 2010 had an impact on the basic and diluted EPS amounts of $0.03 per share for the fourth quarter of fiscal 2010.

The increase in net income in the fourth quarter of fiscal 2010 in the amount of $191.9 million from the fourth quarter of fiscal 2009 primarily reflects an increase in gross margin in the amount of $479.5 million, resulting primarily from the increased number of device shipments and was partially offset by the decrease of consolidated gross margin percentage, as well as an increase of $200.7 million in operating expenses.

The weighted average number of shares outstanding was 557.1 million common shares for basic EPS and 561.1 million common shares for diluted EPS for the quarter ended February 27, 2010 compared to 566.1 million common shares for basic EPS and 572.8 million common shares for diluted EPS for the same period last fiscal year.

Selected Quarterly Financial Data

The following table sets forth RIM's unaudited quarterly consolidated results of operations data for each of the eight most recent quarters, including the quarter ended February 27, 2010. The information in the table below has been derived from RIM's unaudited interim consolidated financial statements that, in management's opinion, have been prepared on a basis consistent with the audited consolidated financial statements of the Company and include all adjustments necessary for a fair presentation of information when read in conjunction with the audited consolidated financial statements of the Company. RIM's quarterly operating results have varied substantially in the past and may vary substantially in the future. Accordingly, the information below is not necessarily indicative of results for any future quarter.

	Fiscal Year 2010				Fiscal Year 2009			
	Fourth Quarter	**Third Quarter**	**Second Quarter**	**First Quarter**	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
	(in thousands, except per share data)							
Revenue	**$4,079,712**	**$3,924,310**	**$3,525,692**	**$3,423,510**	$3,463,193	$2,782,098	$2,577,330	$2,242,565
Gross margin	**$1,863,090**	**$1,675,255**	**$1,554,396**	**$1,491,525**	$1,383,578	$1,269,506	$1,306,857	$1,137,357
Operating expenses (1) (2)	**851,346**	**791,175**	**902,411**	**801,464**	650,623	629,035	604,624	490,920
Investment income	**(5,454)**	**(6,425)**	**(7,625)**	**(9,136)**	(10,568)	(31,554)	(17,168)	(18,977)
Income before income taxes	**1,017,198**	**890,505**	**659,610**	**699,197**	743,523	672,025	719,401	665,414
Provision for income taxes (1) (3)	**307,076**	**262,134**	**183,989**	**56,167**	225,264	275,729	223,855	182,899
Net income	**$ 710,122**	**$ 628,371**	**$ 475,621**	**$ 643,030**	$ 518,259	$ 396,296	$ 495,546	$ 482,515
Earnings per share								
Basic	**$ 1.27**	**$ 1.11**	**$ 0.84**	**$ 1.13**	$ 0.92	$ 0.70	$ 0.88	$ 0.86
Diluted	**$ 1.27**	**$ 1.10**	**$ 0.83**	**$ 1.12**	$ 0.90	$ 0.69	$ 0.86	$ 0.84
Research and development	**$ 267,164**	**$ 242,329**	**$ 235,571**	**$ 219,777**	$ 182,535	$ 193,044	$ 181,347	$ 127,776
Selling, marketing and administration (1)	**497,642**	**465,717**	**429,748**	**514,291**	406,493	382,968	379,644	326,592
Amortization	**86,540**	**83,129**	**73,292**	**67,396**	61,595	53,023	43,633	36,552
Litigation (2)	**—**	**—**	**163,800**	**—**	—	—	—	—
Operating expenses	**$ 851,346**	**$ 791,175**	**$ 902,411**	**$ 801,464**	$ 650,623	$ 629,035	$ 604,624	$ 490,920

Notes:

(1) Selling, marketing and administration in the first quarter of fiscal 2010 included unusual charges of $96.4 million and provision for income taxes includes a benefit of $175.1 million. These items related to a charge for the payment on account of certain employee tax liabilities related to certain previously exercised stock options with measurement date issues that were exercised during certain time periods and the foreign exchange impact of the enactment of functional currency tax legislation in Canada. See "Non-GAAP Financial Measures".

(2) In the second quarter of fiscal 2010, the Company settled the Visto Litigation. The key terms of the settlement involved the Company receiving a perpetual and fully-paid license on all Visto patents, a transfer of certain Visto intellectual property, a one-time payment by the Company of $267.5 million and the parties executing full and final releases in respect of the Visto Litigation. Of the total payment by the Company, $163.8 million was expensed as a litigation charge in the second quarter of fiscal 2010. The remainder of the payment was recorded as intangible assets. See "Non-GAAP Financial Measures".

(3) Provision for income taxes included the negative impact of fluctuations of the Canadian dollar relative to the U.S. dollar in the third quarter of fiscal 2009 of approximately $103.2 million.

Non-GAAP Financial Measures

The Company's financial statements are prepared in accordance with U.S. GAAP on a basis consistent for all periods presented. In this MD&A, the Company has presented the following "non-GAAP financial measures": adjusted net income and adjusted diluted earnings per share. The term "non-GAAP financial measure" is used to refer to a numerical measure of a company's historical or future financial performance, financial position or cash flows that: (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with U.S. GAAP in a company's statement of income, balance sheet or statement of cash flows; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Adjusted net income and adjusted diluted earnings per share are non-GAAP financial measures that exclude the impact of the charge for the payment of the settlement of the Visto Litigation in the second quarter of fiscal 2010, and the impacts of the benefit relating to the enactment of functional currency tax reporting legislation by the Government of Canada and the charge for the payment on account of certain employee tax liabilities related to certain previously exercised stock options with measurement date issues that were exercised during certain time periods in the first quarter of fiscal 2010. This section of the MD&A describes the Company's use of such non-GAAP financial measures.

In the second quarter of fiscal 2010, the Company entered into a definitive agreement to settle the Visto Litigation with Visto. The key terms of the settlement involved the Company receiving a perpetual and fully-paid license on all Visto patents, a transfer of certain Visto intellectual property, a one-time payment by the Company of $267.5 million and the parties executing full and final releases in respect of all outstanding worldwide litigation. Of the total payment by the Company, $163.8 million ($112.8 million net of tax) was expensed as a litigation charge in the second quarter of fiscal 2010. The remainder of the payment was recorded as intangible assets. The settlement was completed on July 23, 2009.

The Company reported an income tax provision for fiscal 2009 that was higher than previously forecasted, the majority of the incremental portion of which was reversed in the first quarter of fiscal 2010. The fiscal 2009 income tax provision reflects an effective tax rate that is significantly higher than the Company's historical effective tax rate due to the significant depreciation of the Canadian dollar relative to the U.S. dollar and its effect on the Company's U.S. dollar denominated assets and liabilities held by RIM's Canadian operating companies that are subject to tax in Canadian dollars. The majority of this effect was experienced in the third quarter of fiscal 2009. As described in greater detail under "Results of Operations — Income Taxes" for fiscal year end February 27, 2010, on March 12, 2009 changes to the *Income Tax Act* (Canada) that allow RIM to calculate its fiscal 2009 Canadian income tax expense based on the U.S. dollar (the Company's functional currency) were enacted. Although the Company elected for Canadian income tax purposes to adopt these rules in the third quarter of fiscal 2009, the Company could not recognize the related income tax reduction of electing to adopt these rules for U.S. GAAP financial reporting purposes until the quarter in which they are enacted, resulting in a higher provision in fiscal 2009. In the first quarter of fiscal 2010, the Company recorded an incremental income tax benefit of approximately $145.0 million to net income relating to the enactment of rules making the election effective to determine its Canadian income tax based on its functional currency. As result of the enactment of the rules and the Company's election to determine its Canadian income tax based on its functional currency, future volatility in the Company's effective tax rate due to changes in foreign exchange rates should be reduced.

In the first quarter of fiscal 2010, the Company recorded an expense of $54.3 million ($37.4 million net of tax) primarily relating to the reversal of foreign exchange gains previously recorded in fiscal 2009 on the revaluation of Canadian dollar denominated tax liability balances. See "Results of Operations – Selling, Marketing and Administration Expenses" for fiscal year end February 27, 2010.

Also, in the first quarter of fiscal 2010, there was a charge of approximately $42.1 million ($29.0 million net of tax) for the payment on account of certain employee tax liabilities related to certain previously-exercised stock options with measurement date issues that were exercised during certain time periods. The Company's Board of Directors approved the payment on account of certain incremental personal tax liabilities of certain employees, excluding RIM's Co-CEOs, related to the exercise of certain stock options issued by the Company. See "Results of Operations – Selling, Marketing and Administration Expenses" for fiscal year end February 27, 2010.

Investors are cautioned that adjusted net income and adjusted diluted earnings per share do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similarly titled measures reported by other issuers. These non-GAAP financial measures should be considered in the context of the Company's U.S. GAAP results.

There were no adjustments to U.S. GAAP net income in the third and fourth quarters of fiscal 2010.

The following table provides a reconciliation of net income to adjusted net income and diluted earnings per share to adjusted diluted earnings per share for the fiscal year ended February 27, 2010:

	For the Fiscal Year Ended	
	February 27, 2010	February 28, 2009
Net income	**$ 2,457,144**	$ 1,892,616
Visto Litigation (net of tax)	**112,809**	—
Foreign exchange impact on the enactment of functional currency tax rules (net of tax)	**37,396**	—
Provision for employee tax obligations for stock options (net of tax)	**28,952**	—
Tax benefit recorded on enactment of functional currency tax rules	**(145,000)**	—
Foreign exchange impact on Canadian income taxes	**—**	99,700
Adjusted net income	**$ 2,491,301**	$ 1,992,316
Diluted earnings per share	**$ 4.31**	$ 3.30
Adjusted diluted earnings per share	**$ 4.37**	$ 3.47

Financial Condition

Liquidity and Capital Resources

Cash and cash equivalents, short-term investments and long-term investments increased by $630.9 million to $2.87 billion as at February 27, 2010 from $2.24 billion as at February 28, 2009. The majority of the

Company's cash and cash equivalents, short-term investments and long-term investments are denominated in U.S. dollars as at February 27, 2010.

A comparative summary of cash and cash equivalents, short-term investments and long-term investments is set out below:

	As at *(in thousands)*		
	February 27, 2010	February 28, 2009	**Change**
Cash and cash equivalents	**$ 1,550,861**	$ 835,546	**$ 715,315**
Short-term investments	**360,614**	682,666	**(322,052)**
Long-term investments	**958,248**	720,635	**237,613**
Cash and cash equivalents, short-term investments and long-term investments	**$ 2,869,723**	$ 2,238,847	**$ 630,876**

The increase in cash and cash equivalents, short-term investments and long-term investments is primarily due to net cash flows provided from operating activities partially offset by net cash flow used in investing activities and financing activities as set out below:

	For the Fiscal Year Ended *(in thousands)*	
	February 27, 2010	February 28, 2009
Net cash flows provided by (used in):		
Operating activities	**$ 3,034,874**	$ 1,451,845
Investing activities	**(1,470,127)**	(1,823,523)
Financing activities	**(843,381)**	25,367
Effect of foreign exchange gain on cash and cash equivalents	**(6,051)**	(2,541)
Net increase (decrease) in cash and cash equivalents	**$ 715,315**	$ (348,852)

Cash flows for the fiscal year ended February 27, 2010

Operating Activities

Cash flow provided by operating activities was $3.03 billion for fiscal 2010 reflecting higher net income compared to fiscal 2009, offset by lower net changes in working capital in fiscal 2010 compared to fiscal 2009.

The table below summarizes the current assets, current liabilities, working capital and certain working capital items of the Company:

	As at *(in thousands)*		
	February 27, 2010	February 28, 2009	**Change**
Current assets	**$ 5,812,656**	$ 4,841,586	**$971,070**
Current liabilities	**2,431,777**	2,115,351	**316,426**
Working capital	**$ 3,380,879**	$ 2,726,235	**$654,644**

The increase in current assets of $971.1 million at the end of fiscal 2010 from the end of fiscal 2009 was primarily due to an increase in accounts receivables of $481.6 million and cash, cash equivalents and short term investments of $393.3 million. At the end of fiscal 2010, accounts receivables were approximately $2.59 billion, an increase of $481.6 million from the end of fiscal 2009 due to increased sales and customer mix. Days sales outstanding increased to 58 days in the fourth quarter of fiscal 2010 from 56 days at the end of fiscal 2009, primarily due to geographic and customer mix of sales in the quarter.

The increase in current liabilities of $316.4 million at the end of fiscal 2010 from the end of fiscal 2009 was primarily due to increases in accrued liabilities and accounts payable, partially offset by a reduction in income taxes payable. As at February 27, 2010, accrued liabilities were approximately $1.64 billion, an increase of $400.0 million from the end of fiscal 2009 primarily due to vendor inventory liabilities. The increase of accounts payable of $167.3 million from the end of fiscal 2009 was due primarily to the timing of payments during the fourth quarter of fiscal 2010. The decrease in income taxes payable as at February 27, 2010 of $265.8 million compared to the end of fiscal 2009 was partially due to the Government of Canada enacting changes to its income tax legislation in the first quarter of fiscal 2010 enabling the Company the option to elect, on an annual basis, to determine its Canadian income tax results on its functional currency (the U.S. dollar) rather than the Canadian dollar. The remaining decrease in income taxes payable as at February 27, 2010 was a function of the payment of the Company's fiscal 2009 income tax liabilities in fiscal 2010 and the timing of the Company's fiscal 2010 income tax installment payments relative to its current income tax expense for fiscal 2010.

Investing Activities

During the fiscal year ended February 27, 2010, cash flow used in investing activities was $1.47 billion and included capital asset additions of $1.01 billion, intangible asset additions of $421.4 million and business acquisitions of $143.4 million, offset by cash flow provided by transactions involving the proceeds on sale or maturity of short-term investments and long-term investments, net of the costs of acquisitions in the amount of $104.1 million. For the same period of the prior fiscal year, cash flow used in investing activities was $1.82 billion and included capital asset additions of $833.5 million, intangible asset additions of $687.9 million, business acquisitions of $48.4 million as well as transactions involving the proceeds on sale or maturity of short-term investments and long-term investments, net of the costs of acquisitions in the amount of $253.7 million.

The increase in capital asset spending was primarily due to increased investment in buildings, renovations to existing facilities, expansion and enhancement of the BlackBerry infrastructure and computer equipment purchases. Investments in intangible assets in fiscal 2010 was primarily associated with the settlement of the Visto Litigation, see "Results of Operations – Litigation" for the fiscal year ended February 27, 2010 and agreements with third parties for use of intellectual property. Business acquisitions in fiscal 2010 related to the purchases of Certicom Corp. and Torch Mobile Inc., the purchase of a company whose proprietary software will be incorporated into the Company's software and the purchase of certain assets of a company that will be used in next generation wireless technologies.

Financing Activities

Cash flow used in financing activities was $843.4 million for fiscal 2010 and was primarily attributable to the Common Share Repurchase Program described above in the amount of $775.0 million, purchases of common shares on the open market by a trustee selected by the Company in connection with its Restricted Share Unit Plan, which are classified on the balance sheet for accounting purposes as Treasury Shares in the amount of $94.5 million, the repayment of debt acquired through acquisitions in the amount of $6.1 million, offset partially by the proceeds from the exercise of stock options in the amount of $30.2 million and tax benefits from the exercise of stock options. Cash flow provided by financing activities was $25.4 million for fiscal 2009 and was primarily provided by the proceeds from the exercise of stock options and tax benefits from the exercise of stock options, offset in part by repayment of the long-term debt.

In the third quarter of fiscal 2010 the Company repurchased 12.3 million common shares at a cost of $775.0 million pursuant to the Common Share Repurchase Program. The amounts paid in excess of the per share paid-in capital of the common shares of $728.5 million in the third quarter of fiscal 2010 were charged to retained earnings.

Auction Rate Securities

Auction rate securities are debt instruments with long-term nominal maturity dates for which the interest rates are reset through a dutch auction process, typically every 7, 28 or 35 days. Interest is paid at the end of each auction period, and the auction normally serves as the mechanism for securities holders to sell their existing positions to interested buyers. As at February 27, 2010, the Company held $40.5 million in face value of investment grade auction rate securities which are experiencing failed auctions as a result of more sell orders than buy orders, and these auctions have not yet returned to normal operations. The interest rate for these securities has been set at the maximum rate specified in the program documents and interest continues to be paid every 28 days as scheduled. As a result of the lack of continuing liquidity in these securities, the Company has adjusted the reported value to reflect an unrealized loss of $7.7 million, which the Company considers temporary and is reflected in accumulated other comprehensive income (loss). In valuing these securities, the Company used a multi-year investment horizon and considered the underlying risk of the securities and the current market interest rate environment. The Company has the ability and intent to hold these securities until such time that market liquidity returns to normal levels, and does not consider the principal or interest amounts on these securities to be materially at risk at this time. As there is uncertainty as to when market liquidity for auction rate securities will return to normal, the Company has classified the auction rate securities as long-term investments on the balance sheet. As at February 27, 2010, the Company does not consider these investments to be other-than-temporarily impaired.

Structured Investment Vehicle

A Structured Investment Vehicle ("SIV") is a fund that seeks to generate investment returns by purchasing high grade long-term fixed income instruments and funding those purchases by issuing short-term debt instruments. Beginning in late 2008, widespread illiquidity in the market has prevented many SIVs, including those held by the Company from accessing necessary funding for ongoing operations. In fiscal 2008, the Company's SIV holdings were placed with an enforcement manager to be restructured or sold at the election of each senior note holder.

In the first nine months of fiscal 2010, the Company received a total of $2.4 million in principal payments from the SIV holdings. In the third quarter of fiscal 2010, the Company elected to participate in the restructuring of the securities and received a pro-rata distribution of proceeds from the income and principal payments on the assets underlying the securities.

As at February 27, 2010, the Company held $21.3 million face value of assets received in the pro-rata distribution of proceeds. During fiscal 2010, the Company received a total of $3.6 million in principal and interest payments from the SIV and the assets received subsequent to distribution.

In determining the value for these assets, the Company has considered available evidence including changes in general market conditions, the length of time and the extent to which the fair values have been less than cost, the financial condition, the near-term prospects of the individual assets and the Company's intent and ability to hold the assets.

During fiscal 2010, the Company did not record any other-than-temporary impairment charges associated with these investments. In fiscal 2008, the Company recorded an-other-than-temporary impairment charge of $3.8 million on these securities. The Company has classified these securities as long-term investments.

Other

Since March 1, 2005, the Company has maintained an investment account with Lehman Brothers International (Europe) ("LBIE"). As of September 30, 2008, the date of the last account statement received by the Company, the Company held in the account $81.1 million in combined cash and aggregate principal amount of fixed-income securities issued by third parties unrelated to LBIE or any other affiliate of Lehman Brothers Holdings Inc ("LBHI"). The face value, including accrued interest, as at February 27, 2010 is $84.8 million. Due to the insolvency proceedings instituted by LBHI and its affiliates, including LBIE, commencing on September 15, 2008, the Company's regular access to information regarding the account has been disrupted. Following the appointment of the Administrators to LBIE the Company has asserted a trust claim in specie (the "Trust Claim") over the assets held for it by LBIE for the return of those assets in accordance with the insolvency procedure in the United Kingdom. In the first quarter of fiscal 2010, the Company received a Letter of Return (the "Letter") from the Administrators of LBIE relating to the Trust Claim. The Letter noted that, based on the work performed to date, the Administrators had identified certain assets belonging to the Company within the records of LBIE and that they are continuing to investigate the records for the remaining assets included in the Trust Claim: an additional asset was identified as belonging to the Company in the fourth quarter of fiscal 2010. In the fourth quarter of fiscal 2010, the Company signed the 'Form of Acceptance' and 'Claim Resolution Agreement', which are the necessary steps to have the identified assets returned. The Company continues to work with the Administrators to identify the remaining assets not

specifically identified, along with the interest paid on these assets since LBIE began its administration proceedings. The Company will continue to take all actions it deems appropriate to defend its rights to these holdings and as a result, no impairment has been recognized against these holdings in fiscal 2010.

Aggregate Contractual Obligations

The following table sets out aggregate information about the Company's contractual obligations and the periods in which payments are due as at February 27, 2010:

	(in thousands)				
	Total	Less than One Year	One to Three Years	Four to Five Years	Greater than Five Years
Operating lease obligations	**$ 208,386**	$ 37,005	$ 59,817	$ 47,933	$ 63,631
Purchase obligations and commitments	**4,455,439**	4,455,439	—	—	—
Total	**$4,663,825**	$4,492,444	$ 59,817	$ 47,933	$ 63,631

Purchase obligations and commitments amounted to approximately $4.46 billion as of February 27, 2010, with purchase orders with contract manufacturers representing approximately $3.82 billion of the total. The Company also has commitments on account of capital expenditures of approximately $244.8 million included in this total, primarily for manufacturing, facilities and information technology, including service operations. The remaining balance consists of purchase orders or contracts with suppliers of raw materials, as well as other goods and services utilized in the operations of the Company. The expected timing of payment of these purchase obligations and commitments is estimated based upon current information. The timing of payments and actual amounts paid may be different depending upon the time of receipt of goods and services, changes to agreed-upon amounts for some obligations or payment terms.

The Company has obligations payable in the first quarter of fiscal 2011 of approximately $135 million for the payment of income taxes related to fiscal 2010. The Company paid approximately $290 million in the first quarter of fiscal 2010 for income taxes related to fiscal 2009. The amounts have been included as current liabilities in income taxes payable as of February 27, 2010 and February 28, 2009 respectively, and the Company intends to fund its fiscal 2010 tax obligations from existing financial resources and cash flows.

The Company has not paid any cash dividends in the last three fiscal years.

Cash and cash equivalents, short-term investments and long-term investments were $2.87 billion as at February 27, 2010. The Company believes its financial resources, together with expected future income, are sufficient to meet funding requirements for current financial commitments, for future operating and capital expenditures not yet committed, and also provide the necessary financial capacity to meet current and future growth expectations.

The Company has $150.0 million in unsecured demand credit facilities (the "Facilities") to support and secure operating and financing requirements. As at February 27, 2010, the Company has utilized $6.9 million of the Facilities for outstanding letters of credit, and $143.1 million of the Facilities are unused.

The Company does not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K under the Securities Exchange Act of 1934 (the "U.S. Exchange Act") and under applicable

Canadian securities laws.

Legal Proceedings

The Company is involved in litigation in the normal course of its business, both as a defendant and as a plaintiff. The Company may be subject to claims (including claims related to patent infringement, purported class actions and derivative actions) either directly or through indemnities against these claims that it provides to certain of its partners. In particular, the industry in which the Company competes has many participants that own, or claim to own, intellectual property, including participants that have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by the Company in its products. The Company has received, and may receive in the future, assertions and claims from third parties that the Company's products infringe on their patents or other intellectual property rights. Litigation has been and will likely continue to be necessary to determine the scope, enforceability and validity of third-party proprietary rights or to establish the Company's proprietary rights. Regardless of whether claims that the Company is infringing patents or other intellectual property rights have any merit, those claims could be time-consuming to evaluate and defend, result in costly litigation, divert management's attention and resources, subject the Company to significant liabilities and could have the other effects that are described in greater detail under "Risk Factors — Risks Related to Intellectual Property" in RIM's Annual Information Form, which is included in RIM's Annual Report on Form 40-F. Additional lawsuits and claims, including purported class actions and derivative actions, may also be filed or made based upon the Company's historical stock option granting practices.

Management reviews all of the relevant facts for each claim and applies judgment in evaluating the likelihood and, if applicable, the amount of any potential loss. Where it is considered likely for a material exposure to result and where the amount of the claim is quantifiable, provisions for loss are made based on management's assessment of the likely outcome. The Company does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of the loss cannot be reasonably estimated. Any settlements or awards under such claims are provided for when reasonably determinable.

By letter dated February 3, 2005 (the "Letter"), TMO-DG delivered to RIM-UK a notice of a claim for indemnity in relation to litigation in Düsseldorf, Germany in which the plaintiff, Inpro, brought action against TMO-DG (the "Litigation") for infringement of European Patent EP0892947B1 (the "Patent"). The Company joined the Litigation as an intervening party in support of the defendant TMO-DG. The Company also filed an invalidity action in the patent court in Munich Germany. On January 27, 2006, the Munich court declared the Patent invalid. Inpro had appealed the Munich court's decision. On March 21, 2006, the Düsseldorf court stayed the infringement action until a final decision on validity has been made. The Federal Supreme Court held an oral hearing on March 18, 2010 and subsequently determined that the Inpro Patent is invalid in Germany. Accordingly, no amount has been recorded in the Consolidated Financial Statements.

The Company was party to numerous litigations with Visto Corporation ("Visto") in multiple jurisdictions. On July 15, 2009, the Company entered into a definitive agreement to settle all outstanding worldwide litigation with Visto ("Visto Litigations"). On July 23, 2009, the Company settled the Visto Litigations. The key terms of the settlement involved the Company receiving a perpetual and fully-paid license on all Visto patents, a transfer of certain Visto intellectual property, a one-time payment by the Company of $267.5 million and the parties executing full and final releases in respect of the Visto Litigation. Of the total payment by the Company, $163.8 million was expensed as a litigation charge in the second quarter of fiscal 2010. The remainder of the payment was recorded as intangible assets.

On June 6, 2007, Minerva Industries ("Minerva") filed a complaint in the Marshall District Court against the Company alleging infringement of U.S. Patent No. 6,681,120 ("'120") and seeking an injunction and monetary damages. On January 22, 2008, Minerva filed a second complaint in the Marshall District Court against the Company alleging infringement of U.S. Patent No. 7,321,783 ("'783") and seeking an injunction and monetary damages. RIM answered the first Complaint on January 28, 2008 and the second Complaint on March 14, 2008. On December 1, 2008, RIM's motion to consolidate the two cases was granted. On February 3, 2010, the Court determined that the asserted claims of the '120 patent and one independent claim of the '783 patent were invalid. As a result, only some claims of the '783 patent remain in the case. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to this litigation is not determinable. Accordingly, no amount has been recorded in the Consolidated Financial Statements as at February 27, 2010.

On February 16, 2008, the Company filed a complaint in the Dallas District Court against Motorola alleging breach of contract, antitrust violations, patent infringement of U.S. Patent No. 5,664,055; 5,699,485; 6,278,442; 6,452,588; 6,489,950; 6,611,254, 6,661,255; 6,919,879 and 7,227,536 and seeking a declaratory judgment of non-infringement and invalidity against Motorola U.S. Patent Nos. 5,359,317; 5,074,684; 5,764,899; 5,771,353; 5,958,006; 5,706,211 and 6,101,531. On February 21, 2008, RIM filed a second complaint in the Dallas District Court seeking a declaratory judgment of non-infringement and invalidity of Motorola U.S. Patent No. 5,157,391; 5,394,140; 5,612,682 and 5,974,447. On April 10, 2008, Motorola filed a motion to dismiss RIM's antitrust and contract claims or, in the alternative, to bifurcate and stay RIM's antitrust and contract claims until the resolution of the co-pending patent claims. Motorola also asked the Court to dismiss, stay and or transfer to the Eastern District ("ED") of Texas RIM's declaratory judgment claims against Motorola's patents. Pleadings on this motion closed on June 2, 2008. On September 19, 2008, the previously transferred case from the District of Delaware, described below, was consolidated with this case. On December 11, 2008, Motorola's motion to dismiss, stay and/or transfer the proceedings was denied in full. On January 9, 2009, Motorola filed its answer to RIM's complaint including three new counterclaims for infringement of U.S. Patent Nos. 6,252,515, 5,189,389 and 5,953,413. On March 10, 2009, TIP Communications, LLC, a wholly-owned indirect subsidiary of the Company, filed a complaint against Motorola in the Dallas District Court for infringement of U.S. Patent No. 5,956,329. On June 15, 2009, the Court granted RIM's motion to stay this case as to the patents that are currently in re-examination in the United States Patent & Trademark Office. On October 14, 2009, Motorola added three new counterclaims for infringement of U.S. Patent Nos. 5,430,436; 6,807,317 and 6,636,223. On November 9, 2009, the Court entered an order staying each of the actions and ordering mediation. On January 29, 2010, Motorola filed a motion to re-open the pending lawsuits and lift the stay that is pending before the Court. On March 23, 2010 the Dallas District entered the stay on the four patents transferred from Illinois and pending in the ITC (i.e., U.S. Patent Nos. 5,319,712; 6,232,970; 6,272,333 and 5,569,550). On March 31, 2010 the case was re-assigned to another Judge for coordination with the other pending Dallas District Court cases and the file was closed. Proceedings are currently pending. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to this litigation (or any related litigation) is not determinable. Accordingly, no amount has been recorded in the Consolidated Financial Statements as at February 27, 2010.

On February 16, 2008, Motorola filed a complaint against the Company in the Marshall District Court alleging infringement of U.S. Patent Nos. 5,157,391; 5,359,317; 5,394,140; 5,612,682; 5,764,899; 5,771,353 and 5,974,447. On February 20, 2008, Motorola filed an amended complaint adding U.S. Patent Nos. 5,074,684; 5,706,211; 5,958,006 and 6,101,531 to the complaint. On March 31, 2008, RIM filed a motion to transfer Motorola's ED of Texas case involving Motorola's patents to the Dallas District Court. On October 17, 2008, the Court granted RIM's motion to transfer this case to the Dallas District Court. This portion of the Motorola litigation is now closed.

On February 16, 2008, Motorola filed another complaint in the District of Delaware against the Company seeking a declaratory judgment of non-infringement and invalidity related to U.S. Patent No. 5,664,055 and 5,699,485 assigned to RIM as well as U.S. Patent No. 6,611,254, 6,661,255 and 6,919,879. On February 20, 2008, the complaint was amended to include RIM's U.S. Patent No. 6,278,442; 6,452,588; 6,489,950 and 7,227,536. On March 31, 2008, RIM filed a motion to transfer Motorola's District of Delaware case involving RIM's patents to the Dallas District Court. On April 10, 2008, RIM filed its answer and counterclaims to Motorola's amended complaint. Motorola filed its reply to RIM's counterclaims on April 30, 2008. On August 26, 2008, the Court granted RIM's motion to transfer this case to the Dallas District Court. This portion of the Motorola litigation is now closed.

On January 6, 2009, Motorola filed a complaint in the United Kingdom against the Company for infringement of European patents EP (UK) 0 818 009 (the "'009 patent"), EP (UK) 0 378 775 (the "'775 patent"), EP (UK) 0 551 289 (the "'289 patent"), and EP (UK) 0 932 320 (the "'320 patent"). Motorola's claim was filed as a counterclaim in response to the Company's filing of a declaratory judgment seeking to invalidate Motorola's '009 patent. A case management conference was held on January 12, 2009 at which the judge set a hearing date for on or about January 11, 2010 for the '009 patent and the '320 patent, both of which are Motorola system patents, and another hearing date for on or about March 1, 2010 (subsequently changed to November 15, 2010) for the '775 patent and the '289 patent, both of which are Motorola handset patents. On January 13, 2010, the Motorola system patents case went to trial and on February 3, 2010, the Court found one of the two patents-in-suit invalid and not infringed. Motorola subsequently surrendered the second patent-in-suit thereby completing the Motorola system patents portion of the lawsuit. For the handset patents-in-suit proceedings are currently pending.

A case management conference was held on March 20, 2009, in relation to the case filed in the United Kingdom by TIP Communications, LLC, a wholly-owned indirect subsidiary of the Company, for infringement of EP (UK) 0 742 989. A second case management conference was held on April 8, 2009. The Judge had set and then subsequently changed the trial date to begin on June 14, 2010.

On March 10, 2009, TIP Communications, LLC filed a lawsuit in the Northern District of Texas against Motorola for infringement of U.S. Patent No. 5,956,329.

On January 22, 2010, Motorola filed a lawsuit against the Company in the United States District Court for the Northern District of Illinois alleging infringement of U.S. Patent Nos. 5,319,712; 6,232,970; 6,272,333 and 5,569,550. On February 10, 2010, RIM filed a motion to transfer Motorola's Northern District of Illinois case involving Motorola's patents to the Dallas District Court. On February 25, 2010, RIM filed a motion to stay the proceedings in the Northern District of Illinois pending the outcome of the ITC proceedings. On March 8, 2010, the Court granted RIM's motion to stay this case and transferred the case to the Dallas District Court. This portion of the Motorola litigation is now closed.

On January 22, 2010, Motorola filed a complaint with the U.S. International Trade Commission ("ITC") against the Company alleging infringement of U.S. Patent Nos. 5,359,317; 5,319,712; 6,232,970; 6,272,333 and 5,569,550. On February 18, 2010, the ITC sent a Notice of Investigation, which was published in the Federal Register on February 24, 2010. On March 1, 2010, the Administrative Law Judge ("ALJ") set a trial date of November 29 through December 9, 2010 and a target date for completion of the investigation by the ITC of June 24, 2011. The date set for the issuance of the Initial Determination is February 24, 2011. Proceedings are still pending.

On March 7, 2008, FlashPoint Technology Inc. ("FlashPoint") filed a patent infringement lawsuit against the Company and 14 other parties in the District of Delaware. The patents-in-suit include U.S. Patent Nos. 6,118,480, 6,177,956, 6,222,538, 6,223,190 (the "'190 Patent"), 6,249,316, 6,486,914 and 6,504,575. These patents are generally directed to digital camera and imaging technologies. On May 31, 2008, FlashPoint dismissed its complaint as to 6 of the 7 patents-in-suit, leaving only the '190 Patent in the litigation against RIM. On February 6, 2009, FlashPoint filed an amended complaint adding U.S. Patent Nos. 5,903,309, 6,278,447 (the "'447 Patent") and 6,400,471 (the "'471 Patent"). Only the '447 Patent and the '471 Patent have been asserted against RIM. The complaint seeks an injunction and monetary damages. On December 17, 2009, the Court stayed the entire litigation pending completion of all re-examinations of the patents-in-suit.

On May 20, 2008, the Company filed a lawsuit in Italy against IPCom GmbH ("IPCom") for declaratory judgment of invalidity of several IPCom patents. On May 21, 2008, the Company filed a lawsuit in the U.K. against IPCom for declaratory judgment of invalidity of several claimed standards-essential IPCom patents. On May 27, 2008, the Company filed a lawsuit in the U.S. District Court for the Northern District of Texas against IPCom for declaratory judgment of non-infringement and invalidity of several IPCom patents. On May 23, 2008, IPCom filed suit against the Company for infringement of four claimed standards essential German and European patents in the Hamburg, Germany court. On August 8, 2008, the parties agreed to withdraw and terminate their respective European actions.

On June 20, 2008, St. Clair Intellectual Property Consultants, Inc. filed a patent infringement lawsuit against the Company and other defendants in the District of Delaware. The patents-in-suit include U.S. Patent Nos. 5,138,459, 6,094,219, 6,233,010 and 6,323,899. These patents are generally directed to image processing in digital cameras. The court has set a trial date for September 7, 2010. The complaint seeks an injunction and monetary damages. Proceedings are ongoing.

On October 31, 2008, Mformation Technologies, Inc. filed a patent infringement lawsuit against the Company in the Northern District of California. The patents-in-suit include U.S. Patent Nos. 6,970,917 and 7,343,408. These patents are generally directed to remote device management functionality. The complaint seeks an injunction and monetary damages. On February 26, 2010, the Court issued a claim construction order. No trial date has been set. Proceedings are ongoing.

On November 17, 2008, Spansion, Inc. and Spansion LLC ("Spansion") filed a complaint with the U.S. ITC against Samsung Electronics Co., Ltd. and other related Samsung companies (collectively "Samsung") and other proposed respondents, including the Company, who purchase flash memory chips from Samsung, alleging infringement of U.S. Patent Nos. 6,380,029; 6,080,639; 6,376,877 and 5,715,194. The ALJ has set a trial date of May 3, 2010 and a target date for completion of the investigation by the ITC of January 18, 2011. Proceedings are ongoing.

On November 20, 2008, the Company filed a lawsuit for declaratory judgment of non-infringement, invalidity and unenforceability against four Eastman Kodak ("Kodak") patents in the Dallas District Court. The patents-in-suit include U.S. Patent Nos. 5,493,335, 6,292,218 ("the '218 Patent") and 6,600,510 which are generally directed to digital camera technologies and U.S. Patent No. 5,226,161 which is directed to data sharing in applications. Kodak counterclaimed for infringement of these same patents seeking an injunction and monetary damages. The trial is scheduled for December, 2010. On January 14, 2010, Kodak filed a complaint with the ITC against the Company, and Apple Inc. alleging infringement of the '218 Patent. The ALJ has set a trial date of September 1, 2010 and a target date for completion of the investigation by the ITC of May 23, 2011. Proceedings are ongoing.

On December 29, 2008, Prism Technologies, LLC ("Prism") filed a complaint against the Company and Microsoft Corporation in the United States District Court for the District of Nebraska. The single patent in suit is US Patent No. 7,290,288 ("the '288 Patent"). The court has rescheduled the trial date to January 28, 2011. Microsoft entered into an agreement with Prism and was dismissed from this action on September 28, 2009. On December 2, 2009, Prism filed a complaint with the ITC against the Company alleging infringement of the '288 Patent. The ALJ has set a trial date for August 30, 2010 and a target date for completion of the investigation of April 5, 2011. Proceedings are ongoing.

On December 30, 2008, MSTG, Inc. ("MSTG") filed a patent infringement lawsuit against the Company in the United States District Court for the Northern District of Illinois alleging infringement of United States Patent Nos. 5,920,551 ("'551"); 6,219,374; and 7,151,756. On March 18, 2009, MSTG filed an amended complaint which added U.S. Patent Nos. 6,438,113 ("'113") and 6,198,936 ("'936") and four additional defendants to the suit. On July 30, 2009, MSTG filed a second amended complaint which reduced the patents asserted against RIM to only the '551, '936 and '113 patents. The court has set a trial date for March 28, 2011. Proceedings are ongoing.

From time to time, the Company is involved in other claims in the normal course of business. The following additional patent suits were filed against the Company since the end of fiscal 2009:

On May 5, 2009, Fractus, S.A. ("Fractus") filed a lawsuit against the Company and eight other defendants in the United States District Court for the ED of Texas alleging infringement of nine patents (United States Patent Nos. 7,015,868; 7,123,208; 7,148,850; 7,202,822; 7,312,762; 7,394,432; 7,397,431; 7,411,556; and 7,528,782). These patents generally relate to antennae technology. The complaint seeks an injunction and money damages. The Court has set a trial date of May 2, 2011. Proceedings are ongoing.

On July 27, 2009, BTG International Inc. ("BTG") filed complaints with the U.S. ITC and the United States District Court for the ED of Texas, Marshall Division, against Samsung Electronics Co., Ltd. and other related Samsung companies (collectively "Samsung") and other companies, including the Company, alleging infringement of United States Patent Nos. 5,394,362; 5,764,571; 5,872,735 ("the '735 Patent"); 6,104,640 ("the '640 Patent") and 6,118,692 ("the '692 Patent"). The patents relate generally to flash memory chips, and BTG's infringement allegations against RIM are based on RIM's use of Samsung flash memory chips in certain RIM handhelds. In the ED of Texas, BTG is seeking monetary damages, and the case has been stayed until the determination in the ITC case becomes final. In the ITC, BTG is requesting that the ITC issue orders prohibiting RIM from importing into the U.S. and selling in the U.S. RIM handhelds containing the flash memory chips made by Samsung. The ALJ in the ITC case has set a trial date of June 21, 2010 and a target date for the completion of the investigation by the ITC of February 28, 2011. On January 19, 2010, BTG filed a motion to partially terminate the ITC case as to the '735, '640 and '692 Patents. The ALJ issued a determination on February 2, 2010, granting BTG's motion and on February 22, 2010, the ITC declined to review the ALJ's determination, thereby making it final. Proceedings in the ITC case are ongoing.

On August 6, 2009, Intellect Wireless filed a lawsuit against the Company, HTC, and AT&T in the United States District Court for the Northern District of Illinois alleging infringement of U.S. Patent Nos. 7,257,210; 7,305,076; 7,310,416; and 7,266,186. The patents are generally related to wireless systems and contact data, caller identification, and pictures. The complaint seeks money damages. Proceedings are ongoing.

On August 21, 2009, Xpoint Technologies filed a lawsuit against Research In Motion Limited, Research In Motion Corp., and twenty-eight other defendants, in the United States District Court for the District of Delaware alleging infringement of U.S. Patent No. 5,913,028. The patent is generally directed to data traffic delivery. The complaint seeks an injunction and money damages. The Court has set a trial date of May 7, 2012. Proceedings are ongoing.

On September 23, 2009, SimpleAir, Inc. filed a lawsuit against the Company and 10 other defendants in the United States District Court for the ED of Texas alleging infringement of U.S. Patent Nos. 6,021,433; 7,035,914; 6,735,614; and 6,167,426. The patents are generally directed to the generation, processing and/or delivery of content, notifications and updates for computing devices. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On October 23, 2009, Raylon LLC ("Raylon") filed an Amended Complaint adding the Company and four other defendants to an existing patent infringement suit. The original Complaint was filed on August 6, 2009 in the United States District Court for the Eastern District of Texas alleging infringement of United States Patent No. 6,655,589. The single patent-in-suit generally relates to traffic citation issuance. The Company and Raylon settled on March 30, 2010 for an amount immaterial to the Consolidated Financial Statements.

On November 2, 2009, Media Digital Corporation ("Media Digital") filed a lawsuit against the Company in the United States District Court for the Northern District of Texas alleging infringement of U.S. Patent No. 7,130,778. The patent is generally related to touch screen control of radio stations. The Company and Media Digital settled on January 27, 2010 for an amount immaterial to the Consolidated Financial Statements.

On November 23, 2009, Klausner Technologies Inc. filed a lawsuit against the Company and Motorola in the United States District Court for the ED of Texas alleging infringement of U.S. Patent Nos. 5,572,576 and 5,283,818. The patents are generally directed to visual voice mail. The complaint seeks an injunction and money damages. Klausner served RIM on March 23, 2010. Proceedings are ongoing.

On March 1, 2010, Uniloc USA, Inc. and Uniloc Private Limited ("Uniloc") filed a lawsuit against Alt-N Technologies Ltd. (a subsidiary of RIM Limited) and 13 other defendants in the United States District Court for the ED of Texas alleging infringement of U.S. Patent No. 5,490,216. The patent is generally directed to video compression and decompression. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 3, 2010, Smartphone Technologies LLC filed a lawsuit against the Company and 12 other defendants in the United States District Court for the ED of Texas alleging infringement of U.S. Patent Nos. 6,950,645; 7,076,275; 5,742,905; 7,506.064; 6,533,342; 6,711,609 and RE40,459. The patents are generally directed to device power management, telephonic networking, and synchronization. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 15, 2010, Video Enhancement Solutions LLC filed a lawsuit against Research In Motion Limited and 8 other defendants in the United States District Court for the Northern District of Georgia (Atlanta Division) alleging infringement of U.S. Patent No. 7,397,965 and U.S. Patent No. 7,492,960. The patents are generally directed to video compression and decompression. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 26, 2010, the PACid Group LLC filed a lawsuit against Research In Motion Limited, Research In Motion Corporation and 30 other defendants in the United States District Court for the Eastern District of Texas (Tyler Division) alleging infringement of U.S. Patent Nos. 5,963,646 and 6,049,612. The patents are generally directed to encryption key generation and file encryption. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 31, 2010, MobileMedia Ideas LLC filed a lawsuit against Research In Motion Limited and Research In Motion Corporation in the United States District Court for the Eastern District of Texas (Marshall Division) alleging infringement of U.S. Patent Nos. 5,479,476; 5,845,219; 6,055,439; 6,253,075; 6,427,078; RE.39231; 5,732,390; 5,737,394; 6,070,068; 6,389,301; 6,446,080; and 7,349,012. The patents are generally directed to mobile telephone technologies including mobile telephone user interfaces, call control, speech signal transmission and imaging. The complaint seeks an injunction and money damages. Proceedings are ongoing.

OSC Settlement

As described above, as part of the Settlement Agreement, the Company agreed to enter into an agreement with an independent consultant to conduct a comprehensive examination and review of the Company and report to the Board and the staff of the OSC on the Company's governance practices and procedures and its internal control over financial reporting. The Company retained Protiviti to carry out this engagement. See "Independent Governance Assessment" and Appendix A to this MD&A for a further description of Protiviti's engagement, its recommendations and the Company's responses to such recommendations. A copy of Protiviti's recommendations will also appear on the website of the OSC.

Market Risk of Financial Instruments

The Company is engaged in operating and financing activities that generate risk in three primary areas:

Foreign Exchange

The Company is exposed to foreign exchange risk as a result of transactions in currencies other than its functional currency, the U.S. dollar. The majority of the Company's revenues in fiscal 2010 are transacted in U.S. dollars. Portions of the revenues are denominated in Canadian dollars, Euros and British Pounds. Purchases of raw materials are primarily transacted in U.S. dollars. Other expenses, consisting of the majority of salaries, certain operating costs and manufacturing overhead are incurred primarily in Canadian dollars. At February 27, 2010, approximately 38% of cash and cash equivalents, 22% of accounts receivables and 7% of accounts payable are denominated in foreign currencies (February 28, 2009 – 36%, 26% and 4%, respectively). These foreign currencies primarily include the Canadian dollar, Euro and British Pound. As part of its risk management strategy, the Company maintains net monetary asset and/or liability balances in foreign currencies and engages in foreign currency hedging activities using derivative financial instruments, including currency forward contracts and currency options. The Company does not use derivative instruments for speculative purposes. The principal currencies hedged include the Canadian dollar, Euro and British Pound.

The Company has entered into forward contracts to hedge exposures relating to foreign currency anticipated transactions and these contracts have been designated as cash flow hedges. For a derivative instrument designated as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income and is subsequently recognized in income when the hedged exposure affects income. The ineffective portion of the derivative's gain or loss is recognized in current income. The cash flow hedges were fully effective at February 27, 2010. As at February 27, 2010, the net unrealized gains on these forward contracts was approximately $62.2 million (February 28, 2009 – net unrealized losses of $2.7 million). Unrealized gains associated with these contracts were recorded in Other current assets and Accumulated other comprehensive income. Unrealized losses were recorded in accrued liabilities and accumulated other comprehensive income.

The Company has entered into forward contracts to hedge certain monetary assets and liabilities that are exposed to foreign currency risk. For contracts that are not subject to hedge accounting, gains and losses on the hedge instruments are recognized in income in each period, generally offsetting the change in the U.S. dollar value of the hedged asset or liability. As at February 27, 2010, net unrealized gains of $28.9 million were recorded in respect of this amount (February 28, 2009 – net unrealized gains of $16.0 million). Unrealized gains associated with these contracts were recorded in Other current assets and Selling, marketing and administration. Unrealized losses were recorded in accrued liabilities and selling, marketing and administration.

Interest Rate

Cash, cash equivalents and investments are invested in certain instruments of varying maturities. Consequently, the Company is exposed to interest rate risk as a result of holding investments of varying maturities. The fair value of investments, as well as the investment income derived from the investment portfolio, will fluctuate with changes in prevailing interest rates. The Company does not currently use interest rate derivative financial instruments in its investment portfolio.

Credit and Customer Concentration

The Company has historically been dependent on an increasing number of significant telecommunication carriers and on larger more complex contracts with respect to sales of the majority of its products and services. The Company is experiencing significant sales growth in North America and internationally, resulting in the growth in its carrier customer base in terms of numbers, sales and account receivables volumes and in some instances new or significantly increased credit limits. The Company, in the normal course of business, monitors the financial condition of its customers and reviews the credit history of each new customer. The Company establishes an allowance for doubtful accounts that corresponds to the specific credit risk of its customers, historical trends, and economic circumstances. The allowance as at February 27, 2010 is $2.0 million (February 28, 2009 — $2.1 million). The Company also places insurance coverage for a portion of its foreign accounts receivables. While the Company sells to a variety of customers, one customer comprised 14% of accounts receivables as at February 27, 2010 (February 28, 2009 – one customer comprised 29%). Additionally, three customers comprised 20%, 13% and 10% of the Company's fiscal 2010 annual sales (fiscal 2009 annual sales – three customers comprised 23%, 14% and 10%).

The Company is exposed to credit risk on derivative financial instruments arising from the potential for counterparties to default on their contractual obligations. The Company mitigates this risk by limiting

counterparties to highly rated financial institutions and by continuously monitoring their creditworthiness. The Company's exposure to credit loss and market risk will vary over time as a function of currency exchange rates. The Company measures its counterparty credit exposure as a percentage of the total fair value of the applicable derivative instruments. Where the net fair value of derivative instruments with any counterparty is negative, the Company deems the credit exposure to that counterparty to be nil. As at February 27, 2010, the maximum credit exposure to a single counterparty, measured as a percentage of the total fair value of derivative instruments with net unrealized gains of $91.1 million was 24% (February 28, 2009 – 60%).

The Company is exposed to market price and credit risk on its investment portfolio. The Company reduces this risk by investing in liquid, investment grade securities and by limiting exposure to any one entity or group of related entities. As at February 27, 2010, no single issuer represented more than 8% of the total cash, cash equivalents and investments (February 28, 2009 – no single issuer represented more than 12% of the total cash, cash equivalents and investments).

Market values are determined for each individual security in the investment portfolio. The Company assesses declines in the value of individual investments for impairment to determine whether the decline is other-than-temporary. The Company makes this assessment by considering available evidence, including changes in general market conditions, specific industry and individual company data, the length of time and the extent to which the fair value has been less than cost, the financial condition, the near-term prospects of the individual investment and the Company's ability and intent to hold the debt securities to maturity. During fiscal 2010 and for fiscal 2009, the Company did not record an other-than-temporary impairment charge.

Disclosure Controls and Procedures and Internal Controls

Disclosure Controls and Procedures

As of February 27, 2010, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Co-CEOs and its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in Rules 13(a)-15(e) and 15(d)-15(e) under the U.S. Exchange Act. Based on that evaluation, the Co-Chief Executive Officers and the Chief Financial Officer have concluded that, as of such date, the Company's disclosure controls and procedures were effective to give reasonable assurance that the information required to be disclosed by the Company in reports that it files or submits under the U.S. Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13(a)-15(f) and 15(d)-15(f) under the U.S. Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the

preparation of financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that:

• pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

• provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

• provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisitions, use or dispositions of the Company's assets that could have a material affect on the Company's financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of February 27, 2010. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on this assessment, management believes that, as of February 27, 2010, the Company's internal control over financial reporting was effective.

The Company's independent auditors have issued an audit report on the Company's internal control over financial reporting. This report is included with the Consolidated Financial Statements.

Changes in Internal Control Over Financial Reporting

During the fiscal year ended February 27, 2010, no changes were made to the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Appendix A

Protiviti Co. Corporate Governance Recommendations and

Responses of the Board of Directors of the Company

RECOMMENDATION	RESPONSE
1. Board Leadership	
The board should appoint a board chair to fill the currently vacant position. The chair of the board should be an independent director as is the general practice among Canadian public companies and as identified as a corporate governance practice by National Policy 58-201, Corporate Governance Guidelines. The board should adopt a structure enabling independent directors to provide the necessary leadership in exercising independent judgment and effectively performing their oversight role. If an independent director cannot be appointed and a non-independent director assumes the position of board chair, an independent director can be appointed to act as lead director with disclosure of the matter. However, in such a situation, the board should evaluate whether, in view of the substantial improvements recommended in this report, its current leadership structure can support the effective and independent board leadership required to oversee management and discharge its responsibilities to the corporation and its shareholders.	**This recommendation has been accepted in part and has been addressed.** The chair position has been vacant and the Board has had an independent lead director since March 2, 2007, when the Board adopted the recommendations of the Special Committee. The vast majority of S&P 500 companies in the United States have non-independent Chairs. Of the companies that form the TSX Composite Index, approximately 45% have a non-independent Chair. While National Policy 58-201 ("**NP58-201**") states that the Chair of the Board should be an independent director, NP58-201 is not prescriptive and "encourages issuers to consider the guidelines in developing their own corporate governance practices". It also provides that where an independent Chair is not appropriate, an independent director should be appointed to act as "lead director" and either the independent chair or independent lead director should act as the effective leader of the Board. The Board has considered its current leadership structure and believes it supports the effective and independent board leadership required to oversee management and discharge its responsibilities to the Company and its shareholders. Substantially exceeding the guidance of NP58-201 that a board should have a majority of independent directors, 7 of the 8 members of the Board are independent directors. The Board's 3 committees — the Audit and Risk Management Committee ("**A&RM Committee**"), the Compensation, Nomination and Governance Committee ("**CNG Committee**") and the Strategic Planning Committee ("**SP Committee**") — are each chaired by an independent director. The independent lead director, who acts as the effective leader of the Board and is supported by strong independent committee chairs, is also a member of the A&RM and the CNG Committees and has attended all of the meetings of the SP Committee since its inception. The A&RM and CNG Committees are also comprised of solely of independent directors, with each member of the A&RM and CNG Committees meeting the heightened independence requirements that are applicable to audit committees under U.S. securities laws. The Board and the Company believe that this highly independent board structure provides the necessary leadership in exercising independent judgment and effectively performing the Board's oversight role, and the absence of a Board chair does not adversely affect this determination. This board structure has been in place during the recent improvements in corporate governance practices at the Company. The Board is in the process of reviewing the Board mandate with a view to updating it, including with respect to formalizing the role and duties of a lead director. The Board believes that the Company has been well served by its current leadership structure. The Board will continue to

RECOMMENDATION	RESPONSE
	monitor the appropriateness of its current leadership structure from time to time, including whether it is appropriate to appoint a Chair and whether the Chair should be an independent director.
2. Oversight of Organizational Leadership	
(a) CEO & Executive Officers:	**Position Descriptions**: **This recommendation has been accepted and will be addressed as described below**. NP58-201 recommends that the Board develop a clear position description for the chief executive officer and management responsibilities. Messrs. Lazaridis and Balsillie have been with the Company since 1984 and 1992, respectively, and have worked together for approximately 18 years. As a result of this long tenure and working relationship, their respective roles are well understood at the Company and by the Board. Nonetheless, the Board is working in conjunction with management on position descriptions for the two co-chief executive officers and the Company's other executive officers consistent with NP58-201.
The Board should develop and further refine its processes and practices to facilitate the oversight of the co-CEOs and executive management in the following areas: *Chief Executive Officer* As defined in National Policy 58-201, Corporate Governance Guidelines, the following should be provided for the co-CEOs: - Formal written position descriptions that clearly define the role of the CEOs and delineate management and board responsibilities; and - Measurable corporate goals and performance objectives that the co-CEOs are responsible for meeting. These goals and objectives should be approved by the board, and they should subsequently form the basis for objective annual assessments of CEO performance. *Executive Officers* - Written position descriptions and defined measurable performance objectives should also be developed for other members of executive management and approved by the board; - The appointment of executive officers of the Company should be approved by the board; and - An ongoing process should be established, with board oversight, for the assessment of the capabilities of executives in relation to the Company's current, emerging and expected future needs, in the context of a rapidly growing organization that is maturing in a highly competitive environment.	**Goals and Performance Objectives: This recommendation has been accepted and has been addressed.** The first level oversight of co-CEO and executive officer performance and compensation is the responsibility of the independent CNG Committee supported by its independent compensation consultant. As noted in the Company's Compensation, Discussion & Analysis ("**CD&A**") of its 2009 Management Information Circular ("**2009 MIC**"), the CNG Committee took into account six strategic goals, some measurable quantitatively and others qualitatively, in assessing the fiscal year 2009 performance of the co-CEOs and other executive officers. Also as noted in the CD&A, the co-CEO and executive officers' variable incentive compensation was determined based on the Company's financial performance on specific measurable criteria, being revenue, diluted earnings per share and net subscriber additions as well as their respective individual performance. The CNG Committee's performance assessment of the co-CEOs and the executive officers (based on Company strategic goal achievement, specific financial metric achievement and individual performance), together with the Committee's compensation recommendations were reported to, and approved by, the independent members of the Board. For the recently completed fiscal year ended February 27, 2010, the above described performance considerations and process are being followed. In addition, as part of its fiscal year 2010 performance and compensation planning, individual performance objectives for the fiscal year were established for each of the co-CEOs and executive officers and will form part of the CNG Committee's fiscal year 2010 performance assessment. The CNG Committee and the Board anticipate that the annual assessment process will continue to be refined in future fiscal years. The Board recognizes that this is an evolving process but also believes that its current practices are appropriate in assessing performance and determining fair and appropriate compensation in the context of the Company's operations. **Appointment of Executive Officers: This recommendation has been accepted and has been addressed.** The Board approves the appointment of executive officers. For example, at its December 2009 quarterly meeting, the Board received in

RECOMMENDATION	RESPONSE
	advance of the meeting, and adopted, a resolution appointing the Chief Financial Officer of the Company to that office. **Assessment of Capabilities: This recommendation has been accepted and is being addressed by the measures outlined in response to recommendation 3 (Succession Planning and Leadership Development).**
(b) Chief Financial Officer The Company should consider the significant benefits of appointing an individual as Chief Financial Officer. The individual should have the requisite stature, skills and experience needed for a company of the size, scope and potential of RIM.	**This recommendation has been accepted and has been addressed.** In March 2007, the Board appointed Mr. Brian Bidulka to the position of Chief Accounting Officer when the Company's then Chief Financial Officer moved to a different position within the Company. For almost three years, Mr. Bidulka was the Company's senior financial officer and carried out most of the duties of a Chief Financial Officer. In recognition of his performance, personal development and experience, on December 17, 2009 the Board, upon the recommendation of the Co-CEOs, the CNG Committee and the A&RM Committee, appointed Mr. Bidulka as Chief Financial Officer. The Board believes that Mr. Bidulka has the requisite stature, skills and experience needed for a company of the size, scope and potential of RIM.
(c) Delegation of Authority The authorities delegated to management for binding the corporation and the matters to be brought to the board for approval should be defined in a "statement of approval authorities" and approved by the board of directors, with periodic review and re-affirmation.	**This recommendation has been accepted and will be addressed as follows.** The Board currently maintains oversight over certain corporate activities. For example, all significant acquisitions are presented to the Board for consideration or approval, as the Board deems appropriate. The Board also considers and approves the Company's annual operating plan. The Board, however, does believe that a formal approval policy is appropriate and intends to adopt such a policy in the near future, which will be subject to periodic review by the Board.
3. Succession Planning and Leadership Development The Board should develop a succession plan for the CEO level and define criteria to be used in selecting future chief executive officers. Succession plans should also be developed for appropriate levels of executive management. Succession plans should be reviewed and approved by the board on an annual basis.	**This recommendation has been accepted and is being addressed as follows.** Under the supervision of the CNG Committee, the Company is in the process of developing a succession plan for the co-CEOs, executive officers and other appropriate levels of senior management. The Board intends to review and approve succession plans for the executive officer level on an annual basis. The Board will use the succession plan and position descriptions referenced in response to recommendation 2(a), together with other appropriate considerations at the time, for selecting future CEOs.
4. Agenda Setting and Flow of Information to the Board The board should exercise better control of the agenda-setting process and the flow of information it receives as follows: - An oversight matrix (a listing of board activities with related information requirements, timing and expected board action) should be developed to govern the agenda-setting process and meeting calendar, along with the related flow of information to the board and its committees. The oversight matrix should be approved by the board and subject to periodic review and re-affirmation. - Protocols should be established and adhered to, providing adequate time for directors to review	**Control of Agenda and Oversight Matrix: This recommendation has been accepted and has been addressed.** The Board believes that it has appropriate control of the agenda setting process and the flow of information it receives. Currently, the agenda for each Board meeting is set by the lead director, with assistance from the Corporate Secretary and relevant committee chairs. Draft agendas for Board committees are set by the Chair of the committee with assistance from relevant corporate officers. Based on its experience and service as directors and officers at other public companies, the Board believes that the agenda-setting process and the information it receives is appropriate and not atypical. The Board has observed an improvement in

RECOMMENDATION	RESPONSE
materials and consider significant matters for approval, especially material transactions and events, with circulation of all materials sufficiently in advance of meetings to allow directors to read and absorb them, with due consideration of their personal contribution to the discussion of matters on which the board is to deliberate.	the timeliness and content of Board materials since a new Corporate Secretary was hired in 2008. In addition to the above and in response to the recommendation, the Board, the CNG and A&RM Committees have adopted annual meeting planners which indicate their respective activities for each fiscal year and the timing of the activities, including those required by the Board mandate and committee charters. These calendars do not include a list of related information requirements, as this information is well understood for recurring items and can vary from time to time depending on the nature of the matter, then current facts/circumstances, the information and its content. The Board and the SP Committee believe that an annual meeting planner is not required for the SP Committee because it has a narrow focus and does not meet regularly on a quarterly basis. **Protocols: This recommendation has been accepted and has been addressed.** There is an unwritten, but well understood, protocol already in place. Materials for quarterly meetings are to be provided one week prior to the Board/committee meetings. This timeframe is generally met and the Board is satisfied that it receives material sufficiently in advance of quarterly meetings. Materials for intervening meetings are provided as far in advance of the meeting as time and circumstances permit, recognizing that such meetings, by their nature, are often unplanned and involve situations that are fluid, complex and difficult to time with precision. Recognizing the benefits of the Company's entrepreneurial culture, which enables it to respond to opportunities more quickly than other companies of its size, the Board understands that circumstances do and will continue to arise where it will need to be available on shorter notice and with less time to review materials provided in advance of the meeting.
5. Infrastructure, Practices and Processes to Support Board Effectiveness	
(a) Corporate Governance Guidelines Corporate governance guidelines should be developed to define and document the Company's approach to corporate governance and provide direction/guidance to help directors in carrying out their responsibilities. Corporate governance guidelines should be reviewed on an annual basis by the board. Consideration should be given to publicly disclosing the Company's corporate governance guidelines as it is a leading practice for larger organizations.	**This recommendation has been accepted and will be addressed as follows.** The Board believes that the Company has in place a significant number of policies, procedures and practices relating to corporate governance, including those set out in charters for each of the three committees of the Board and the Board mandate, which address governance matters often found in such issuer guidelines. The charters of the A&RM and CNG Committees have also been enhanced and adopted by the Board in December 2009. A new SP Committee Charter was also adopted by the Board in December 2009. The committee charters are reviewed by the committees and the Board annually. Finally, as noted above, the Board is in the process of reviewing the Board mandate with a view to updating it. The Company's current governance practices are disclosed in its management information circular in accordance with National Instrument 58-101. While the NASDAQ and TSX listing rules and securities laws applicable to the Company do not require the Company to publicly disclose its corporate governance guidelines, the Company will review its current charters and Board mandate with a view to augmenting the charters and mandate as the Board determines appropriate for the Company. If the Board adopts a consolidated set of corporate governance guidelines, it intends to publicly disclose

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(b) Director Orientation and Ongoing Education As identified as corporate governance practices by National Policy 58-201, Corporate Governance Guidelines, the following should be developed: - Orientation: The board should ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the issuer expects from its directors). All new directors should also understand the nature and operation of the issuer's business. - Continuing Education: The board should provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the issuer's business remains current. The orientation and continuing education programs should be regularly reviewed in the context of evolving circumstances, both within and outside the Company, and updated to ensure that all directors, individually and the board as a group, have the knowledge and understanding necessary for effective and efficient conduct of the board's affairs and to fulfill their obligations.	those guidelines. The first two paragraphs of this recommendation come from NP 58-201. The third is a Protiviti recommendation. **Orientation: This recommendation has been accepted and has been addressed.** All new directors of the Company now receive a comprehensive orientation. This includes: receiving a detailed briefing from the Company as part of the selection process; meeting the Chair of the CNG, the lead director and other independent directors as part of the selection process; a briefing from the Company's internal and external legal counsel on their legal duties, corporate and securities obligations and the Company's corporate governance procedures and policies; attending a product working session; meeting with each of the executive officers and certain other senior management, such as the Vice-President, Investor Relations and Vice President, Legal in order to understand the Company's products, operations and key functions; and a tour of Company manufacturing and operations facilities. The orientation process will be reviewed in connection with new appointments to the Board. **Continuing Education**: **This recommendation has been accepted and has been addressed.** Education occurs as part of the regular business of the Board and its committees and will continue. The opportunities for education of Board members, at the Board and in Board committees, have increased over the past three years. To allow the Board and committees additional time to conduct their respective business and to allow for education sessions, the Board has moved the CNG Committee quarterly meeting to the day preceding the A&RM Committee and Board meeting, with a newly instituted Board dinner, which is intended to have an educational component, following the CNG Committee meeting. The Board intends to review the Company's continuing education efforts periodically as appropriate.
(c) Director Recruiting and Succession The board should continue its efforts to recruit additional directors and develop an orderly succession plan to meet the ongoing needs of the board for directors with an appropriate mix of diversity, competencies, skills and other attributes to provide effective oversight of the Company.	**This recommendation has been accepted and has been addressed.** From time to time, the Board considers the size and composition of the Board and evaluates the need and selection criteria for recruiting additional directors. In the spring of 2009, the CNG Committee adopted new selection criteria for recruiting a new director. Using these selection criteria, the Board appointed a new director to the Board in September 2009. While the Board believes that it would be beneficial to the Company and the Board for its other co-CEO to rejoin the Board in 2010, beyond that, the Board has not concluded that additional directors should be recruited based on its current and anticipated needs. The Board will continue to monitor its size and composition.
(d) Board and Director Performance Assessments As identified as a corporate governance practice by National Policy 58-201, Corporate Governance Guidelines, the board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider:	**This recommendation has been accepted and will be addressed as follows.** Consistent with its charter, the CNG Committee is responsible for monitoring the effectiveness of the operation of the Board, its committees and individual directors. A Board effectiveness questionnaire and follow-up process has been developed that will be undertaken annually. The CNG Committee and the Board will conduct an annual performance assessment and make improvements to the evaluation process

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- In the case of the board or a board committee, its mandate or charter; and - In the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual is expected to bring to the board.	as appropriate.
(e) Charters and Mandates The board should develop the following: - A charter for the strategic planning committee; - Position descriptions for the chair of the audit committee and the chair of the strategic planning committee.	**This recommendation has been accepted and has been addressed.** The SP Committee and the Board has developed and adopted a Charter for the SP Committee which includes the duties and responsibilities of the Chair. The charter for the A&RM Committee was also amended in December 2009 to set out the duties and responsibilities of its Chair.
6. Compliance Oversight Practices	
(a) Oversight of Enterprise-Wide Compliance The Board should oversee the design and implementation of a comprehensive, integrated enterprise-wide compliance program encompassing existing compliance initiatives and ensuring coverage of compliance with all applicable laws and regulations across various jurisdictions, as well as with internal corporate policies approved by the board. Accountability for enterprise-wide compliance should be assigned to a designated executive, such as a chief compliance officer or the equivalent, with responsibility for comprehensive and integrated compliance across all parts of the organization with regular reporting to the audit committee and the board. To discharge its oversight responsibilities, the audit committee should ensure the effective operation of an enterprise-wide compliance program with regular reporting on the state of compliance in the organization. Reporting should continue to include reports on Sarbanes-Oxley compliance, legal claims and known non-compliance incidents. Reporting to the audit committee should also include reporting on the enterprise-wide compliance program and the state of compliance across the organization with focus on compliance risk exposures. In addition, Internal Audit should periodically perform reviews of the enterprise-wide compliance function and processes to provide assurance to the audit committee on the program's effective and efficient operation.	**This recommendation has been accepted and will be addressed as follows.** As part of its review and update of the current Board mandate, the Board will confirm its responsibility for overseeing, directly and through its committees, an appropriate compliance program for the Company. Other than matters currently within the purview of the Corporate Disclosure Committee, accountability for the compliance program will be assigned to the Company's existing Risk Council, which consists of senior management members representing all of the significant areas of the Company's business. Pursuant to its existing charter, the role of the Risk Council is currently to assist management in fulfilling its responsibilities for assessing, managing and monitoring risks. This mandate will be augmented to include the responsibility for broader oversight of a compliance program appropriate for the Company, including its existing compliance initiatives, legal/regulatory compliance (other than matters currently within the purview of the Corporate Disclosure Committee) and internal corporate policies approved by the Board. The Risk Council will be renamed the Risk & Compliance Council and will report to the co-CEOs. The Chair of the Risk & Compliance Council also will make a report to the A&RM Committee, at least quarterly, on the compliance program and state of compliance. The Risk Council, through its Chair, will report out to the Board, at least quarterly. In connection with its oversight of the Company's compliance program, the Board will continue to monitor the need for accountability for the Company's compliance program to be assigned to a designated executive such as a chief compliance officer or equivalent.
(b) Compliance Culture In considering the future re-appointment of individuals reprimanded by regulatory authorities to the honorary title of "Director Emeritus", the board should consider the messaging effect of these actions and the impact on the organization's compliance culture.	**The Board believes this recommendation is not necessary or appropriate, but nevertheless has been addressed**. Each of the individuals was formerly a director of long-standing, who agreed not to stand for reelection to the board in 2007. The individuals were appointed to the honorary position of Director Emeritus in recognition of their substantial contribution to the Company and its shareholders over many years. The Director Emeritus position carries with it no authority, no responsibilities and no access to the Company's confidential information. The initial decision to confer this title was announced by the Company on March 5, 2007, subsequent to which five new independent directors have joined the Board. The Board considered the implications of the appointment when initially made for a one-year term, for each subsequent

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	one-year reappointment and will reconsider the implications upon the expiry of the current one-year term. The Board does not view the designation as having an impact on the organization's compliance culture. Pursuant to Schedule C to the Settlement Agreement, Protiviti is to make recommendations where it identifies "a ... deficiency substantial enough to require changes or improvements at the Company". The Board does not consider this recommendation to be of such a nature.
7. Receiving Feedback from Employees and Stakeholders	
The board should proceed with its review and revisions of the Company's employee whistleblower program to ensure it operates effectively with focus on internal awareness and methods of access to promote ease of use. The board should consider the benefits of establishing a channel by which outside parties can report relevant information as a means of obtaining external feedback and gauging potential reputational impact to the organization. As identified as a corporate governance practice by National Policy 58-201, Corporate Governance Guidelines, the board's mandate should be revised to include its responsibility for the implementation of measures for receiving feedback from stakeholders — such as establishing a process to permit stakeholders to directly contact the independent directors.	**Whistleblower Program: This recommendation has been accepted and has been addressed.** As of the end of the most recent fiscal year, the Company employees could submit anonymous whistleblower reports to a P.O. Box address. The Company whistleblower program now makes whistleblower reporting available to employees and external parties via a web and telephone hotline based system supplied and operated by EthicsPoint. EthicsPoint has advised the Company that over 2200 organizations use EthicsPoint telephone hotline, web-based reporting and case management services as a component of their overall governance, risk and compliance efforts. The new system allows individuals to make whistleblower reports, including anonymous reports, to the Company via the Ethicspoint system and enables the Company or the Chair of the A&RM Committee, as appropriate, to follow up directly with the reporter while maintaining his or her anonymity. All employees have been advised of the new whistleblower program as part of the Company's business standards and principles acknowledgement program which is conducted annually. **Stakeholder Communications: This recommendation has been accepted and has been addressed.** The Board believes that stakeholders who wish to communicate with the Board are currently able to do so. The term "stakeholders" encompasses a wide variety of constituents, including employees and shareholders, and one set of practices in this area will not suit all situations. As part of its review of the Board mandate contemplated in its response to recommendation 5(a) (Corporate Governance Guidelines), the Board will indicate in the mandate how stakeholders can currently contact the Board and will publicize the Board mandate on the Company's external website. The Board will continue to evaluate best methods for interacting with stakeholders.
8. Strategy	
The Company's strategic plan should be approved by the strategic planning committee, and ultimately by the full board on an annual basis. The mandate of the board should be revised to include its responsibility for approval of the strategic plan, as outlined in National Policy 58-201, Corporate Governance Guidelines. Sufficient time should be allocated for discussion and review of the plan by the strategic planning committee and the board, as well as to oversee on a continuous basis the progress made by management in pursuit of the Company's strategic objectives in a rapidly changing business environment.	**This recommendation has been accepted and has been addressed.** Since the inception of the SP Committee, all members of the Board have attended and participated in meetings of the SP Committee during which management and the SP Committee discuss and put forward strategic initiatives for the Company. Although the Board as a whole has not formally voted on the strategic initiatives, all Board members have been present and have participated in discussions concerning strategic initiatives. The Board believes that, while it has had sufficient involvement and oversight of the Company's strategic initiatives, as part of its review of the Board mandate contemplated in its response to recommendation 5(a) (Corporate Governance Guidelines), the

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	Board will update the mandate to reflect its responsibility for approval of the Company's strategic initiatives.
9. Corporate Policy Framework	
The board should oversee the establishment of a comprehensive corporate policy framework ensuring that corporate policies or policy statements are developed to govern all the major risks and critical business activities of the organization. The board should review the corporate policy framework and approve corporate policies with periodic review and re-affirmation.	**This recommendation has been accepted and has been addressed.** The Board believes that the Company has appropriate comprehensive policies and procedures in place to govern major risks and critical business activities of the Company. The Company's business standards and principles policies are reviewed annually by the Board and supplemented and updated as circumstances warrant. The business standards and principles policies include a code of ethics; handling financial complaints guidelines; employee confidentiality and intellectual property agreement; insider trading policy; diversity guidelines; anti-discrimination & anti-harassment guidelines; anti-bullying & anti-violence guidelines; corporate security policy; global, environment, health & safety policy; corporate disclosure policy; and prevention of improper payments policy. The Company and Board continue to monitor regulatory and other developments and implement new policies and amend existing policies in response to these developments. In addition to policies and procedures, the Company has other mechanisms in place to monitor and address major risks and business activities, including those discussed in response to recommendation 10 immediately below (Risk Oversight) and a Corporate Disclosure Committee comprised of senior executives. In addition to the foregoing, in connection with the expanded mandate of the Risk & Compliance Council outlined above, the Council will from time to time review the current corporate policy framework in light of the Company's existing major areas of risk and business activities with a view to updating existing, and implementing new, corporate policies as appropriate. The Board and the A&RM Committee will have oversight of this effort using the quarterly reporting mechanisms noted above.
10. Risk Oversight	
The board should determine how it will carry out its risk oversight responsibilities. The board should develop and formalize the related communication and reporting protocols — at both the audit committee and full board level — to effectively carry out its risk oversight responsibilities including: - Understanding the risks inherent in the organization's strategy and the risk appetite of management in executing that strategy; - Ensuring the implementation of appropriate processes and systems to manage the organization's critical risks; - Accessing relevant information from internal and external sources about the critical assumptions underlying the strategy; - Being alert to organizational behaviour and financial and other incentives that can lead to excessive risk taking; - Providing input to executive management regarding critical risk issues on a timely basis; and - Identifying significant changes to the Company's risk profile and their implications to the business.	**This recommendation has been accepted and has been addressed.** The Board has determined how it will carry out its risk oversight responsibilities and has developed and formalized the related communication and reporting protocols - - at both the AR&M Committee and full Board level. Risk oversight is carried out by the Board and committees at different levels. The Board mandate allocates responsibility for the assessment of principal business risks in the Board. The Board, through its committees and their respective charters, has delegated additional responsibilities for risk oversight: **Audit Committee.** In connection with the April and December, 2009 quarterly meetings, the role of the then Audit Committee was enhanced to better encompass risk management in a number areas. In particular, in April, the charter of the committee was enhanced to better reflect best practices for audit committees, better align with other Board committee charters and assume certain duties of the disbanded Oversight Committee. Among others, enhancements in the areas of oversight of financial reporting process & internal controls, oversight of the annual audit/quarterly reviews; oversight of the Company's Risk Performance and Audit group; an annual review of legal and regulatory matters; and the review of Company

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	policies were made at that time. In December, the charter was further enhanced to specifically address oversight of risk management and to acknowledge/address the increasing focus on risk management in the governance realm generally. As a result of its increased role in risk management, the Audit Committee was renamed the Audit and Risk Management Committee. The A&RM Committee is also responsible for the oversight of the Company's **Risk Performance and Audit Group** which was started by the Company in 2008. Pursuant to its charter approved by the A&RM Committee, the group's scope of work includes assessing whether the management's risk performance, control and governance processes are adequate and functioning such that, among other things, risks are identified and managed; risk management is embedded in the business; employee's actions are in accordance with policies, standards, procedures and applicable laws/regulations & significant legislative or regulatory issues are recognized and addressed appropriately. The group currently consists of a Senior Vice-President and 12 employees who have joined the Company since 2008. Pursuant to its charter, the Senior Vice-President reports directly to the A&RM Committee (administratively to one of the co-CEOs) and the group is to perform its function in a manner that would not impair its objectivity and independence. The group prepares an annual audit plan which is submitted to and approved by the A&RM Committee and the group's progress on the approved plan is reported to the A&RM quarterly. The group's Senior Vice-President also meets with the A&RM Committee in-camera as appropriate. • **CNG Committee:** The CNG Committee also has risk management and control responsibilities. Its charter requires the committee to annually review: the administration of the Company's equity-based compensation plans; the risk management and controls of the Company's other compensation and benefit plans; and management's assessment of compliance with laws and regulations as they pertain to its responsibilities under the Charter. It also requires the committee to provide oversight related to compliance with the Sarbanes-Oxley Act of 2002 for executive compensation purposes. • **SP Committee:** The SP Committee also has risk oversight responsibilities. Its charter requires the committee to review with senior management the risks relevant to the Company's strategic initiatives and oversee/monitor the Company's review and assessment of external developments/factors that arise and may impact such initiatives and participate in a periodic review of such factors. In addition to the above Board risk oversight and the oversight of the Company's Risk Performance and Audit Group, the Risk Council assists management in fulfilling its responsibilities for assessing, managing and monitoring risks. Further, the Company's Corporate Disclosure Committee, consisting of senior management representatives, plays an active role in

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	monitoring the Company's obligations pursuant to U.S. and Canadian securities laws and its compliance with such obligations.
11. Internal Audit	
The Company should continue its efforts to operationalize the internal audit function and ensure that internal audit effectively provides the audit committee with assurance on the state of governance, risk management, control and compliance in the organization. Once the internal audit function has been fully operationalized, the audit committee should consider the conduct of an external assessment of the internal audit function by a qualified independent evaluator accredited by the Institute of Internal Auditors with subsequent reporting to the audit committee on compliance with professional standards, as well as provide insight on improvement opportunities relative to general good practices.	**This recommendation has been accepted and will be addressed as follows.** The Company is continuing its efforts to operationalize the Risk Performance and Audit group. As discussed immediately above (Risk Oversight), the charters of the group and the A&RM Committee adequately address, in the aggregate, oversight of the state of governance, risk management, control and compliance in the Company. Once the internal audit function is fully operationalized, the A&RM Committee will have an external assessment conducted by a qualified independent evaluator accredited by the Institute of Internal Auditors within 12 to 24 months.
12. Stock Options and Other Equity-Based Compensation	
(a) Granting Activities The Company should improve the approval and documentation of stock option and other equity compensation grants by formalizing and standardizing grant request forms, adhering to pre-approved ranges for all types of awards and documenting and retaining evidence of approval throughout the process prior to Compensation Committee approval. Compensation Committee review and approval is documented.	**This recommendation has been accepted and has been addressed. The company is nevertheless taking additional measures to further enhance its processes around granting of equity awards.** The Company has adopted a quarterly grant process with specified timelines for submission of requests for awards, as well as forms and processes used to create the grant request list (including pre-approved ranges for grants) and process for review and approval prior to submission to the CNG Committee. While the CNG Committee has approved ranges for all types of awards, there are situations where deviations from the range are appropriate and, in such circumstances, the CNG Committee is advised of and, if deemed appropriate, approves such deviations. Furthermore, in order to enhance the measures that have already been put in place, the Company is currently developing a pre-approval request form.
(b) Administrative Activities The Company should formalize its documentation of the review and execution of post-granting transactions, and improve certain system access controls.	**This recommendation has been accepted and has been addressed as follows.** The Company has implemented additional monitoring controls over activities in the existing stock option administration system. In addition, the Company has entered into an agreement for the implementation of a new equity program administration platform and is currently working with the service provider on the implementation. The implementation of the new platform will allow the Company to further improve its access controls to sensitive information. It will also serve as the system of record for equity related transactions.
(c) Calculation Activities The Company should improve its documentation of the review of certain activities undertaken in support of its calculation of the fair value of equity compensation awards. In particular, the review and data reconciliation activities performed by the Company in its calculation of the fair value and compensation expense related to equity-based compensation should be more consistently executed and documented in order to ensure consistency and accuracy.	**This recommendation has been accepted and has been addressed.** The Company has maintained the necessary documentation to support the calculation of the fair value and compensation expense related to equity-based compensation as part of its books and records. The Company has discussed the recommendation relating to the consistency of the review activities with Protiviti and has maintained consistent documentation as suggested by Protiviti since the second quarter of fiscal year 2010.
(d) Reporting Activities The Company should improve the consistency of its documentation of the review and performance of certain reporting activities (in particular, the reconciliations and summaries	**This recommendation has been accepted in part and, to the extent not accepted, is unnecessary for the Company.** After discussion between Protiviti and the Company about the recommendation relating to access and formula controls over key spreadsheets, the Board believes the Company currently

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prepared in this part of the equity-based compensation accounting and reporting process), as well as the access and formula controls over key spreadsheets prepared and used in this part of the process to organize and report the data prepared in the other phases described above.	maintains appropriate internal controls over these key spreadsheets to prevent material errors in its accounting and disclosure. The Board is advised that the design and operation of these controls are tested by the Company on a regular basis within the context of the Company's Sarbanes Oxley compliance program, and that no deficiencies have been reported to the A&RM Committee in this regard. The portion of the recommendation relating to the consistency of documentation has been addressed. The Company has always maintained the necessary documentation to support the review and performance of certain reporting activities as part of its books and records. The Company has discussed the recommendation relating to the consistency of documentation of the review activities with Protiviti and has maintained consistent documentation as suggested by Protiviti since the second quarter of fiscal year 2010.
13. Internal Control Over Financial Reporting and Disclosure Controls and Procedures	
The Company should implement a process to identify and assess disclosure risks for both financial and non-financial disclosures, more formally identify and document disclosure controls and procedures, and regularly execute a formal testing program for DC&P to more fully support its periodic certification obligations.	**The recommendation has been accepted and will be addressed as follows.** The Company is in the process of enhancing its internal control framework and documentation of DC&P already in place so that identified disclosure risks, disclosure controls and testing procedures have been performed, reviewed by management and the results communicated to the A&RM Committee. The Company will also formalize an annual testing plan for DC&P to obtain further evidence of operating effectiveness.

Additional Comments

Attachment "I" to Protiviti's final report describes, among other things, the consultant's methodology and scope of review. In Attachment "I", under the heading "Access to Information and People", Protiviti discusses restrictions and limitations on the scope of its review. The Company has the following comments on this section of the final report.

Pursuant to Schedule "C" to the Settlement Agreement, which was approved by the OSC, Staff of the OSC and RIM agreed that RIM would be entitled to invoke lawyer/client privilege in relation to documents requested by Protiviti and in witness interviews conducted by Protiviti. Protiviti accepted its engagement subject to this restriction. Documents provided to Protiviti by the Company were redacted for lawyer/client privilege. RIM certified that its redactions were proper and did not extend beyond those permitted by Schedule "C".

At the commencement of Protiviti's engagement, the Company and Protiviti agreed on protocols to govern Protiviti's access to documents and Company personnel. In view of the privilege limitation, before requested documents were provided to Protiviti they were first reviewed by the Company's legal counsel. In light of the highly confidential nature of some of the materials made available to Protiviti, Protiviti and the Company agreed that those materials would be reviewed on the company's premises or on the premises of the Company's external legal counsel, with no copies taken. These procedures did not impose additional restrictions on the documents made available to Protiviti.

Finally, although most of Protiviti's requested interviews were conducted without incident, toward the end of its field work Protiviti requested an opportunity to interview certain additional RIM personnel. Following the first additional interview a disagreement arose about the manner in which the interview was conducted. RIM and Protiviti then agreed that the balance of the additional interviews would not proceed. From its discussions with Protiviti, RIM understood that the interviews were requested in an effort to confirm conclusions already reached, and were not critical to Protiviti's ability to complete its mandate.

Exhibit 23.1

CONSENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Annual Report [Form 40-F] of **Research In Motion Limited** [the "Company"] for the year ended February 27, 2010 of our reports dated April 1, 2010 with respect to the consolidated financial statements of the Company included herein, and the effectiveness of internal control over financial reporting.

We also consent to the incorporation by reference in the Registration Statements [Form S-8 Nos. 333-85294, 333-100684 and 333-150470] pertaining to the Company's stock option plans of our reports dated April 1, 2010 with respect to the consolidated financial statements of the Company included herein, and the effectiveness of internal control over financial reporting.

/s/ Ernst & Young LLP
Chartered Accountants
Licensed Public Accountants

Kitchener, Canada,
April 1, 2010.

Exhibit 31.1

Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, James L. Balsillie, certify that:

1. I have reviewed this annual report on Form 40-F of Research In Motion Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent function):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 1, 2010

/s/ James L. Balsillie
Name: James L. Balsillie
Title: Co-Chief Executive Officer

I, Mike Lazaridis, certify that:

1. I have reviewed this annual report on Form 40-F of Research In Motion Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent function):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 1, 2010

/s/ Mike Lazaridis
Name: Mike Lazaridis
Title: President and Co-Chief Executive Officer

I, Brian Bidulka, certify that:

1. I have reviewed this annual report on Form 40-F of Research In Motion Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent function):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 1, 2010

/s/ Brian Bidulka
Name: Brian Bidulka
Title: Chief Financial Officer

Exhibit 32.1

Certification of co-CEOs and CFO
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Research In Motion Limited (the "Registrant") on Form 40-F for the year ended February 27, 2010, as filed with the Commission on the date hereof (the "Report"), James L. Balsillie, as co-Chief Executive Officer of the Registrant, Mike Lazaridis, as President and co-Chief Executive Officer of the Registrant, and Brian Bidulka, as Chief Financial Officer of the Registrant, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ James L. Balsillie

Name: James L. Balsillie
Title: Co-Chief Executive Officer
Date: April 1, 2010

/s/ Mike Lazaridis

Name: Mike Lazaridis
Title: President and Co-Chief Executive Officer
Date: April 1, 2010

/s/ Brian Bidulka

Name: Brian Bidulka
Title: Chief Financial Officer
Date: April 1, 2010

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Registrant for purposes of §18 of the Securities Exchange Act of 1934, as amended.