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

FORM 40-F

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

or

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

For the fiscal year ended February 28, 2015 **Commission File Number 0-29898**

BlackBerry 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)

2200 University Ave East
Waterloo, Ontario, Canada,
N2K 0A7
(519) 888-7465
(Address and telephone number of Registrant's principal executive offices)

BlackBerry Corporation
5000 Riverside Drive, Suite 100E,
Irving, Texas, USA 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:

Title of each class	Name of each exchange where registered
Common Shares, without par value	Toronto Stock Exchange
Common Shares, without par value	NASDAQ Stock Market, LLC

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:

x Annual information form x 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 528,802,322 Common Shares outstanding as at February 28, 2015.

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 x No ¨

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 x No ¨

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 Chief Executive Officer 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 28, 2015, 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 28, 2015, 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 March 27, 2015, to the shareholders of the Registrant, which accompanies the Registrant's audited consolidated financial statements for the fiscal year ended February 28, 2015, 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 28, 2015, 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 28, 2015.

F. Audit Committee Financial Expert

The Registrant's Board of Directors has determined that Barbara Stymiest, an individual 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)(b) 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.

During the fiscal year ended February 28, 2015, the Registrant amended the Code to provide that adherence to, and acknowledgment of, the Code is a condition of employment, expand the responsibilities of managers under the Code, require

the internal reporting of suspected or observed violations, provide more information about the process for investigating violations, add requirements concerning protecting the Registrant against misappropriation or fraud, expand requirements to comply with applicable privacy laws, clarify and increase accountability for compliance with conflicts of interest prohibitions, expand anti-bribery and anti-money laundering provisions and other provisions relating to government contracting, modify procedures relating to approval and monitoring of expenses, clarify requirements regarding selection and treatment of suppliers, modify provisions relating to receipt of gifts, meals and entertainment and make certain other modifications.

The foregoing description of the Code, as amended, is qualified in its entirety by the copy thereof filed as Exhibit 99.1 hereto. A copy of the Code may also be obtained at www.blackberry.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 28, 2015 and March 1, 2014, 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 $3,458,051 and $5,128,000, respectively.

Audit-Related Fees

The aggregate fees billed by EY for the fiscal years ended February 28, 2015 and March 1, 2014, respectively, for assurance and related services rendered by EY that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported above as audit fees were $33,785 and $167,000, respectively. Professional services provided included procedures related to the audit of new systems implemented.

Tax Fees

The aggregate fees billed by EY for the fiscal years ended February 28, 2015 and March 1, 2014, respectively, for professional services rendered by EY for tax compliance, tax advice, tax planning and other services were $9,432 and $11,000, 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 28, 2015 and March 1, 2014, 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 28, 2015, 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 three individuals: Barbara Stymiest (Chair), Claudia Kotchka and Timothy Dattels. 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 Estimates

A discussion of the Registrant's critical accounting estimates can be found in its Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended February 28, 2015, included in Exhibit No. 1.3 to this Annual Report, under the heading "Accounting Policies and Critical Accounting Estimates - Critical Accounting 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 has submitted to the Commission, included in Exhibit 101 to this Annual Report, an Interactive Data File.

O. Mine Safety

The Registrant is not currently required to disclose the information required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

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.

BLACKBERRY LIMITED

Date: March 27, 2015

By: /s/ James Yersh

Name: James Yersh

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Document
1.1	Annual Information Form for the fiscal year ended February 28, 2015, dated March 27, 2015.
1.2	Audited Consolidated Financial Statements for the fiscal year ended February 28, 2015, 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 28, 2015.
23.1	Consent of Ernst & Young LLP.
31.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	BlackBerry Code of Business Standards and Principles
101	Interactive Data File.

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Exhibit 1.1

BLACKBERRY LIMITED
2200 University Avenue East
Waterloo, Ontario
Canada
N2K 0A7

Annual Information Form
For the fiscal year ended
February 28, 2015

DATE: March 27, 2015

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ANNUAL INFORMATION FORM

CERTAIN INTERPRETATION MATTERS

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

BlackBerry®, BBM™, QNX® and related trademarks, names and logos are the property of BlackBerry Limited and are registered and/or used in the United States and countries around the world. All other trademarks are the property of their respective owners.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

- the Company's plans, strategies and objectives, including the anticipated benefits of its strategic initiatives described below, and the anticipated opportunities and challenges for the Company in fiscal 2016;
- the Company's expectations regarding anticipated demand for, and the timing of, new product and service offerings, and the Company's plans and expectations relating to its existing and new product and service offerings, including BlackBerry Enterprise Service ("BES") 10, BES12, BlackBerry 10 smartphones, services related to BlackBerry Messenger ("BBM"), and the cloud-based BlackBerry Internet of Things Platform (the "BlackBerry IoT Platform"), including software products offered by the Company's wholly-owned subsidiary, QNX Software Systems Limited ("QNX"); and
- the Company's expectations regarding the generation of revenue from its software, services and other technologies.

The words "expect", "anticipate", "estimate", "may", "will", "should", "intend", "believe", "target", "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances, including but not limited to, the Company's expectations regarding its business, strategy, opportunities and prospects, including its ability to implement meaningful changes to address its business challenges, the launch of new products and services, general economic conditions, product pricing levels and competitive intensity, supply constraints, and the Company's expectations regarding the cash flow generation of its business and the sufficiency of its financial resources. Many factors could cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the risks and uncertainties facing the Company which are described in the "Risk Factors" section of this AIF.

Any statements that are forward-looking statements are intended to enable the Company's shareholders to view the anticipated performance and prospects of the Company from management's perspective at the time such statements are made, and they are subject to the risks that are inherent in all forward-looking statements, as described above. These forward-looking statements are made by the Company in light of its experience, its perception of historical and anticipated business trends, existing conditions in the business at the time and anticipated future developments, including competition and new product initiatives and expected timing, as well as the Company's current assessments of the risk factors that affect its business, including those identified in this AIF, and the likely success of mitigation strategies relating to such factors. These forward-looking statements are subject to the inherent risk of difficulties in forecasting the Company's financial results and performance for future periods, particularly over longer periods, given the ongoing transition in the Company's business strategy and the rapid technological changes, evolving industry standards, intense competition and short product life cycles that characterize the wireless communications industry. These difficulties in forecasting the Company's financial results and performance are magnified at the present time given the uncertainties related to the strategic initiatives described in this AIF. These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company 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 applicable law.

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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 through the filing of articles of amalgamation under the OBCA on November 4, 2013. The Company's registered and principal business office is 2200 University Avenue East, Waterloo, Ontario, Canada N2K 0A7, telephone: (519) 888-7465, fax: (519) 888-6906.

Inter-corporate Relationships

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

Name of Subsidiary	Jurisdiction of Incorporation or Organization
BlackBerry Corporation	Delaware, U.S.A.
BlackBerry UK Limited	England and Wales
BlackBerry Singapore Pte. Limited	Singapore

GENERAL DEVELOPMENT OF THE BUSINESS

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 2015:

- Achieved its target of break-even cash flow results in the third quarter of fiscal 2015, one quarter sooner than anticipated;
- Launched BES12, a cross-platform enterprise mobility management ("EMM") solution by BlackBerry;
- Launched four new BlackBerry 10 smartphones, including the Classic, Passport, Z3 and the Porsche Design P'9983;
- Unveiled the BlackBerry IoT Platform, initially targeting the automotive and asset tracking industries, by combining technology from QNX, with BlackBerry's secure network infrastructure and device lifecycle management software;
- Announced that the Company is working with Google Inc. ("Google") to enable BES12 to manage devices equipped with Android for Work™, Google's solution to securely separate business and personal data and applications;
- Announced a strategic partnership with Samsung Electronics Co., Ltd. ("Samsung") to provide a tightly integrated, end-to-end secure solution that brings together BES12 with Samsung Galaxy smartphones and tablets that are embedded with Samsung KNOX;
- Announced a partnership with Amazon to make approximately 240,000 Android™ applications available to BlackBerry users through the Amazon.com Inc. ("Amazon") Appstore;
- Announced new value-added enterprise solutions, including BlackBerry Blend, WorkLife by BlackBerry, Enterprise Identity by BlackBerry and VPN Authentication by BlackBerry;
- Launched BBM Protected and BBM Meetings;
- Acquired Secusmart GmbH ("Secusmart"), a leader in high-security voice and data encryption and anti-eavesdropping solutions for government organizations, enterprises and telecommunications service providers in Germany and internationally;
- Acquired Movirtu Limited ("Movirtu"), a provider of virtual identity solutions for mobile operators that allow multiple numbers to be active on a single device, complementing BlackBerry's Secure Work Space, BlackBerry Balance and other partitioning technologies;
- Launched a substantial software update to the BlackBerry 10 smartphone platform, bringing BlackBerry 10.3.1 to in-market BlackBerry 10 devices including the BlackBerry Classic, Passport, Z30, Z3, Z10, Q10, and Q5, as well as the Porsche Design P'9983 and P'9982 smartphones;
- Appointed Mike Daniels, a leading expert in cyber security with extensive experience in the U.S. government and the private sector, to the Board of Directors of the Company (the "Board");
- Appointed Dr. Sandeep Chennakeshu as President of the Business Technology Solutions ("BTS") unit, Marty Beard as Chief Operating Officer; Nita White-Ivy as Executive Vice President, Human Resources and Billy Ho as Executive Vice President, Enterprise Products and Value Added Solutions;
- Announced that BES10 and BES12 would be available as a hosted service through third-party partners worldwide ("BES10 Hosted" and "BES12 Hosted"), which offers a diverse portfolio of EMM services, including dedicated BES10 and BES12 hosting, high availability solutions, and fully managed services;
- Received Security Technical Implementation Guide approval from the U.S. Defense Information Systems Agency ("DISA") for Secure Work Space for iOS® and Android;

- Completed the divestiture of the majority of the Company's real estate holdings in Canada (the “Real Estate Sale”);
- Announced a three-year agreement with EnStream LP (“EnStream”), a mobile payments joint venture owned by Canadian wireless carriers Bell, Rogers and TELUS, to provide a secure platform that supports transaction services between leading banks and consumers;
- Announced an agreement with Salesforce.com Inc. (“Salesforce”) to connect its customer relationship management platform to BlackBerry's EMM solutions;
- Announced an investment in healthcare information technology leader NantHealth LLC and collaboration on the development of HIPAA and other government privacy certified, integrated clinical systems that facilitate the delivery of medical care, including the launch of the next generation of NantHealth HBOX, a portable medical device that captures and transmits secure medical data among the patient, doctor and hospital featuring QNX technology;
- Provided for mobile device management (“MDM”) companies to directly manage devices with the BlackBerry 10 operating system (“OS”), including AirWatch, Citrix Systems, Inc. (“Citrix”) and IBM Corporation (“IBM”); and
- Completed the CORE program in the fourth quarter of fiscal 2015.

Fiscal 2014:

- Announced on August 12, 2013, the formation of a Special Committee by the Board to explore strategic alternatives to enhance value and increase scale to accelerate BlackBerry 10 deployment;
- Announced on September 23, 2013, that the Company had signed a letter of intent (the “LOI”) with Fairfax Financial Holdings Limited (“Fairfax”), a Canadian company led by Prem Watsa, under which a consortium to be led by Fairfax proposed to acquire the Company;
- Announced on November 4, 2013, that in lieu of the transaction contemplated by the LOI, the Company had entered into an agreement pursuant to which Fairfax and other institutional investors would subscribe for $1 billion aggregate principal amount of 6% unsecured subordinated convertible debentures due 2020, with an option to purchase an additional $250 million principal amount of debentures (collectively, the “Debentures”). The announcement of this financing marked the conclusion of the strategic review process previously announced by the Board. The initial $1 billion investment of Debentures was completed on November 13, 2013, and the option to purchase the additional $250 million of Debentures was completed on January 16, 2014 (collectively, the “Debenture Financing”);
- The Debenture Financing resulted in the following changes to the Board and management team:
    - appointment of John Chen as Executive Chair of the Board and Interim Chief Executive Officer,
    - appointment of Prem Watsa as Lead Director of the Board and Chair of the Compensation, Nomination and Governance Committee, and
    - resignations of Thorsten Heins as Chief Executive Officer and a director, and David Kerr as a director;
- Announced the Company’s plan to transition the business to focus on four areas: the Devices business, Enterprise Services, the QNX Embedded business (now part of the BTS unit) and Messaging;
- Announced further management and Board changes as part of the on-going reorganization of BlackBerry including:
    - appointment of James Yersh as Chief Financial Officer (replacing Brian Bidulka),
    - appointment of Eric Johnson as President, Global Sales,
    - appointment of Ron Louks as President, Devices and Emerging Solutions,
    - appointment of James S. Mackey as Executive Vice President, Corporate Development and Strategic Planning,
    - appointment of John Sims as President, Global Enterprise Services,
    - resignations of Kristian Tear as Chief Operating Officer and Frank Boulben as Chief Marketing Officer, and
    - resignation of Roger Martin from the Board;
- Announced a joint device development and manufacturing agreement with Foxconn Technology Group (“Foxconn”), initially focusing on the development of a consumer smartphone for Indonesia and other fast-growing markets;
- Announced in March 2014 the entry into an agreement for the Real Estate Sale;
- Announced in February 2014 new enterprise solutions, partnerships and smartphone models, including BES12. The Company also announced a new BES pricing and licensing structure (Silver and Gold) and a new EZ pass program that enabled customers to move from BES and competitors' MDM programs to BES10 or BES12 at the Silver level of service for free (the program ceased at the end of December 2014) and the eBBM Suite (a family of products and services, including BBM Protected, to provide enterprise-class mobile messaging);
- Launched updates to BES10 (versions 10.1 and 10.2) and launched software updates for BlackBerry 10 smartphones (versions 10.1, 10.2 and 10.2.1), with hundreds of new enhancements and refinements;
- Unveiled new QNX technology in automotive and cloud services at the 2014 International Consumer Electronics Show in January 2014;
- Launched BBM for Android and iPhone® customers for free and subsequently launched BBM Voice and BBM Channels for Android and iPhone customers;
- Announced the availability of BBM to Windows Phone® customers;
- Announced in December 2013 the preinstallation of BBM on LG smartphones in markets around the world;

- Delivered four BlackBerry 10 smartphones, including models with touchscreen and physical keyboards in various sizes including:
  - the BlackBerry Q10 and BlackBerry Q5 featuring a physical QWERTY keyboard and touchscreen,
  - the BlackBerry Z30 featuring a 5" display and BlackBerry 10.2 operating system, and
  - the elite, all-touch Porsche Design P'9982;
- Launched the BlackBerry 9720 smartphone to support the BlackBerry 7 market;
- Announced in August 2013 that DISA had given BlackBerry Z10 and Q10 smartphones with BES10 the Authority to Operate ("ATO") on Department of Defense ("DoD") networks, being the first MDM provider to obtain an ATO and in March 2014 announced that BlackBerry had become the first mobility solution to receive Full Operational Capability ("FOC") to run on DoD networks;
- Launched Secure Work Space for iOS and Android;
- Launched BBM Channels for BlackBerry smartphones to extend the BBM experience to brands, artists, businesses and communities, connecting consumers and groups in real-time;
- Enabled Secure Enterprise Instant Messaging on BlackBerry 10 smartphones. BlackBerry Enterprise Instant Messaging 3.0 supports secure instant messaging and collaboration with Microsoft Lync, Microsoft Office Communication Server and IBM Lotus Sametime;
- Announced the change of the Company's name from Research In Motion Limited to BlackBerry Limited;
- Announced the retirement of Mike Lazaridis as Vice-Chair of the Board, effective May 1, 2013; and
- Continued to implement the cost savings and process-improving initiatives started in the prior fiscal year to drive greater efficiency throughout the Company, and redirect capital from these savings to areas of investment.

Fiscal 2013:

- Introduced the re-designed, re-engineered, and re-invented BlackBerry 10 platform. Two new Long Term Evolution-enabled ("LTE") smartphones powered by the BlackBerry 10 OS, the BlackBerry Z10 (all-touch) and BlackBerry Q10 (touch with physical keyboard), were introduced;
- Began to operate around the world under the iconic name "BlackBerry";
- Commenced trading under the ticker symbols "BB" on the Toronto Stock Exchange (the "TSX") and "BBRY" on the NASDAQ Global Select Market ("NASDAQ");
- Introduced new services and features for BlackBerry 10 smartphones, including: BlackBerry Hub, BlackBerry Flow, BBM voice calling and video chat, Time Shift, Story Maker and BlackBerry Remember;
- Improved the BlackBerry World content distribution platform and announced commitments to the BlackBerry 10 platform from many leading application providers;
- Launched BES10, the Company's new enterprise mobility management solution;
- Launched the BlackBerry 10 Ready program to help enterprise customers prepare their environments for BlackBerry 10;
- Launched BBM Voice, a free update that allows customers to make free voice calls to other BBM customers over a Wi-Fi connection;
- Received Federal Information Processing Standard 140-2 certification for the BlackBerry 10 platform;
- Built momentum in the developer community through 44 BlackBerry Jam sessions in 37 countries, attracting more than 9,300 attendees;
- Commenced the CORE program which drove significant improvements and efficiencies across all functions in the Company's organization;
- Surpassed the CORE objective of reducing operating costs by $1 billion compared to the Q4 fiscal 2012 run rate, one quarter ahead of initial targets;
- Selected by EnStream to provide its Secure Element Manager solution to manage credentials on wireless handsets in Canada that support NFC Service;
- Launched affordable new BlackBerry 7 smartphones (the BlackBerry Curve 9300 series) for customers in several markets, including the U.S., Vietnam, Singapore, Kenya, Nigeria, Malaysia, South Africa, the Caribbean region, Latin America, India, the Philippines and Indonesia;
- Launched the BlackBerry Partners for enterprise portal to support independent software vendors, system integrators, application hosters, professional services organizations as well as corporate developers looking to enable or deploy BlackBerry 10 applications and services for enterprise customers;
- Launched the 4G LTE BlackBerry PlayBook tablet with built-in support for cellular networks;
- Appointed Kristian Tear as Chief Operating Officer, Frank Boulben as Chief Marketing Officer and Steve Zipperstein as Chief Legal Officer; and
- Announced three new members of the Board: Timothy Dattels, Richard "Dick" Lynch and Bert Nordberg.

NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

A global leader in mobile communications, the Company revolutionized the mobile industry with the introduction of the BlackBerry solution in 1999. Today, the Company aims to inspire the success of its millions of customers around the world by continuously pushing the boundaries of mobile experiences. Founded in 1984 and based in Waterloo, Ontario, the Company operates offices in North America, Europe, Middle East and Africa, Asia Pacific and Latin America. The Company's common shares are listed on NASDAQ (NASDAQ: BBRY) and the TSX (TSX: BB), and its Debentures are listed on the TSX (TSX: BB.DB.U).

Industry Background

The Wireless Communications Industry

The wireless communications industry involves the provisioning of wireless voice and data services using radio frequency ("RF") technologies on a variety of competing wireless networks. These legacy 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 and CDMA/1xRTT/EVDO. The two primary international voice and data networks GSM/GPRS/EDGE/HSPA and CDMA/EVDO continue to be upgraded to offer greater speeds and increased abilities to support subscriber concentration in the same and new RF spectrums.

Network operators, in particular in North America and in Europe, have continued to upgrade those networks to "4G" networks in particular HSPA+ and LTE. The architecture of the LTE network is no longer based on a voice layer but on an Internet Protocol (IP) packet layer where voice is transmitted as data packets. Both HSPA+ and LTE offer a number of improvements over the previous generations, with improved data download and upload speeds being the most widely promoted.

Fiscal 2015 saw the deployments of these "4G" networks growing globally, with wireless operators in many international markets moving aggressively towards 4G networks. In addition, in both North America and Europe, LTE networks began to be upgraded to LTE-Advanced, with features that further increase the capacity of present LTE networks.

Fiscal 2015 also saw the rise of the "Internet of Things" or "IoT" and "Machine to Machine" or "M2M" markets as a driving force for the expansion of new wireless applications, with many wireless operators establishing relationships, practices and partnerships focused around those new markets. IoT refers to a new generation of devices that communicate over wireless networks to other wireless devices or end-users, while M2M refers specifically to machines that communicate with other machines over wireless networks.

Finally, Fiscal 2015 saw numerous security data breaches in large enterprises by hackers seeking personal identity information, customer credit card numbers, customer or employee passwords, internal business documents and e-mails. The risks to users of wireless technology have increased as hacking methods have become much more sophisticated and innovative with wireless access.

Wireless Communications Industry Markets and Segments

Historically, the wireless communications market has been highly segmented. Whereas previously the market was divided into distinct enterprise and consumer segments, the market has increasingly evolved in recent years and there is now significant overlap between the various segments.

The enterprise market is now characterized by a combination of enterprise-deployed devices and devices that are purchased by consumers but also used in the corporate environment, commonly referred to as the Bring Your Own Device or BYOD model. These consumer devices are supported in a corporate environment by information technology ("IT") departments for access to corporate messaging and data applications. As the market has evolved, IT departments now look for enterprise mobility solutions that can handle a range of requirements and deployment models.

The Company has introduced both software and hardware products to address this market shift. The products include BlackBerry 10 smartphones with BlackBerry Balance, BES10 and more recently, the BES12 platform, which unifies the support for BBOS and BlackBerry 10 devices, together with that for iOS, Android and Windows Phone devices. This gives IT departments the ability to securely monitor and control multiple OS platforms and securely protect corporate data on an employee's personal smartphone or tablet.

Products designed for deployment by enterprise IT departments typically include a smartphone or tablet that is deployed in conjunction with behind-the-firewall messaging and other data servers. Consumer market offerings are chosen by the individual user and may be chosen based on an affinity for a certain feature or capability such as browsing, multimedia functions, instant messaging, games or other third-party applications. Enterprises that choose to support these consumer devices in their

enterprise environment typically deploy middleware applications to manage the messaging and security of enterprise data access.

Strategy

The Company is completing its transition to an operating unit organizational structure consisting of the Devices business, Enterprise Services, BTS business and Messaging. Across all four businesses, BlackBerry products and services are renowned for productivity and security, and the Company delivers the most secure end-to-end mobile enterprise solutions in the market. With these core strengths, the Company's broad product portfolio is focused on serving enterprise customers, particularly in regulated industries and select vertical markets, including financial services, government and healthcare. The Company's goal is to maintain its market leadership in the enterprise mobility segment by continuing to extend the functionality of its BES infrastructure beyond EMM, to include application management, application enablement and application development and, on top of this extensive foundation, deliver additional horizontal and vertical applications. To achieve this vision, BlackBerry has aligned its businesses and operations around the four core areas to drive greater efficiency and speed in bringing new offerings to market, while optimizing assets and capabilities across all businesses in support of the Company's overall strategy and financial objectives.

The four core areas of business focus are as follows:

Devices business

BlackBerry's strategy in its Devices business is focused on delivering smartphone products that highlight BlackBerry technology strengths and areas of differentiation, in alignment with specific market opportunities and target segments. As a result, the Company offers choice to both the enterprise and consumer markets through a portfolio of premium, affordable, QWERTY and full-touch smartphone products. To drive cost and operational efficiencies, BlackBerry has entered into a joint device development and manufacturing agreement with Foxconn. The initial focus of this partnership resulted in the rapid development in early 2014 of the BlackBerry Z3, an all-touch BlackBerry 10 smartphone designed for Indonesia and other fast-growing markets. The partnership also delivered the BlackBerry Classic, a device targeted for BlackBerry loyalists. This device features classic BlackBerry features such as the QWERTY keyboard, track pad and utility belt and classic BlackBerry user experiences and battery life. The Company has also developed a new and innovative form factor device with the BlackBerry Passport that delivers a large screen working experience to the mobile professional. The Company continues to develop new and innovative hardware aligned with its target markets.

Enterprise Services

BlackBerry believes it has the largest installed base in the EMM and MDM markets through its BES platform. Security, reliability and productivity are hallmark strengths of the BES platform and are instrumental to its success in the enterprise market, particularly in regulated industries. BlackBerry intends to maintain and strengthen its position as a market leader in the enterprise market through a variety of strategies, including building a high-touch enterprise sales force, focused marketing campaigns, an expanded partner ecosystem and the identification of alternative sales channels. In line with this focus, BlackBerry continues to enhance its enterprise offerings and long-term product strategy. New pricing and migration programs were made available in fiscal 2015 to ease and accelerate customer migration to the BES12 platform, including the EZ Pass program, under which 6.8 million licenses were issued to customers moving from BES and competitors' MDM programs to BES12 at the Silver level of service for free, with over 30% of total licenses traded in from competitors' MDM platforms. The Company ended the EZ Pass program in December 2014.

The Company has released the next-generation BES12 platform, which unifies support for BBOS and BlackBerry 10 devices, together with that for iOS, Android and Windows Phone. The Company's solutions will maintain a key focus on security, productivity and collaboration. The BES12 platform delivered significant enhancements including enhanced multi-platform support, an enhanced architecture for on-premise and cloud deployments, and backwards compatibility allowing unification of prior versions of BES. BES12 allows businesses to manage the growing IT trend of securely supporting multiple devices and operating systems, as well as employees' personal devices, within a single corporate IT infrastructure. BlackBerry intends to have a continued strategic focus on regulated industries that rely on stringent security needs, as well as on the government market where BlackBerry is the only MDM provider to obtain both ATO and FOC status with the U.S. DoD.

The acquisition of Movirtu led to the announcement of the WorkLife by BlackBerry solution to provide a virtual SIM allowing the only true carrier grade split billing solution for mobile devices. WorkLife by BlackBerry allows an enterprise to provision a work phone number and data plan onto a BYOD device. The acquisition of Secusmart is expected to support a continued focus on the government and regulated segments. With this acquisition, BlackBerry strengthened its leadership in secure enterprise mobility with Secusmart's encryption and anti-eavesdropping capabilities. Secusmart's technology will bolster BlackBerry's end-to-end offerings that provide the highest level of security from the device to the management platform.

Longer term, the Company plans to focus on additional value-added services to further enhance BlackBerry's enterprise offerings.

BTS business

The BTS business is comprised of five units: QNX, Certicom, Paratek, the BlackBerry IoT Platform, and Intellectual Property and Patent Licensing ("IPPL"). The BTS unit was created to position BlackBerry's technology licensing businesses together under one leadership umbrella.

The largest BTS business unit is QNX. QNX is a global provider of operating systems, development tools, and middleware for the automotive, medical, industrial, consumer, networking, and defense markets. QNX is the recognized leader in software for automotive electronics, with products deployed in the infotainment and telematics systems of more than 50 million vehicles worldwide. QNX automotive customers include Audi, BMW, Chrysler, Ford, GM, Honda, Hyundai, Jaguar, Land Rover, Maserati, Mercedes-Benz, Porsche, Toyota, and Volkswagen and more than 40 original equipment manufacturers ("OEMs") in all. With its field-proven technology and suite of safety and security certifications, QNX is also a preferred supplier for companies building medical devices, train-control systems, industrial robots, hardware security modules, building automation systems, green energy solutions, and other mission-critical and safety-critical applications. QNX continues to attract new business through a growing portfolio of innovative products, including, most recently, an OS for automotive safety, hypervisor software that manages safety-critical systems in realtime, and a wireless framework that enables customers to upgrade their cellular and Wi-Fi hardware without having to recode or modify applications.

Certicom specializes in applied cryptography and key management, offering both software components and end-to-end security solutions targeted at bandwidth and resource-constrained applications. Certicom's asset management technology is deployed in over 400 million high value ASICs and its certificates are used in over 80 million IoT devices.

Paratek designs, develops and licenses its adaptive RF antenna tuning technology. With the growth of RF bands to be covered and stringent performance requirements imposed, RF antenna tuning is becoming a key differentiator to improve the antenna performance of smartphones. Paratek technology has been adopted by six of the top ten smartphone OEMs.

The BlackBerry IoT Platform connects data generators with data consumers via an intelligent platform and application service modules, all hosted on a global, scalable, multi-tenant network protected by BlackBerry's recognized security features. The BlackBerry IoT Platform intends to focus initially on applications for asset tracking, the connected car and the healthcare industry.

The IPPL unit manages an extensive patent portfolio, with an average and median remaining life of 12 years. The IPPL portfolio includes a broad blend of both standards essential patents and implementation patents.

Messaging

The Company is focused on expanding its base of BBM users through platform enhancements and innovative services. BBM offers a rich messaging experience with features such as free voice calling over Wi-Fi, one-click sharing of files and photos, Dropbox integration, location sharing and BBM Channels, among others. BBM Channels extends the popular BBM experience to brands, artists, businesses and communities, connecting consumers and groups in real-time. BBM is now available on iOS, Android and Windows Phone platforms, in addition to BlackBerry 10, responding to smartphone users' desire to be able to connect to all of their friends and family, regardless of the smartphone they carry. The BBM platform has been expanded with in-app advertising and a virtual goods store. The Company believes that an increase in the user base for the BBM service in particular could lead to increased opportunities for monetization of the services offered through the platform. For enterprise customers, the Company has introduced new offerings for secure enterprise communications with BBM Protected and a mobile-first meeting experience with BBM Meetings.

Additional considerations

Across all of the four core businesses, the following objectives are important to the success of the Company's strategy:

- **Seeking strategic alliances and relationships.** BlackBerry intends to broaden the scope and continue to strengthen and develop its strategic alliances. The Company may also consider new types of partnerships and relationships that could involve closer collaboration with other technology leaders to affirm and enhance the Company's competitive position. Areas of strategic alliances and relationships include, but are not limited to, software application developers and companies, global telecommunications carriers, intranet and Internet applications and portal companies, Internet social networking providers, multimedia content providers, gaming platform vendors, consumer electronics retailers, original equipment manufacturers, microchip and other manufacturers, and global systems integrators.
- **Targeted acquisition and investment strategy.** BlackBerry will continue to evaluate and acquire companies and make investments in products that provide opportunities for growth or expansion of the BlackBerry value proposition. 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 acquire rights in intellectual property in various forms and technologies when appropriate opportunities arise.

- **Expanding distribution.** The Company's ability to grow its service and software revenue is dependent on its ability to expand its distribution capability, including by developing and expanding relationships with indirect partners, resellers and carriers. The Company is also focusing on building a direct enterprise sales force to support its distribution strategy.
- **Achieving best in class operational metrics.** Through the Company's CORE program, the Company targeted areas such as product lifecycle management, supply chain management and business support services, and significantly improved its operational metrics. BlackBerry intends to further simplify business processes and target areas of the business where greater efficiencies can be achieved. The Company is focused on driving best in class operational metrics through the implementation of broad efficiency programs across all functions in the organization. In addition, the Company intends to continue transforming the organizational culture to reduce complexities and increase accountabilities while aligning employees behind the BlackBerry vision, mission and values.
- **Continuing to invest in highly qualified personnel.** BlackBerry believes that the quality and skills of its employees have been key factors in its success to date. The Company intends to continue its recruiting strategies and operations worldwide to support its product development and growth strategies and ensure the needed strategic capabilities are in place. BlackBerry intends to retain, attract and develop employees to drive organizational performance and foster an environment of innovation, learning and development for the Company's talented workforce while ensuring a cost effective organization.

Products and Services

The Company's primary revenue stream is generated by the BlackBerry wireless solution, comprised of smartphones, service and software. BlackBerry service is provided through a combination of the Company's network operations centre ("NOC") and the wireless networks of the Company's carrier partners.

The Company also generated revenue from the embedded market through licensing QNX software products and providing professional services to support customers in developing their products.

In addition, the Company generated other revenue from accessories, non-warranty repairs, BlackBerry World and gains and losses on revenue hedge contracts.

For revenue and other financial information on the two most recently completed financial years, see the Company's Management Discussion and Analysis ("MD&A") for the fiscal year ended February 28, 2015, in the section entitled "Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014 - Revenue".

Enterprise Software and Services

The core of BlackBerry's enterprise software offerings, BES12, was launched on November 13, 2014. BES12 allows organizations to manage enterprise mobility across iOS, Android, Windows Phone and BlackBerry devices. Built on BlackBerry's trusted, global network, BES12 makes managing enterprise mobility efficient and secure.

BES12 introduced a new, scalable architecture and streamlined user experience that consolidates enterprise mobility management control in a single, powerful console. The new attribute-driven, endpoint-permissions model gives enterprises strict control of devices, applications and data, by-person or by-group, more efficiently than ever. Users keep their personal data private, while never compromising the monitoring and control of confidential business data. It is also expected that BES12 will extend beyond smartphones and tablets to support the Internet of Things.

At the launch of BES12, BlackBerry also announced a number of new enterprise services designed to help companies maximize mobile productivity while maintaining needed security:

- **Enterprise Identity by BlackBerry** : Simplifies secure access to cloud-based services with a single point of entitlement, control and audit for all cloud apps.
- **VPN Authentication by BlackBerry:** Provides the option of eliminating the need for employee passwords or PINs and hardware tokens, improving the productivity of mobile workers, thereby reducing overall costs.
- **BBM Meetings:** Provides a mobile-first collaboration app that provides a new way to work smarter and be more productive on BlackBerry and Android devices, as well as connecting with users on a Windows PC or Mac.
- **BlackBerry Blend for Enterprise:** Makes it possible for employees to conveniently and securely access personal and work data from their BlackBerry smartphone on desktops and tablets. BlackBerry Blend revolutionizes IT administration by shifting from managing devices to managing information movement.
- **WorkLife by BlackBerry:** Allows enterprises to easily add a separate corporate phone number to personal devices brought in by their employees or enables the employee to add a separate personal phone number to a corporate-liable

device provided by the company. Work usage of voice, SMS and data can be charged to the company while all other usage is charged directly to the employee, with no need to file and process expense reports or pay stipends. The solution covers voice, SMS and data and operates while in the home network as well as in roaming situations.

These new services complement existing services such as BBM Protected, which was launched in June 2014, and the Company believes these services bring regulated industries the most secure and reliable real-time mobile messaging experience in the industry.

BlackBerry has also partnered to better serve enterprise customers. In November 2014, the Company announced an agreement with Salesforce to connect its leading customer relationship management platform to BlackBerry's EMM solutions. On the same day, the Company also announced a partnership with Samsung to provide a tightly integrated, end-to-end secure solution that brings together BES12 with Samsung Galaxy smartphones and tablets that are embedded with Samsung KNOX.

With security and productivity at the forefront, BlackBerry smartphones continue to be a device of choice in enterprise. To provide companies with more choice, BlackBerry announced in May 2014 that it would open the BlackBerry 10 operating system to multiple MDM platforms, allowing vendors such as AirWatch, Citrix, IBM and SAP to manage BlackBerry devices.

BlackBerry 10 Smartphones

The Company's current smartphones are powered by the BlackBerry 10 OS.

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/HSPA+/UMTS, GSM/GPRS/EDGE, CDMA/Ev-DO, and iDEN. In certain markets, BlackBerry smartphones are also available directly from the Company at ShopBlackBerry.com.

In fiscal 2015, the Company launched four new smartphones:

- *BlackBerry Classic* - features a touchpad, a physical QWERTY keyboard and a 3.5" square display, and upgrades the BlackBerry Bold 9900 experience with three times faster browsing, 60% more screen space, 50% longer battery and a greater variety of applications available through BlackBerry World and the Amazon Appstore.
- *BlackBerry Passport* - features a 4.5" square touch screen, the industry's first touch-enabled keyboard, and up to a 30 hour battery life, and includes pre-loaded applications such as BlackBerry Blend, BlackBerry Assistant and the Amazon Appstore.
- *BlackBerry Z3* - features a 5" display, long lasting battery, and the best typing experience on a virtual keyboard. It is also the first smartphone to have been developed under the Company's strategic partnership with Foxconn.
- *Porsche Design P'9983* - is a luxury smartphone combining the unique stylish design of the Porsche Design brand with BlackBerry10 technology, and includes pre-loaded applications such as BlackBerry Blend, BlackBerry Assistant and the Amazon Appstore.

The Company also launched new versions of its BlackBerry 10 smartphone platform in fiscal 2015. The BlackBerry 10 OS offers new enhancements, including BlackBerry Blend, BlackBerry Assistant, battery boosting technology, plus improvements to the BlackBerry Hub, Calendar, Camera, Multimedia and more. The latest version, BlackBerry 10.3.1, also includes access to dual app stores, offering access to hundreds of thousands of apps through BlackBerry World and the Amazon Appstore.

BlackBerry World is a content distribution storefront managed by the Company that enables developers to reach BlackBerry subscribers around the world. Launched on April 1, 2009, BlackBerry World is now available in over 177 markets and supports 48 currencies and 37 languages. In fiscal 2015, BlackBerry brought the Amazon Appstore to the platform with the launch of the BlackBerry 10.3 operating system, greatly expanding access to thousands of the most popular apps and games. With more than 240,000 Android applications in the Amazon Appstore worldwide, BlackBerry 10 customers gain access to popular apps such as Pinterest, Candy Crush Saga and Kindle.

BlackBerry Technology Solutions

The BTS business encompasses many of BlackBerry's technology assets, including QNX (embedded software), Certicom (cryptography applications) and Paratek (RF antenna tuning), as well as BlackBerry's extensive patent portfolio.

The BTS business is also responsible for the BlackBerry IoT Platform. Initially targeting the automotive and asset tracking industries, the BlackBerry IoT Platform will leverage BlackBerry's extensive technology portfolio, extending its best-in-class security and reliability to emerging Internet of Things (IoT) applications.

The QNX unit of BTS delivers middleware, development tools, realtime operating system software and services for superior embedded design.

During fiscal 2015, QNX announced:

- QNX OS for Automotive Safety 1.0: a new OS that addresses the growing demand for digital instrument clusters, heads-up displays, advanced driver assistance systems (ADAS), and other in-car applications with functional safety requirements.
- QNX Acoustics for Voice 3.0: designed to help in-car hands-free and speech recognition systems deliver the highest quality user experience.
- QNX OS for Medical 1.1: an OS that complies with the IEC 62304 medical device standard for software life cycle processes and is designed to help manufacturers reduce the cost of developing robotic surgical instruments, patient monitoring systems, infusion pumps, blood analysis systems, and other safety-critical products that must pass stringent regulatory approval.

BBM

BBM is the Company's popular instant mobile to mobile private messaging service and is now available on BlackBerry, iOS, Android and Windows Phone platforms.

The latest releases of BBM include new innovations for both consumers and enterprises. The Company recently introduced new privacy and control features for BBM such as timed messages, message retraction and high definition photo transfer capability to allow users more control over their communications. The Company also introduced the BBM Shop that allows users to purchase stickers, wallpapers, applications and content directly in the BBM Shop. The Company continued to extend BBM Channels to brands, artists, businesses and communities, connecting consumers and groups in real-time, and introduced a new partnership with social integration platform Hootsuite to help create, moderate and engage with Channel followers. The Company announced that BBM will be available on wearable technologies for a wide range of Android Wear™ smartwatches in early 2015. The Company also announced a series of new initiatives that will enhance the mobile payment capabilities for users of BBM, including BBM Money in Indonesia and BBM integration with TransferTo, to allow for the transfer of prepaid mobile credit across borders.

In fiscal 2015, the Company also announced two new value-added services that bring together the core strengths of BBM with features and capabilities aimed at enterprises. BBM Protected was launched in June 2014 and the Company believes it provides regulated industries with the most secure and reliable real-time mobile messaging in the industry. The Company also announced BBM Meetings, a multi-OS, mobile first voice and video conferencing solution which delivers a mobile collaboration experience that enhances the productivity of mobile professionals, while reducing the operating cost for the enterprise.

Sales, Marketing and Distribution

The Company markets and sells its BlackBerry smartphones primarily through global wireless communications carriers as well as through third party distribution channels, which distribute the smartphones to enterprises and end users. The Company has a sales and marketing team that supports its partners through training, technical account management and field marketing initiatives. In certain markets, BlackBerry 10 smartphones are also available directly from the Company on ShopBlackBerry.com, with direct sales to large customers and through other third party online retailers.

The Company licenses cross-platform (Android, iOS, Windows and BlackBerry 10) enterprise mobile software and services, including BES12, and provides support and engineering services, to customers via its direct sales force. The Company also licenses cross-platform enterprise mobile software and services via global wireless communications carriers and other distribution partners throughout the world.

The Company licenses QNX software and development tools and provides professional engineering services to customers in the automotive and other embedded markets via a direct sales force and a small set of distributors. The QNX licenses are monetized as royalties on units shipped and tool licenses are monetized through development seat and maintenance fees.

Customers

The Company markets and sells its products to channel partners, primarily global wireless communications carriers and third party distribution companies, as well as directly to enterprise customers. The primary direct customers for the BlackBerry wireless solution are wireless carriers and distributors.

For customer concentration information during the two most recently completed financial years, see the Company's MD&A for the fiscal year ended February 28, 2015, in the section entitled "Market Risk of Financial Instruments - Credit and Customer Concentration."

The Company's devices are predominantly sold through channel partners to both enterprise and consumer end users. The Company's portfolio of enterprise software products, including the BES12 and various value-added services, are sold both directly and through these channel relationships.

In certain markets, BlackBerry 10 smartphones are also available directly from the Company on ShopBlackBerry.com, and also through other third party online retailers.

These sales to customers are accomplished through a geographically-dispersed salesforce that is organized regionally and by channel.

QNX products, licenses and services are sold directly to OEM customers in a variety of vertical markets, as well as indirectly through a reseller channel.

For revenues by geographic region for the two most recently completed financial years, see the Company's MD&A for the fiscal year ended February 28, 2015, in the section entitled "Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014 - Revenue - Revenue by Geography."

Competition

The Company is engaged in an industry that is highly competitive and rapidly evolving. Faster and broader wireless networks and increasingly powerful device components have supported a competitive landscape and on-going changes to mobile applications and mobile ecosystems.

The Company has seen both its global smartphone market share and its share in many international markets decline in recent years relative to companies such as Apple Inc. ("Apple") with its iOS ecosystem, and companies that build smartphones based on the Android ecosystem, such as Samsung and Lenovo/Motorola. In particular, the Company has experienced a large net decrease in its customer base in the United States.

This decline is due to a variety of factors, including consumer preferences for devices with access to the broadest number of applications, such as those available in the iOS and Android platforms. Market share has also been impacted by the significant number of new Android based competitors that have emerged, and by the BYOD trend in the enterprise market. 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. In addition, uncertainty relating to the Company's strategy and operations may have negatively impacted demand for the Company's products.

Strategic relationships in the wireless data communications industry are also evolving. Specific infrastructure manufacturers, network operators, content providers 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 which are current or potential competitors of the Company. In interacting with competitors, the Company takes seriously its obligation to comply strictly with applicable antitrust and competition laws and its own compliance policies.

Providers of major mobile operating system platforms that compete with the Company's BlackBerry platform include Apple (iOS), Google (Android) and Microsoft Corporation ("Microsoft") (Windows Phone). In the wireless data communications access market, the Company competes with: Apple, Google, Samsung, LG Electronics Mobile Communications Company, Lenovo Group Ltd., HTC Corporation, Huawei Technologies Co., Ltd., Microsoft, Nokia Corporation, ZTE Corporation, Xiaomi Inc., IBM, SAP AG, Citrix, VMware, Inc., Mobile Iron, Inc., and Good Technology Corporation.

Providers of embedded software that compete with the Company's QNX business include Microsoft, which offers a competitive product (Compact Embedded or CE) and the Windows 8 Automotive stack for automotive infotainment applications. Android has been used as an operating system in the embedded computing space as a replacement to the Linux operating system, and both Apple and Google have demonstrated interest in the automotive sector. Apple's CarPlay™ software is resident on the iPhone and enables, via a wired digital connection, its own infotainment user experience onto the screen in an automobile. Google's Android has been adapted by third parties to power an automotive infotainment system and Google launched a new Android API, Android Auto, for Android automobile applications. Other competitors of the Company's QNX business include Green Hills Software, Intel Corporation, MontaVista Software, Mentor Graphics Corporation, and Sysgo AG.

Products that compete with the Company's BBM service include Facebook's WhatsApp, Facebook Messenger, Microsoft's Skype, Line, Apple's iMessage, WeChat, Viber, Kik, Kakao Talk, Telegram and Snapchat.

Competitors of the BlackBerry IoT platform include Cumulocity, Exosite, and IBM. Other vertical player competitors may also emerge as the Company enters new vertical applications markets with its platform.

A variety of new approaches are being pursued in the industry as diverse handset and handheld vendors attempt to provide mobile access to corporate data. These approaches include larger mobile data devices such as tablets and netbooks, emerging enterprise wearables, and a variety of middleware applications and other end-to-end integrated wireless solutions.

A key aspect of the Company's competitive differentiation among industry participants involves the inclusion of a sophisticated NOC in the network architecture. The Company pioneered the use of this architecture for the routing of messages to and from mobile devices. The key benefits of the NOC are message delivery reliability, network utilization efficiency and network security. By isolating enterprise firewalls from the devices, the mobile traffic avoids the need for numerous simultaneous inbound connections through the firewall, which is a significant security consideration for many IT managers. Other benefits of this architecture 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 network buffer between the more limited bandwidth of wireless networks and the massive bandwidth of the wired environment.

A key aspect of the Company's competitive differentiation among industry participants in the embedded software market includes QNX’s POSIX compliant micro-kernel architecture, proprietary tools allowing developers to understand their software’s behavior, and the in-depth knowledge of the software that QNX provides. These elements combine to allow the QNX software to achieve certifications for medical, security and life safety critical applications.

Product Design, Engineering and Research and Development

The Company's research and development ("R&D") strategy seeks to provide broad market applications for products derived from its technology base.

The Company creates innovative and robust hardware designs through complex mechanical stack up, board layout and component integration, combined with proprietary software and firmware features. These tightly integrated solutions allow the Company to customize its core proprietary technical solutions to address new applications, network protocols, and evolving transmission frequencies. The Company's tunable closed loop 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. The Company has developed its own radio code stack, which it incorporates into the processors that are deployed in BlackBerry smartphones.

The Company dedicates a major portion of its R&D investments to the development of software products and services that meet the needs of both corporate IT departments and individual customers. These include BES12 and related enterprise software solutions, BlackBerry 10 device and platform software, as well as device applications and server software.

Additionally, QNX has developed an embedded computing platform utilizing its unique micro-kernel OS, multimedia and infotainment platform-specific middleware, as well as acoustic processing products. This QNX Neutrino OS is the basis for BlackBerry 10 smartphones and supports the integration of all hardware components and security features.

The Company's R&D efforts are focused primarily on the following areas:

- developing productivity focused devices for current and emerging wireless network technologies and market segments;
- evolving the functionality, security and performance of its BlackBerry wireless solution and BlackBerry smartphones;
- developing core technology and platforms for next generation air interfaces and networks, including evolution of 3G and 4G wireless networks;
- developing value-added services and other enterprise software solutions;
- building device software including operating systems, radio code, graphics and media frameworks, application runtimes, networking technologies, and BlackBerry applications;
- developing server and desktop software for enterprise and consumer 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 and smart companion products 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.

The Company endeavors to take advantage of specific government and academic financial assistance programs to support its research activities where available.

The Company previously entered into a project development agreement with Technology Partnerships Canada ("TPC"), which provided partial funding for certain research and development projects. Funding received by the Company from TPC was for a development project 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 total royalty payments of $45 million. The Company recorded $4.9 million (CAD) on account of TPC royalty repayment expense with respect to the obligation during fiscal 2015. The last payment for the obligation will be made in fiscal 2016.

The Company also qualifies for investment tax credits ("ITC") on eligible expenditures on account of Canadian scientific research and experimental development. In fiscal 2015, the Company recognized the benefits of its ITC in its consolidated statements of operations.

Third Party Software Developers

The Company 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, the Company 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, the Company provides a

suite of software development tools for BlackBerry smartphones, enabling applications to be developed using technologies such as Java, HTML5, Javascript®, and Native C/C++/Qt with OpenGL® ES support. BlackBerry 10 will run most Android JellyBean 4.3 applications without any code changes. The Company also provides a variety of advanced services to application developers to enable them to develop deeply integrated applications that leverage online network services. These advanced services include the BlackBerry Messenger Social Apps Platform, Push Service, Payments Service, Location Service, Maps Services, and Analytics Service. Using these services, developers can create applications that take advantage of integrated social networking services, push notifications, in-app payments and advertising, advanced location services, and application usage information.

BlackBerry 10.3 preloads the Amazon Appstore with access to over 200,000 apps. Developers are encouraged to distribute their business and productivity apps through BlackBerry World and consumer apps through Amazon Appstore. However, developers have the choice of which store they use to distribute their applications.

QNX CAR 2.1, based on the QNX 6.6 Software Development Platform, has the ability to run the Android Jellybean 4.2.2 application without any code changes.

The Company embraces open standards and includes a variety of open source libraries out of the box including Lua, OpenAL, cocos2d-x, and Box2D and has an open source repository that can be accessed at github.com/blackberry.

For distribution and management of enterprise applications, the Company provides a suite of tools and technologies within BES12 to enable secure and managed provisioning of applications to enterprise employees. This includes capabilities for both commercial packaged application and in-house corporate applications. Enabling vertically focused enterprise applications is a key focus of BlackBerry.

For distribution of personal and consumer applications, the Company provides wireless carriers with the ability to distribute select applications and rich media content to their customer base and also provides BlackBerry World as a direct storefront for BlackBerry customers.

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. The Company believes that the rapid pace of technological change in the communications industry makes patent and trade secret protection important, and that this protection must be supported by other means including the ability to attract and retain qualified personnel, new product introductions and frequent product enhancements.

The Company protects its technology through a combination of patents, designs, copyrights, trade secrets, confidentiality procedures and contractual arrangements. The Company seeks to patent key concepts, components, protocols, processes and other inventions that it considers to have commercial value or that will likely give the Company a technological advantage. Although the Company 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 the Company'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, the Company owns rights to an array of patented and patent pending technologies relating to wireless communication technology.

It is the Company'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.

The Company also enters into various types of licensing agreements related to technology and intellectual property rights. The Company enters into certain of these agreements to obtain rights that may be necessary to produce and sell products into the wireless industry. The Company may also license its technology and intellectual property to third parties through various licensing agreements, including as part of the BTS business.

Production

The Company outsources the majority of its manufacturing to specialized global EMS companies who are positioned to meet the volumes, scale, cost and quality requirements of the Company. The Company strives to reduce its risk and dependency on these companies by having various partners located in key geographical locations, thereby increasing leverage on cost, quality and operational performance. Constant and immediate access to each manufacturing facility is available upon the Company's demand, and these facilities are regularly audited by Company personnel trained in this function. The Company also operates a production facility in Waterloo, Ontario that is primarily focused on new product introduction and research and development related activities. In fiscal 2015, the Company sold its product development center in Bochum, Germany.

The Company expects to continue to evolve its supply chain model, including through its partnership with Foxconn, as well as other key suppliers. Under this partnership, Foxconn has jointly developed and is manufacturing the BlackBerry Z3 smartphone for Indonesia and other fast-growing markets and delivered the BlackBerry Classic. The devices manufactured by Foxconn are purchased and resold by BlackBerry. The Company expects the partnership with Foxconn will continue to enable the Company to focus on iconic design, world-class security, software development and enterprise mobility management while simultaneously addressing fast-growing markets, leveraging Foxconn's scale, efficiency and supply chain to allow the Company to compete more effectively while reducing the Company's inventory risk. The Company's hardware model also strives to provide a supply chain with speed advantages in designing for faster product life cycles, as well as to leverage scale and manufacturing strength beyond current volumes.

The Company will also look to continue to enhance its new product introduction and supply chain planning activities through further integration with internal research and development activities.

The Company generally controls sourcing decisions for materials and services that are incorporated into Company products. Outsourced manufacturing partners are responsible for transacting business on behalf of the Company with component suppliers, but the Company generally negotiates pricing of these materials and services. Depending on market conditions, the Company may order more or less of a particular material or service and when possible, attempts to source components from at least two suppliers with a view to avoiding different types of supply disruption. Component availability and pricing of components may also be affected by the volumes the Company generates, compared to the volumes a competitor may require. See also "Risk Factors - The Company relies on its suppliers to supply functional components and is exposed to the risks that these suppliers will not 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."

Industry Associations

The Company is an active participant in numerous industry associations and standards bodies. The Company's involvement with leading associations includes standards development, government advocacy, joint marketing, participation in conferences and trade shows, training, technology licensing by the Company and business development.

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.

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. In Canada, the relevant regulatory authority is Industry Canada. The European Community ("EC") defines marking requirements within the Radio and Telecommunications 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.

The Company's BlackBerry wireless devices, which are made commercially available by the Company across multiple markets, meet FCC, Industry Canada, and R&TTE requirements. In addition, Company devices have obtained regulatory approvals required by other countries where such products are made commercially available by the Company. As BlackBerry has started to design and market devices in selected regions only, not every device will meet FCC, Industry Canada and R&TTE requirements. Devices developed under the Foxconn partnership will be tested by BlackBerry internal or external labs holding the required regulatory certifications.

At the present time, the Company 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 R&TTE in alignment with the Company's device development and release strategy. In addition, the Company is able to 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, state, federal and international laws relating to environmental protection and the proliferation of hazardous substances. In parts of Europe and North America, the Company is currently obligated to comply with substance restrictions, packaging regulations, energy efficiency ratings and certain product take-back and recycling requirements. In addition, the Company may be required to comply with emerging substance restrictions and product take-back requirements in other jurisdictions 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 the Company's business and may require the Company to incur substantial compliance costs.

Corporate Responsibility

The Company is committed to operating in a sustainable way that respects the environment, Company employees, the communities in which the Company operates and the Company's business partners around the world. Product sustainability efforts include implementing design for environment principles, material selection processes, energy efficiency and packaging assessments, as well as product take back programs. In addition, the Company engages with its suppliers to conduct due diligence into the source and chain of custody of the so-called "conflict minerals" (minerals that are mined in conflict-affected regions of the world) that are necessary to the functionality or production of the Company's hardware products.

The Company has formalized a number of policies to reflect the Company's commitment to responsible business practices, including a Responsible Minerals Policy, and issues a Corporate Responsibility report annually. This report as well as other documents and policies relating to the Company's efforts in this area can be viewed on the Company's website.

Employees

As of February 28, 2015, the Company had 6,225 full-time employees.

Facilities

The Company's headquarters are located in Waterloo, Ontario, Canada. The Company's main campus in Waterloo consists of four leased buildings. The Company also operates facilities in the United States, Latin America, Asia-Pacific, Europe, Middle East and Africa. In fiscal 2015, the Company divested the majority of its Canadian commercial real estate portfolio, as well as its product development center in Bochum, Germany.

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 is subject to a variety of claims (including claims related to patent infringement, purported class actions and other claims in the normal course of business) and may be subject to additional claims either directly or through indemnities against claims that it provides to certain of its partners and customers. 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 against the Company have 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" in this AIF, including the risk factors entitled "The Company is subject to general commercial litigation, class action 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", "The Company is subject to potential litigation claims arising from the Company's disclosure practices", and "The Company may infringe on the intellectual property rights of others".

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 a potential loss is considered probable and the amount is reasonably estimable, provisions for loss are made based on management's assessment of the likely outcome. Where a range of loss can be reasonably estimated with no best estimate in the range, the Company records the minimum amount in the range. The Company does not provide for claims for which the outcome is not determinable or claims for which the amount of the loss cannot be reasonably estimated. Any settlements or awards under such claims are provided for when reasonably determinable.

As of February 28, 2015, there are no claims outstanding for which the Company has assessed the potential loss as both probable to result and reasonably estimable, therefore no accrual has been made. Further, there are claims outstanding for which the Company has assessed the potential loss as reasonably possible to result, however an estimate of the amount of loss cannot reasonably be made. There are many reasons that the Company cannot make these assessments, including, among others, one or more of the following: the early stages of a proceeding does not require the claimant to specifically identify the patent that has allegedly been infringed; damages sought are unspecified, unsupportable, unexplained or uncertain; discovery has not been started or is incomplete; the facts that are in dispute are highly complex (e.g., once a patent is identified, the analysis of the patent and a comparison to the activities of the Company is a labour-intensive and highly technical process); the difficulty of assessing novel claims; the parties have not engaged in any meaningful settlement discussions; the possibility that other parties may share in any ultimate liability; and the often slow pace of patent litigation.

Though they do not meet the test for accrual described above, the Company has included the following summaries of certain of its legal proceedings that it believes may be of interest to its investors.

On January 3, 2014, the Company filed a lawsuit against Typo Products LLC (“Typo”) in the U.S. District Court for the Northern District of California (the “USDCNDC”). The Company asserted that Typo infringes U.S. Patent Nos. 7,629,964 and 8,162,552, generally directed to a keyboard for use with a mobile communication device. The Company also asserted that Typo infringed U.S. Design Patent No. D685,775, generally directed to a keyboard design, and trade dress relating to keyboards. The complaint seeks an injunction, monetary damages, and other relief that the court deems just and proper. On January 22, 2014, the Company filed a motion for preliminary injunction to enjoin Typo from infringing U.S. Patent No. 7,629,964 and U.S. Design Patent No. D.685,775. Typo filed its opposition on February 5, 2014 and on March 11, 2014, the Company filed a motion to dismiss Typo's counterclaim and defenses. On March 28, 2014, the court granted the Company's motion for preliminary injunction, which went into effect after the Company's payment of a $0.5 million bond. On May 9, 2014, the court granted the Company's motion to dismiss. Typo has withdrawn its products from the market pursuant to the injunction, pending resolution of the lawsuit. The Company prevailed on its claim construction and filed an amended complaint adding related party Show Media LLC to the litigation. On December 26, 2014, Typo filed a motion for summary judgment. On February 4, 2015, the court granted the renewed motion for contempt, ordering Typo to pay the Company $0.9 million in sanctions, as well as fees and costs. Proceedings are ongoing.

On February 16, 2015, the Company filed a lawsuit against Typo, Typo Innovations, LLC, Show Media LLC, Hallier Investments, LLC and Laurence Hallier in the USDCNDC. The lawsuit relates to a modified version of the product accused in the Typo complaint described in the paragraph above. The Company asserted that the defendants infringe U.S. Patent Nos. 7,417,565 and 8,162,552, generally directed to a keyboard for use with a mobile communication device, and U.S. Patent No. 8,493,322, generally directed to a text input method. The Company also asserted that the defendants infringe U.S. Patent Nos. 8,431,849 and 8,658,925, generally directed to a keypad assembly with backlighting and trade dress relating to keyboards. The complaint seeks an injunction, monetary damages, and other relief that the court deems just and proper. Proceedings are ongoing.

Between October and December 2013, several purported class action lawsuits and one individual lawsuit were filed against the Company and certain of its former officers in various jurisdictions alleging that during the period from September 27, 2012 through September 20, 2013, the Company and certain of its officers made materially false and misleading statements regarding the Company’s financial condition and business prospects and that certain of the Company’s financial statements contain material misstatements. The individual lawsuit was voluntarily dismissed. In respect of the U.S. class actions, four motions for the appointment of lead plaintiff were filed. On March 14, 2014, the Judge consolidated the proceedings in the U.S. District Court for the Southern District of New York. On May 27, 2014, the Consolidated Amended Class Action Complaint was filed. The Company filed a motion to dismiss the complaint. On March 13, 2015, the court issued an order granting the Company's motion to dismiss. The proceeding is 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 AIF and in the Company's MD&A for the fiscal year ended February 28, 2015. 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.

The Company may not be able to attract new enterprise customers or maintain its existing relationships with its enterprise customers or transition them to the BES12 platform and deploy BlackBerry 10 smartphones.

The Company's current focus is on serving enterprise customers, particularly in regulated industries, including financial services, government and healthcare. In fiscal 2015, the Company undertook numerous initiatives to attract and retain enterprise customers. Throughout much of the year, the Company operated an EZ Pass program that enabled customers to easily move from BES and competitors' MDM platforms to BES10 or BES12. The Company experienced strong demand for the program, with many licenses traded in from competitors' MDM platforms and overall uptake exceeding the Company's goals. As a result, the Company ended the EZ Pass registrations in December 2014, shortly after the launch of BES12, the Company's flagship EMM solution supporting all major mobile platforms, including BlackBerry 10 and BBOS 7. In fiscal 2015, the Company also launched value-added cross-platform enterprise solutions, including BlackBerry Blend, BBM Protected, BBM Meetings, WorkLife by BlackBerry, Enterprise Identity by BlackBerry and VPN Authentication by BlackBerry. The enterprise-focused Classic and Passport smartphones were also introduced during the year, together with f BES10 Hosted and BES12 Hosted. The Company also announced a strategic partnership with Samsung that is expected to bring together BES12 with Samsung Galaxy smartphones and tablets that are embedded with Samsung KNOX. If the Company's new products are not competitive, do not align with customers' needs, are not launched as per the announced timeline or if they experience quality or performance issues, results of operations could be materially impacted.

While the Company expects these initiatives to improve and enhance its strength in enterprise solutions, there can be no assurance that new enterprise customers will be attracted or existing ones maintained. In addition, there can be no assurance that BES12 installations and value-added service subscriptions will result in equivalent levels of revenue to what the Company experienced in the past. The Company also faces the risk that certain enterprise customers may not upgrade to the Gold level of service from the free Silver level of service that was offered by the Company as part of its EZ Pass program, and the risk that customers will not renew their annual subscriptions. See also the Risk Factor entitled "The Company may not be able to develop, market and distribute an integrated software and services offering, or otherwise monetize its technologies, to grow revenue, achieve sustained profitability or mitigate the impact of the decline in the Company's service access fees".

Sales to large enterprise customers involve risks that may not be present (or that are present to a lesser extent) with sales to smaller entities. These risks include:

- more complicated infrastructure requirements, which result in more difficult and time-consuming implementation processes;
- more intense and time-consuming customer support practices;
- increased purchasing power and leverage held by large customers in negotiating contractual arrangements with the Company, including more pressure for discounts;
- more customer-favourable contractual terms, including penalties;
- longer sales cycles and the associated risk that substantial time and resources may be spent on a potential customer that ultimately elects not to purchase the Company's products or services, or purchases fewer products or services than expected; and
- closer relationships with, and dependence upon, large technology companies that offer competitive solutions.

If the Company is unable to increase sales of the Company's products and services to large enterprises while mitigating the risks associated with serving such customers, the Company's results of operations could be materially impacted.

Many of the Company's large enterprise customers have very complex IT systems, mobile environments and data privacy and security requirements. Accordingly, these customers typically undertake a significant evaluation process, which frequently involves not only the Company's products and services, but also those of the Company's competitors, and can result in a lengthy sales cycle. The Company spends substantial time, money and effort on its sales activities without any assurance that its efforts will produce any sales. In addition, purchases of the Company's products and services are frequently subject to budget constraints, multiple approvals, lengthy contract negotiations, and unplanned administrative, processing and other delays. Moreover, the evolving nature of the wireless communications market may lead prospective customers to postpone their purchasing decisions pending adoption of technology by others or pending potential consolidation in the market. As a result of the lengthy enterprise sales cycle, it is difficult to predict whether and when a sale will be completed, and the Company's operating results may vary significantly from quarter to quarter. Even if sales are completed, the revenues the Company receives from these customers may not be sufficient to offset BlackBerry's upfront investments.

Finally, the Company has encountered challenges due to the impact of BYOD strategies being adopted by its enterprise customers, as many IT departments that previously required employees to use the BlackBerry wireless solution because of its emphasis on security and reliability are permitting employees to choose devices offered by the Company's competitors, and this has been reflected through a decrease in the Company's enterprise subscribers. To address this evolution of the market, the Company has introduced new cross-platform solutions and new, more competitive BlackBerry smartphones, as noted above. The Company will also continue to seek partnerships that will further enable the Company to enhance these and potentially other offerings. However, there can be no assurance that these new product offerings will enable the Company to successfully address the challenges it faces from the trend toward flexible mobile deployment models in the enterprise space, either with existing or new customers.

The Company may not be able to develop, market and distribute an integrated software and services offering, or otherwise monetize its technologies, to grow revenue, achieve sustained profitability or mitigate the impact of the decline in the Company's service access fees.

The future success of the Company depends on its ability to grow revenue, sustain profitability, and mitigate the impact of the Company's declining service access fees through the development, marketing and distribution of its integrated software and services, and through the monetization of its other technologies.

For the Company to increase its software and services revenues, it must continually grow its customer base and increase the depth and breadth of the deployment of the Company's software and services with its existing customers by expanding the use of the Company's software and services on substantially more devices or for more users throughout such customers' businesses. The Company also needs to upsell; that is, to sell additional software and services to the same customers. The rate at which the Company's customers purchase additional software and services depends on a number of factors, including the perceived need for such additional software and services, features or functionality, the perceived reliability of the Company's software and services, and other competitive factors, such as pricing and competitors' offerings. If the Company's efforts to sell or upsell software or services as described above are not successful, its results of operations could be materially impacted.

Further, existing customers that purchase the Company's software and services have no contractual obligation to purchase additional solutions after the initial subscription or contract period. The Company's customers' expansion and renewal rates may decline or fluctuate as a result of a number of factors, including the level of their satisfaction with the Company's software and services or the Company's customer support, customer budgets and the pricing of BlackBerry software and services compared with the solutions offered by the Company's competitors, any of which may adversely impact the Company's revenue.

For smaller or simpler deployments, the switching costs and time are relatively minor compared to traditional enterprise software deployments and a customer may decide not to renew with the Company and switch to a competitor's offerings. Accordingly, the Company must invest significant time and resources in providing ongoing value to its customers. If these efforts fail, or if the Company's customers do not renew for other reasons, or if they renew on terms less favourable to the Company, BlackBerry's revenue may decline and its results of operations could be materially impacted.

The Company's ability to grow software and service revenue is also dependent on its ability to expand its distribution capabilities. The Company's software and services distribution strategy includes reliance on non-exclusive relationships with indirect partners, resellers and carriers. These relationships are complex and require a significant commitment of internal time and resources. These entities have entered, and may continue to enter, into strategic relationships with the Company's competitors and may terminate their relationships with the Company with limited or no notice and limited or no penalty, pursue other partnerships or relationships, or attempt to develop or acquire solutions or services that compete with the Company's products. If these entities do not effectively market and sell the Company's products, if they choose to place greater emphasis on solutions of their own or those offered by the Company's competitors, or if they fail to provide adequate support or otherwise meet the needs of the Company's customers, the Company's ability to grow these revenues may be adversely affected. There can be no assurance that these entities will act in a manner that will promote the success of the Company's software and services. See also the Risk Factor entitled "The Company's ability to sell, deliver and support BlackBerry products and services is dependent on establishing and maintaining relationships with network carriers and distributors".

The Company's software and services distribution strategy is also dependent on building a direct sales force, which requires significant time and resources, including investment in systems and training. There can be no assurance that the Company will be successful in implementing its distribution strategy.

Finally, the Company expects the generation of revenue from software and services and its other technologies to mitigate the impact of declining service access fees. The Company currently generates service revenue from billings to its BlackBerry subscriber account base that utilize BlackBerry 7 and prior BlackBerry operating systems primarily from a monthly infrastructure access fee (sometimes referred to as a "service access fee" or "SAF") charged to carriers or resellers, who in turn bill the BlackBerry subscriber.

While the Company expects that subscribers using BlackBerry 7 and prior BlackBerry operating systems will continue to generate service revenue, the amount of those revenues is expected to continue to decline in the coming quarters, particularly as users of BlackBerry Bold and BlackBerry Curve smartphones upgrade to the BlackBerry Classic or to a competitor's smartphone. This decline in service revenue could be significant. The Company cannot predict the rate of this anticipated decline with any degree of certainty as it depends on a number of factors, including the rate at which current BlackBerry 6 and BlackBerry 7 customers migrate to BlackBerry 10 and use only standard BlackBerry services, the Company's ability to continue charging SAF for its BlackBerry 6 and BlackBerry 7 products, and the Company's ability to further develop a compelling integrated services and software offering that generates new service and software revenues.

The Company expects to mitigate the loss of the enterprise portion of SAF revenue by generating revenue from enterprise customers that elect to utilize BES12 and other new software and services. Customers that require enhanced services, including advanced security, mobile device management, secure enterprise instant messaging and other services, are expected to continue to generate monthly service revenue. Other customers who do not utilize such services are expected to generate less or no service revenue.

If the Company is unable to develop, deliver and support a compelling integrated software and services offering that will mitigate the decline of service revenue relating to SAF in the manner described above and enable the Company to recover the costs associated with its network infrastructure, this could have a material adverse effect on the Company’s results of operations and financial condition.

The Company may not be able to enhance its current products and services, or develop new products and services, in a timely manner, at competitive prices, or to meet customer requirements.

The wireless communications and embedded software industries are characterized by increasingly rapid technological change, evolving industry standards, frequent new product introductions, frequent market price reductions, constant improvements in performance characteristics and short product life cycles. To remain competitive, industry participants must 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 services and provide for their compatibility with evolving industry standards and operating systems, to address competing technologies and products developed by other companies, and to continue to develop and introduce new products and services offering enhanced performance and functionality on a timely basis at competitive prices. In particular, the Company’s future success is significantly dependent on its ability to promote the adoption of the BES12 platform and the Classic and Passport smartphones. The Company is also focused on marketing and enhancing its value-added enterprise software and service offerings that leverage the Company’s strengths such as BBM, security and manageability to generate revenue and increase the user base. The Company believes that an increase in the user base for the BBM service in particular could lead to increased opportunities for monetization of the services offered through the platform. In fiscal 2015, the Company also announced the BlackBerry IoT Platform, a secure, cloud-based platform for machine to machine messaging and endpoint management, with an initial focus on the automotive and asset tracking industries.

The process of developing new technology is complex and uncertain, and involves time, substantial costs and risks, which are further magnified when the development process involves multiple operating platforms. The Company’s inability, for technological or other reasons, some of which may be beyond the Company’s control, to enhance, develop, introduce and monetize products and services 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, results of operations and financial condition or could result in its products and services not achieving market acceptance or becoming obsolete. In addition, if the Company fails to deliver a compelling customer experience, including marketing, sales support, activation and ongoing support, or accurately predict emerging technological trends and the changing needs of customers and end users, or the features of its new products and services, including BES12 and the Classic and Passport smartphones, do not meet the expectations or achieve acceptance of its customers, the Company’s business and prospects could be materially harmed.

The Company may be required to commit significant resources to developing new software and services before knowing whether such investment will result in software or services the market will accept. These risks are greater in the wireless communications market because the Company’s software is compatible with devices that run on different operating systems such as iOS, Android and Windows Phone, and these multiple operating systems change frequently in response to consumer demand. As a result, the Company may need to release new software updates at a much greater pace than a traditional enterprise software company that supports only a single platform.

In the past, the Company has encountered delays relating to new product introductions. If the Company experiences further delays relating to the launch of already announced or yet to be announced smartphones or other products or services, such delays could have a material adverse effect on the Company’s business, results of operations, financial condition and future prospects.

There cannot be any assurance that the technologies and related hardware or software products and services 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. In the case of the Company's smartphones, there can be no assurance that the Company's existing BlackBerry Bold users will migrate to the new Classic device. Also, there can be no assurance that BES10 and BES12 installations and value-added service subscriptions will result in equivalent levels of revenue to what the Company experienced in the past.

The Company's products and services are dependent upon interoperability with rapidly changing systems provided by third parties. The Company may not be able to adapt to changes in such operating systems and the Company's products and services may be prohibited from interfacing with such systems.

BlackBerry's platform depends on interoperability with operating systems, such as those provided by Apple, Google and Microsoft, as well as device manufacturers. Because mobile operating systems are released more frequently than legacy PC operating systems, and the Company typically has limited advance notice of changes in features and functionality of operating systems and mobile devices, the Company may be forced to divert resources from its preexisting product roadmap to accommodate these changes. In addition, if the Company fails to enable IT departments to support operating system upgrades upon release, the Company's business and reputation could suffer. This could disrupt the Company's product roadmap and cause it to delay introduction of planned products and services, features and functionality, which could harm the Company's business.

Operating system providers have included, and may continue to include, features and functionality in their operating systems that are comparable to certain of the Company's products and services, features and/or functionality, thereby making the Company's platform less valuable. The inclusion of, or the announcement of an intent to include, functionality perceived to be similar to that offered by the Company's products and services in mobile operating systems may have an adverse effect on the Company's ability to market and sell its products and services. Even if the functionality offered by mobile operating system providers is more limited than the Company's products and services, a significant number of potential customers may elect to accept such limited functionality in lieu of purchasing the Company's products and services. Furthermore, some of the features and functionality in the Company's products and services require interoperability with operating system APIs, and if operating system providers decide to restrict the Company's access to their APIs, that functionality would be lost and the Company's business could be impaired.

Intense competition, rapid change and significant strategic alliances within the Company's industry, including recent and potential future strategic transactions by its competitors or carrier partners, could continue to weaken the Company's competitive position or may continue to require the Company 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, messaging or machine to machine 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. In particular, there can be no assurance that the Company will be able to develop, introduce, gain market share and scale the BlackBerry IoT Platform among intense competition and rapid change in this emerging market. The Company's competitors, including new market entrants, may implement new technologies before the Company does, and the number of new entrants in the wireless communications industry can make it more difficult for the Company to differentiate its products and services. In addition, the Company's competitors may deliver new products and services earlier, or provide more attractively-priced, enhanced or better quality products and services than the Company does, which may, among other things, increase pressure on the Company to discount pricing on its existing and future products and services. In fiscal 2015, the Company's hardware revenues were negatively impacted by significant price reductions designed to drive sell-through for legacy BlackBerry 7 and BlackBerry 10 smartphones.

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, and such competitors have increased their market share at the expense of the Company in recent years. The Company also expects that additional competition will develop from existing companies in the wireless communications industry, from new entrants, and from consolidation or other partnership or business combination activities within the market, as demand for wireless access products and related 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, PDA and tablet vendors, Internet application vendors, key network operators, content providers and others may seek to provide integrated wireless solutions that compete with the Company's products and services. The impact of competition could result in fewer customer orders, loss of market share and reduced gross and operating margins. In addition, customers that may question the Company's ability to compete or remain viable as a provider of mobile communications solutions over the longer term could decide to replace the Company's products and services with those of its competitors. There can be no assurance that the Company will be able to compete successfully and withstand competitive pressures.

In addition, to the extent that the Company licenses its technology to enable other device manufacturers or software developers to equip their products with BlackBerry functionality or to use the Company's network infrastructure, or designs its solutions to

operate on competing operating systems, such actions may negatively impact demand for the Company's products and services, which impact may not be offset by the benefits of such initiatives to the Company through the potential generation of alternate sources of revenue, may not be realized in the manner anticipated by the Company, or may not offset the competitive impact such actions could have on the Company's business.

The intensely competitive market in which the Company conducts its business may require it to reduce its prices. The Company's competitors, particularly some of those that utilize Google's Android operating system, have in the past, currently, and may in the future, offer deep discounts on certain products or services in an effort to capture or maintain market share, to reduce inventory levels or to sell other products and services. Such changes can result in reduced margins and reduced cash generation, may require the Company to record inventory provisions, and could adversely affect the Company's results of operation and financial condition. The Company's ability to compete successfully will also depend on its ability to control the costs associated with the development, manufacture and marketing of new products.

Changes in the competitive landscape as a result of mergers or strategic partnerships can also adversely affect the Company's ability to compete effectively. The Company's competitors may establish or strengthen co-operative relationships with their carrier partners, sales channel partners, suppliers or other parties with whom the Company has strategic relationships, thereby limiting the Company's ability to promote its products and services. The use of Google's Android operating system by existing and emerging manufacturers, the acquisition of Google's devices division by Lenovo, and the acquisition of WhatsApp by Facebook are examples of such strategic relationships. Disruptions in the Company's business caused by such events could reduce revenue, result in a loss of market share, and adversely affect the Company's business, results of operations and financial condition. Also, some of the Company's competitors have increased their marketing and product development efforts and focus on the enterprise market. Examples of this include Apple's partnership with IBM and VMWare's acquisition of AirWatch.

The Company's QNX business remains the leader in the in-vehicle infotainment and telematics market. However, as the Company pushes to grow its footprint in automotive electronics, it expects intense competition from a number of companies and emerging technologies. The Company's infotainment competitors include existing players such as the GENIVI Alliance, new market entrants such as Google, and connectivity solutions such as Apple CarPlay, which leverage the capabilities of mobile devices to displace functionality that might otherwise have been built into OEM infotainment systems. Other technological advances by competitors have increased competitive pressure on the acoustic processing products marketed by the QNX business. The impact of this competition could result in reduced customer design wins, reduced software royalties, 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 these competitive pressures.

The Company's ability to sell, deliver and support BlackBerry products and services is dependent on establishing and maintaining relationships with network carriers and distributors.

The Company is dependent on its ability to establish, maintain and develop new relationships, and to build on existing relationships, with its network carrier partners, which the Company relies on to promote and 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 dependent on a limited number of network carriers. In addition, the Company's ability to establish, maintain and expand its market reach is increasingly dependent on establishing and maintaining distribution relationships with third party and indirect distributors. This is particularly the case in emerging and growth markets such as the Middle East, Asia and Latin America. There can be no assurance that the Company will be successful in establishing new relationships, or maintaining or enhancing its existing relationships, with network carriers or distributors. Non-performance by the Company under its contracts with network carriers or distributors 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, the Company's business, results of operations and financial condition could be materially adversely affected.

Factors, some of which are largely within the control of network carriers and distributors, that are important to the success of BlackBerry products and services, future product and service revenue 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 and distributors actively promote or subsidize the Company's products and the size of the subscriber base to which these efforts are directed;
- the extent to which carriers and distributors offer and promote competitive products and services;
- the pricing and terms of voice and data plans that carriers will offer for use with BlackBerry products and services, including any subsidy programs;
- sales growth of wireless devices, along with the related service, software and other revenues with respect to BlackBerry products and services;
- activations of BlackBerry subscriber accounts, as well as retention of existing ones;

- the carriers' interest in testing, and certifying in a timely manner, the Company's products on their networks;
- network performance and required investments in upgrades;
- future investments in evolving network technologies and support for new software technologies; and
- continued support and distribution of the Company's products and services if claims involving its products are filed against its carriers and licensees as well as against the Company.

Most network carriers and distributors sell products and services of the Company's competitors. If the Company's competitors offer their products and services to the carriers and distributors on more favorable contractual or business terms, have more products and services available, or those products and services are, or are perceived to be, in higher demand by end users, or are more lucrative for the carriers and distributors, there may be continued pressure on the Company to reduce the price of its products and services, or those carriers and distributors may stop carrying the Company's products or de-emphasize the sale of its products and services in favor of the Company's competitors, which would have a material adverse effect on the Company's business, results of operations and financial condition. There can be no assurance that the network carriers and distributors will act in a manner that will promote the success of the Company's products and services.

The Company has a 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 67% of revenue for fiscal 2015, compared to approximately 60% of revenue for fiscal 2014. If any significant customer discontinues its relationship with the Company for any reason, reduces or postpones current or expected purchase commitments for the Company's products and services, or promotes the products and services of a competitor over those of the Company, it could have a material adverse effect on the Company's business, results of operations and financial condition. The Company's ability to replace or find new large customers is necessarily limited due to the limited number of wireless carriers and distributors in many territories.

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, results of operations and financial condition.

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

BlackBerry products and services frequently involve the transmission of business-critical, proprietary, confidential and personal information of end users, and can include on-premise and cloud deployments. Like many other companies, the Company has been in the past, and expects to be in the future, the target of attempts by unauthorized third parties to access such information by breaching security measures that the Company or its partners have implemented.

Attempts by outside parties to access confidential or personal information of companies or their customers have, unfortunately, become commonplace. Unauthorized parties can attempt to breach a company's security measures through the actions of outside parties (e.g., hacking or malware) or employee action (e.g., error, malfeasance, or otherwise), in an attempt to obtain access to confidential or personal information. Additionally, outside parties may attempt to fraudulently induce employees, users, partners or customers to disclose sensitive information in order to gain access to confidential or personal information. Third party applications that are downloaded by a user on their BlackBerry smartphone could also increase the risk of a potential unauthorized access, misuse or misdirection of confidential or personal information because some applications require access to such information.

If the security measures implemented by the Company or its partners are breached, or perceived to be breached, or if there is an inappropriate disclosure or misdirection of confidential or personal information, including as a result of a security breach or virus relating to hardware or software, the Company could be exposed to litigation, potential liability and regulatory sanctions. Even if the Company was not held liable, a security breach or inappropriate disclosure of confidential or personal information (or the perception that such a breach has occurred) could materially damage the Company's reputation, which is built in large measure on the security and reliability of BlackBerry products and services, and even the perception of security vulnerabilities in the Company's products, services or network operations, 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 or change its products, services or network operations to protect itself against damage caused by these actual or perceived disruptions or security breaches in the future and these actions may have a detrimental impact, for example, on cost, the user experience or compatibility with third party products and services. Since the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, or may not be identified until a later time, the Company may not be able to anticipate these techniques, to implement adequate preventative measures or to remedy them in a timely manner. The risk that these types of events could seriously harm the Company's business may increase as the Company

expands the number of web-based products and services that it offers, increases the number of countries where the Company operates, and expands its ecosystem to offer third party products and services in conjunction with its own.

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

BlackBerry services are provided through the Company's network operations, often together with 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, and the threatened or actual suspension of BlackBerry services at the request of a government for alleged noncompliance with local laws or other events. The increased number of third party applications on the Company's network may also enhance the risk of network disruption and cyber attack risk for the Company. There may also be system or network interruptions if new or upgraded systems are defective or not installed properly.

The Company has experienced network events in the past, and any future outage in a network or system or other unanticipated problem that leads to an interruption or disruption of BlackBerry services, could have a material adverse effect on the Company's business, results of operations and financial condition, and could adversely affect the Company's longstanding reputation for reliability, thereby resulting in end users purchasing products offered by its competitors. As the Company moves to handle increased data traffic and support more applications or services, the risk of disruption and the expense of maintaining a resilient and secure network services capability may significantly increase.

In addition, poor performance in or any additional interruptions of the services that the Company delivers to its customers could delay market acceptance of its products and services and expose it to costs or potential liabilities, including under 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.

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 in connection with 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.

The Company's future success depends on its continuing ability to attract new personnel and retain 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, including members of its executive team. Competition for highly skilled management, technical, research and development and other employees is intense and increasing in the wireless communications and embedded software industries. The Company's recent restructuring activities, governance changes, and challenges relating to delays in new product introductions, as well as the Company's loss of market share, share price performance (particularly for those employees for whom equity-based compensation has been a key element of their compensation) and perceived future prospects, among other factors, may impact the Company's ability to attract new employees and retain existing employees. None of the Company's executive 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.

If the Company is unable to successfully execute its current strategies and realize the anticipated benefits of those strategies, it may be unable to attract and retain key employees, which could have a material adverse effect on the Company's business, result of operations and financial condition.

Sales to customers in highly regulated industries and governmental entities can be highly competitive and require compliance with stringent regulation.

Many of the Company's enterprise customers are either in highly regulated industries or are governmental entities and may be required to comply with more stringent regulations in connection with the implementation and use of the Company's products and services. Highly regulated and governmental entities often require contract terms that differ from the Company's standard arrangements and impose compliance requirements that are complicated, require preferential pricing or "most favoured nation" terms and conditions, or are otherwise time-consuming and expensive to satisfy. Government demand and payment for the Company's products and services may be impacted by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for the Company's products and services. The additional costs associated with providing the Company's products and services to governmental entities and highly regulated customers could harm the Company's margins. Moreover, changes in the underlying regulatory conditions that affect these types of customers could harm the Company's ability to efficiently provide BlackBerry products and services to them and to grow or maintain the Company's customer base.

The Company increasingly 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 and repairs on a timely basis or to an appropriate quality standard. In addition, the Company is exposed to risks related to changing manufacturers or reducing the number of manufacturers or suppliers it uses.

The Company outsources the majority of the manufacturing and repair of its products to third parties. The resources devoted by these third parties to meet the Company's manufacturing and repair requirements are not within the Company's control and there can be no assurance that manufacturing or repair problems will not occur in the future. Third party manufacturers, or other third parties to which such third party manufacturers in turn outsource the Company's manufacturing requirements, may not be able to satisfy the Company's manufacturing requirements on a timely basis, including by failing to meet scheduled production and delivery deadlines or to meet the product quality requirements of the Company and its customers. 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, and on a cost-effective basis, could have a material adverse effect on the Company's business, results of operations and financial condition.

On December 20, 2013, the Company announced a five-year strategic partnership with Foxconn. Under this relationship, Foxconn is jointly developing and manufacturing certain new BlackBerry devices and managing the inventory associated with those devices. While the Company expects this partnership to improve the operating results from the devices portion of its business, and to reduce the risk of excess inventory charges for products designed and manufactured by Foxconn, there can be no assurance that the Foxconn relationship will yield the financial or operational benefits described over the term of the agreement and has not previously had any experience in conducting these types of arrangements with Foxconn.

The Company's reliance on outsourcing its manufacturing requirements to third parties may involve a number of other risks, including:

- an inability to obtain adequate manufacturing capacity and reduced control over delivery schedules and costs;
- concerns regarding quality control, including in foreign jurisdictions where maintaining the integrity of the control systems implemented by the Company may be more difficult to monitor and manage;
- reduced control over the Company's intellectual property;
- increased risk of counterfeit and fraudulent activities giving rise to the availability of unauthorized devices; and
- early termination of, or failure to renew, contractual arrangements.

If the Company fails to effectively manage its remaining internal product design and manufacturing processes so that its products are manufactured to meet quality standards, third party manufacturing may be adversely affected. The Company may experience difficulties in increasing or decreasing production at third party facilities, implementing 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 develop increasingly sophisticated products.

The Company relies on its suppliers to supply functional components and is exposed to the risks that these suppliers will not 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 memory, on a timely basis. The Company purchases components and licenses certain software used in the manufacture and operation of its products from a variety of sources. Some components, including custom components, come from sole source suppliers. Some components are also subject to supply constraints, in part due to the continuing convergence of the mobile communication industry and computer industry, and increased competition. Some of the Company's competitors have greater name recognition, larger customer bases and significantly greater financial, sales, distribution and other resources and may receive preferential treatment from suppliers through allocations of scarce components or lower pricing. Due to increased demand for electronic components, electronic component manufacturers are experiencing shortages of certain components including displays and memory components. Certain key components such as displays and memory are also subject to significant commodity price fluctuations. From time to time, the shortage and allocation of components by electronic manufacturers have resulted in increased costs to the Company and delays in the Company's suppliers filling orders. 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 manufacture and 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 increase pricing, 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, labor disruptions, 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, results of operations 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, rapid changes in technology, and current market demand for particular components. If the Company overestimates its component requirements based on anticipated demand for its products, it may result in excess inventory, which would increase the risk of obsolescence, or financial penalties based on failure to satisfy minimum volume commitments, which would increase the manufacturing costs per unit of the Company's products. See the Risk Factor entitled: "The Company faces substantial inventory and other asset risk, including the potential for additional charges related to its inventory and long-lived assets". 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, results of operations and financial condition.

The Company has negotiated volume-based pricing terms with many of its suppliers and 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 or increased production costs 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 addition, some contracts require the Company to agree to a flat fee regardless of volumes, which can result in higher unit costs than anticipated if demand is lower than anticipated. In the future, as the Company establishes new pricing terms, reduced demand for any of its products and services could negatively impact future pricing from suppliers. Any of these outcomes may result in the Company's products being more costly to manufacture and less competitive, which could have a material adverse effect on the Company's business, results of operations and financial condition.

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 non-exclusive 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.

In addition, the Company licenses certain software from third-parties under open source licenses. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source licenses contain requirements that the Company make available source code for modifications or derivative works created by BlackBerry based upon the type of open source software used. If the Company combines its proprietary solutions with open source software in a certain manner, the Company could, under certain of the open source licenses, be required to release the source code of the Company's proprietary solutions to the public or offer the Company's solutions to users at no cost. This could allow the Company's competitors to create similar solutions with lower development effort and time and ultimately could result in a loss of revenue to the Company.

The terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on the Company's ability to commercialize its products and services. In such an event, the Company could be required to seek licenses from third parties in order to continue offering its products and services, to re-engineer the Company's products or services or to discontinue the sale of its products and services in the event re-engineering cannot be accomplished on a timely basis, any of which could materially and adversely affect the Company's business and operating results.

The Company's ability to maintain or increase its liquidity and service its debt could be adversely affected by its ability to generate cash flow by offering competitive products and services and sustaining recent cost reductions.

As of the end of fiscal 2015, the Company had cash, cash equivalents and investments of approximately $3.3 billion with $1.25 billion in indebtedness as a result of the Debenture Financing. The Company generates cash from sales of its products and

services and investment income to fund its operations and investments. The Company's working capital requirements and cash flows historically have been, and are expected to continue to be, subject to quarterly and yearly fluctuations, depending on such factors as timing and success of new product introductions, levels of sales, returns on the Company's investment portfolio, timing of deliveries and collection of receivables, inventory levels, capital expenditures, operating expenses, and customer and supplier terms and conditions.

The Company's ability to maintain or increase its cash flow and working capital could be adversely affected if it is unable to successfully drive adoption of BES12 and BlackBerry 10 smartphones or to enhance service revenues or exploit other opportunities for generation of revenues. In addition, if the Company fails to accurately predict emerging technological trends and the changing needs of customers and end users, or the features of its new products and services, including its BlackBerry 10 smartphones do not meet the expectations or achieve acceptance of its customers, its cash flow, liquidity and financial condition could be materially harmed. The Company believes that its liquidity position will be strongly influenced by end user adoption of BES 12 and BlackBerry 10 smartphones, by the Company's ability to sustain the benefits and cost savings achieved through its CORE program, and by its ability to mitigate declining revenues from service access fees.

The Company has incurred significant costs in implementing the Cost Optimization Program and the CORE program, all of which have had a significant effect on the Company's GAAP net income. There can be no assurance that the cost reductions achieved under either program can be sustained given the competitive nature of the Company's industry or that future initiatives designed to reduce the Company's spending will be successful or achieve any or all of the results desired or result in the optimal allocation of Company resources.

The Company has, and may from time to time have, third party debt service obligations pursuant to its outstanding indebtedness, including the Debentures. The Company's ability to make required payments on this indebtedness depends on its financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, and other factors beyond the Company's control, including market liquidity conditions, increased operating costs, and trends in the Company's industry. If the Company's cash flows and capital resources are insufficient to fund these debt service obligations, the Company may be forced to reduce or delay capital expenditures, sell assets, seek additional capital, or restructure or refinance its indebtedness. However, the terms of any such indebtedness may require the Company to meet certain financial tests and impose certain negative covenants, which may prevent the Company from accessing additional indebtedness or other sources of funding, or pursuing certain business opportunities and taking certain actions that may be in its interest. See also the Risk Factor entitled "The Company has incurred significant indebtedness, which could adversely affect its operating flexibility and financial condition ".

If the Company is unable to maintain or increase its cash balance, it may be required to raise additional funds through the issuance of equity, additional debt or a combination of equity and debt, or may be required to reduce or delay capital expenditures, further reduce costs, reallocate resources within the Company or consider other alternatives. Access to additional capital may not, however, be available on terms acceptable to the Company or at all. Furthermore, any future equity or equity-linked offering could be dilutive to existing shareholders and any drawdown on any future debt financing would require the Company to dedicate a portion of its cash flow to payments on indebtedness, would require the Company to comply with restrictive covenants or to meet certain financial tests, and would limit the Company's flexibility in planning for, or reacting to, changes in its business. There can be no assurance that the Company's strategies will be successful or that it will be able to maintain or increase its cash balance.

The Company faces substantial inventory and other asset risk, including the potential for additional charges related to its inventory and long-lived assets.

As the Company develops or announces new products and services, many of its older products and services will reach the end of their life cycle. In addition, the Company may decide or may be required to discontinue sales of certain products or services, or not pursue the development of certain products or services, as a result of such factors including expected demand, lower than expected sales, litigation or government action. As the Company discontinues the manufacturing and sale of these products and services, the Company must manage the liquidation of inventory, supplier commitments and customer expectations. In addition, the Company records a write-down for product and component inventories that have become obsolete, can no longer be sold or exceed anticipated demand or net realizable value, and accrues necessary cancellation fee reserves for orders of excess products and components. The Company's financial condition and results of operations could be materially and adversely affected in the future by the Company's ability to manage its inventory levels and respond to short-term shifts in customer demand patterns.

No assurance can be given that the Company will not incur additional related charges with respect to its existing or future products given the rapid and unpredictable pace of product obsolescence in the industries in which the Company competes. There is also no assurance that the Company's strategic five year relationship with Foxconn will eliminate the risk of these charges occurring in the future.

The Company must order components for its products and build inventory in advance of hardware product announcements and shipments. Components are normally acquired through a combination of purchase orders, supplier contracts, open orders and,

where appropriate, prepayments, in each case based on projected demand. Because the Company's markets are volatile, competitive and subject to rapid technology and price changes, there is a risk the Company will forecast incorrectly and order or produce excess or insufficient inventories of components or products. Additional complexity and uncertainty exists with forecasting related to the introduction of new technology platforms.

Under generally accepted accounting principles in the United States, the Company reviews its long-lived assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

As at February 28, 2015, the Company's long-lived assets had a carrying value of approximately $1.9 billion. The assets represent items such as the Company's network infrastructure, owned data centres and certain intellectual property, among others.

Competitive dynamics continue to be challenging to the Company's business and the Company cannot be certain of their potential impact on the Company's ability to generate sufficient cash flows to fully recover the current carrying value of these assets. If it is determined that sufficient future cash flows do not exist to support the current carrying value, the Company will be required to record an impairment charge for long-lived assets in order to adjust the value of these assets to the newly established estimated value.

The Company has incurred significant indebtedness, which could adversely affect its operating flexibility and financial condition .

The Company has, and may from time to time in the future have, third-party debt service obligations pursuant to its outstanding indebtedness, which currently includes $1.25 billion aggregate principal amount of Debentures. The degree to which the Company is leveraged could have important consequences, including:

- the Company's ability to obtain additional debt financing for working capital, capital expenditures, strategic initiatives or other business purposes in the future may be limited;
- a portion of the Company's cash flow from operations or other capital resources will be dedicated to the payment of the principal of, and/or interest on, indebtedness, thereby reducing funds available for working capital, capital expenditures, strategic initiatives or other business purposes;
- the Company may be more vulnerable to adverse economic and industry conditions as a result of its debt service obligations, including as a result of borrowings at variable rates of interest, which exposes the Company to the risk of increased interest rates; and
- the Company's flexibility in planning for, or reacting to changes in, its business and industry may be limited. In addition, certain of the Company's competitors may operate on a less leveraged basis, or without such restrictive covenants and therefore could have greater generating and financing flexibility than the Company.

The Company's ability to make scheduled payments of interest on, and to refinance, its indebtedness will depend upon its future operating performance and cash flow, which are subject to prevailing economic conditions and financial, competitive, business and other factors, many of which are beyond the Company's control. The Company's business may not generate sufficient cash flow from operations in the future, which could result in its inability to pay amounts due under its outstanding indebtedness or to fund other liquidity needs. If the Company does not have sufficient cash flow from operations, it may be required to refinance all or part of its then existing indebtedness (including the Debentures), sell assets, reduce or delay capital expenditures or seek to raise additional capital, any of which could have a material adverse effect on the Company's business, operations and financial position.

The Debentures are subject to restrictive and other covenants that may limit the discretion of the Company and its subsidiaries with respect to certain business matters. These covenants place restrictions upon, among other things, the Company's ability to incur additional indebtedness or provide guarantees in respect of obligations, create liens or other encumbrances, pay dividends, merge or consolidate with another entity and enter into any speculative hedging transaction. A breach of any of these covenants could result in a default under the Company's outstanding indebtedness, which would have a material adverse effect on the Company's business, operations and financial position.

There can be no assurance that the Company will be able to refinance its indebtedness as principal amounts become due, or that it will be able to do so on terms as favourable as those currently in place. The Company's ability to restructure or refinance its indebtedness, including the Debentures, will depend on the condition of the capital markets and the Company's financial condition at such time. Any refinancing of the Company's indebtedness could be at higher interest rates and may require the Company to comply with more onerous covenants, which could further restrict its operations. In addition, the terms of existing or future debt agreements, including the Indenture (as defined below in "Description of Capital Structure - Convertible Debentures"), may restrict the Company from adopting any of these alternatives. Further, upon the occurrence of a Change of Control (as defined in the Indenture), the Company would be obliged to make an offer to purchase the outstanding Debentures at a premium, which would require the Company to secure capital. If the Company is unable to refinance its indebtedness, or is only able to refinance indebtedness on less favourable terms, this may have a material adverse effect on the Company's business, operations and financial position.

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

The Company has acquired, and continues to seek out opportunities to acquire or invest in, businesses, assets, products, services and technologies that expand, complement or are otherwise related to the Company's business or provide opportunities for growth. For example, in fiscal 2015, the Company acquired Movirtu and Secusmart (see "General Development of the Business - Fiscal 2015" in this AIF).

These activities create risks such as the need to integrate and manage the businesses, personnel, and products acquired with those 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 businesses, 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. Acquisitions, investments or other strategic 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 and new or increased regulatory exposure, which are not covered by the indemnity or escrow provisions, if any, of the acquisition agreement.

As business circumstances dictate, the Company may also decide to divest itself of assets or businesses. For example, in fiscal 2015, the Company sold the majority of its real estate holdings in Canada, as well as its product development center in Bochum, Germany. The Company has only limited experience with sales of assets or businesses and may not be successful in identifying or managing the risks involved in any divestiture, including its ability to obtain a reasonable purchase price for the assets, potential liabilities that may continue to apply to the Company following the divestiture, potential tax implications, employee issues or other matters. The Company's inability to address these risks could adversely affect the Company's business, results of operations and financial condition.

The Company is subject to risks inherent in foreign operations, including fluctuations in foreign currencies, and may not be able to collect accounts receivables in jurisdictions with foreign currency controls.

Sales outside North America represented approximately 70% of the Company's revenue in fiscal 2015, which was comparable with fiscal 2014. The North American market, particularly the United States, is highly competitive and the Company intends to continue to pursue international market growth opportunities, such that international sales are likely to continue, at least in the near future, to account for a significant 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 a number of foreign jurisdictions, and could potentially open additional offices in other countries. The Company has limited experience conducting business in some of these jurisdictions 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. These risks include:

- compliance with the laws of the United States, Canada and other countries that apply to the Company's international operations, including import and export legislation, lawful access and privacy laws (as discussed further below);
- compliance with existing and emerging anti-corruption laws, including the *Foreign Corrupt Practices Act* of the United States, the *Corruption of Foreign Public Officials Act* of Canada and the UK *Bribery Act*;
- increased reliance on third parties to establish and maintain foreign operations;
- 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 and requests from law enforcement authorities;
- 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;
- instability in economic or political conditions, including inflation, recession and actual or anticipated military conflicts, social upheaval or political uncertainty;
- foreign currency fluctuations (as discussed in further detail below);
- foreign exchange controls and cash repatriation restrictions, including those relating to Venezuela and Argentina and certain other jurisdictions (as discussed in further detail below);
- 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;
- 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.

These factors may have a material adverse effect on the Company's business, results of operations and financial condition and there can be no assurance that the policies and procedures implemented by the Company to address or mitigate these risks will be successful, that Company personnel will comply with them, or that the Company will not experience these factors in the future.

The Company conducts business in certain foreign jurisdictions that have legislation or regulations relating to the issuance of cross-border payments in U.S. dollars, or in other currencies that will exit those countries. Examples of these countries with foreign currency controls are Venezuela and Argentina. The Company actively manages its exposure in these jurisdictions based on the existing rules and regulations in place. If the rules or regulations relating to the payment of foreign currencies in these or other countries change or if the countries devalue their currencies compared to other currencies, the Company may not be able to collect the amounts owing for the delivery of products and services and this would have a negative impact on the Company’s cash balance.

The Company continues to have accounts receivable outstanding related to service access fees provided to wireless service providers in Venezuela that, due to that country's political and economic condition and foreign currency restrictions, raise significant uncertainty about the availability of U.S. dollars for the payment of the Company’s invoices. Beginning in the first quarter of fiscal 2014, the Company ceased recognizing revenues related to service access fees charged to customers in Venezuela and, during the first quarter of fiscal 2015, the Company reached an agreement with its carrier partners in Venezuela to address the Company's inability to timely collect past service revenue charged in U.S. dollars and to address revenue for future services. For further details, please see the section in the Company's MD&A for the fiscal year ended February 28, 2015 entitled “Fiscal 2015 Summary Results of Operations - Financial Highlights - Venezuela Collection Agreement”.

The Company also experienced similar currency-related issues in Argentina beginning in the fourth quarter of fiscal 2014, which led to the deterioration of collections from the carriers to whom the Company provides services. Beginning in the fourth quarter of fiscal 2014, the Company ceased recognizing revenues related to service access fees charged to customers in Argentina due to that country's political and economic condition, as well as its foreign currency restrictions. During the third quarter of fiscal 2015, the Company reached agreements with certain carrier partners in Argentina to address long outstanding receivables and related terms for future service access fees. For further details, please see the section in the Company's MD&A for the fiscal year ended February 28, 2015 entitled “Fiscal 2015 Summary Results of Operations - Financial Highlights - Argentina Service Revenue”.

Similar currency control challenges are also being experienced in Nigeria and Egypt, among other markets where the Company operates. Although the Company monitors the political and economic situations in these countries, there are no assurances that the Company will be successful in the collection of its receivables, or that the laws and regulations that govern foreign currency controls will not reduce the Company’s capacity to collect funds.

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, Euros and British Pounds. If the Canadian dollar appreciates relative to the U.S. dollar, the Company’s Canadian dollar denominated expenses will increase when converted to U.S. dollars for financial reporting purposes. If the Euro depreciates relative to the U.S. dollar, the Company’s Euro denominated revenues will decrease when translated to U.S. dollars for financial reporting purposes. Foreign exchange rate fluctuations may materially affect the Company’s results of operations in future periods. For more details, please refer to the discussion of foreign exchange and income taxes in the Company's MD&A for the fiscal year ended February 28, 2015.

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. Patents can be issued very rapidly and there is often a great deal of secrecy surrounding pending 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**.** In addition, the Company could be exposed to financial obligations to a third party, or to the risk of legal action that could impact the saleability of the Company's products or services, if one of the Company's providers of third-party applications or content or other suppliers fails to procure necessary intellectual property rights. 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, partners and other suppliers due to infringing products, or that the Company can secure a license, modification or replacement of a supplier's products or services with non-infringing products or services 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 and claims advanced in the International Trade Commission have 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 or other proceedings 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 significant costs to defend the Company in litigation or other proceedings;
- 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, 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, results of operations 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. See also "Legal Proceedings" in this AIF.

The Company is subject to general commercial litigation, class action 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, which may potentially include claims relating to improper use of or access to personal data. For example, the Company is facing class action suits as a result of the service interruption that occurred in October 2011. 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, class action, 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, BlackBerry brand, results of operations 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, BlackBerry brand, results of operations and financial condition. See also "Legal Proceedings" in this AIF.

The Company is subject to potential litigation claims arising from the Company's disclosure practices.

The Company is committed to providing a high level of disclosure and transparency and provides commentary that highlights the trends and uncertainties that the Company anticipates. Any statements that are forward-looking statements are intended to enable the Company's shareholders to view the anticipated performance and prospects of the Company from management's perspective at the time such statements are made, and they are subject to the risks that are inherent in all forward-looking statements, as described in this AIF under "Cautionary Note Regarding Forward-Looking Statements". These forward-looking statements are made by the Company in light of its experience, its perception of historical and anticipated business trends, existing conditions in the business at the time and anticipated future developments, including competition and new product initiatives and expected timing, as well as the Company's current assessments of the risk factors that affect its business and the likely success of mitigation strategies relating to such factors. These forward-looking statements are subject to the inherent risk of difficulties in forecasting the Company's financial results and performance for future periods, particularly over longer periods, given the ongoing transition in the Company's business strategy and rapid technological changes, evolving industry standards, intense competition and short product life cycles that characterize the wireless communications industry. These difficulties in forecasting the Company's financial results and performance are magnified at the present time given the uncertainties related to the Company's strategic initiatives described in this AIF.

Given the dynamics of the wireless communications industry, the Company's financial results may not follow any past trends. In particular, the Company's entry into new markets or changes to the Company's products, services and licensing models can increase the difficulty of forecasting financial results. Significant unanticipated sales and marketing, R&D, IT, professional and other costs, writedowns and impairment charges may be incurred or take place in a single quarter, which can affect results. Additionally, many of the Company's products are, among other things, subject to long development, new product approval and certification, and sales cycles. In addition, 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. As a result, if expected revenues are not realized as anticipated, if new product introductions are delayed or are not as well received by the market as anticipated, or if operating expenses are higher than expected, the Company's actual financial results could be materially adversely affected. These factors can make it difficult to predict the Company's financial results. Consequently, actual results may differ materially from those expressed or implied by the Company's forward-looking statements and may not meet the expectations of analysts or investors, which can contribute to the volatility of the market price of the Company's common shares. Despite the Company's cautions in each earnings release, earnings conference call and securities filings that contains forward-looking statements that the risks relating to such statements should be considered carefully and that shareholders should not place undue reliance on forward-looking statements, if results expressed or implied in the forward-looking statements are not realized, or the Company updates its forward-looking statements at a later time, the Company may nevertheless be subject to potential securities litigation or enforcement action. For example, please see the section entitled "Legal Proceedings" in this AIF for an example of such securities litigation the Company is involved in. Regardless of the Company's views of the merits of such actions that may be filed against the Company, securities litigation is costly, time-consuming and may be unpredictable, and could divert the attention of management and key personnel from the Company's business operations. If the Company is unsuccessful in its defense of securities litigation claims or is unable to settle the claims, the Company may be faced with significant monetary damages that could have a material adverse effect on the Company's business, results of operations 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, results of operations and financial condition.

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

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 and embedded software 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 are not disclosed to the public until issued as patents, unless voluntary publication is applied for. Even the majority of applications filed after November 29, 2000 do not become public until 18

months from the first filing date for which a benefit is sought. 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 and services 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 or services similar to the Company's products or services 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 or use of the Company's intellectual property, including source code, know-how or trade secrets will occur; or
- contractual provisions may not be enforceable.

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

The Company may not be successful in supplementing or managing its BlackBerry World applications catalogue.

BlackBerry World, the Company's comprehensive electronic content distribution platform, is available to customers in over 170 markets globally. The Company's offering of applications and other content on BlackBerry World requires a substantial investment for the development of the necessary infrastructure, improvement of developer and consumer interfaces and advertising costs. In fiscal 2015, the Company announced the availability of the Amazon Appstore with the BlackBerry 10.3 operating system, greatly expanding access to thousands of the most popular applications and games to BlackBerry customers. This has enabled the Company to align its developer program with a renewed focus on delivering the most secure, end-to-end mobile enterprise solutions by placing more emphasis on the development of vital enterprise and productivity applications.

Decisions by customers to purchase the Company's products are strongly influenced by the availability of top-rated third-party software applications. The Company is dependent on third-party software developers to provide access to and develop content, including applications, and services to enhance the user experience and maintain competitiveness and differentiation of BlackBerry products in the marketplace. The availability and development of these applications and services will depend, in part, on perceptions of the third-party software developers of the relative benefits of developing software for the Company's products rather than or in addition to those of its competitors, which may be adversely affected by further losses of market share and perceptions regarding the ability of the Company's products and services to compete successfully in the wireless communications industry. The Company may not be successful in convincing existing BlackBerry developers to develop additional applications or new developers to develop applications for the catalogue. Some developers who have significant relationships with the Company's competitors may be unwilling to develop applications for BlackBerry products without valuable incentives from the Company, or at all. In addition, 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. The loss of, or inability to maintain these relationships may affect the desirability of the Company's products and, hence, the Company's revenue from the sale of its products, particularly to consumers. If the Company is unable to successfully expand and manage the BlackBerry World applications catalogue, the success of the Company's BlackBerry 10 smartphones and future products and services may be materially and adversely affected.

An expansion of the Company's online commercial presence may also require significant additional investment in security measures to protect the transmission of confidential data, including payment information, and to augment protection for the Company's servers and network. Any failure by the Company to implement adequate measures around security of payments, or security of confidential or personal information of the end users of the Company's products, could result in regulatory enforcement or potential litigation and have a detrimental impact on the BlackBerry brand and the Company's reputation. For example, failure by the Company to comply with applicable laws, regulations and practices imposed or supported by the payment card industry relating to the security of payments could result in sanctions by individual card providers (including

prohibiting the Company from processing a card provider's card), regulatory sanctions, fines or litigation under applicable privacy laws or reputational damage. Applications may also require an interface with third parties over which the Company has no control. If necessary third-party interfaces are not available to support the applications, the Company may lose market share, and its business, results of operations and financial condition may be adversely affected.

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

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. 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, results of operations and financial condition.

See also the Risk Factor entitled " The Company's products and services are dependent upon interoperability with rapidly changing systems provided by third parties".

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, errors or security vulnerabilities that are difficult to detect and correct. Design defects, errors or vulnerabilities may be found in 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 defects, errors or vulnerabilities in a timely manner or at all. The occurrence of defects, errors or vulnerabilities in the Company's products or services could result in the loss of, or delay in, customer or end user acceptance of its products or services and may harm the Company's reputation, and correcting such defects, errors or vulnerabilities in its products or services could require significant expenditures by the Company, involving cost or time and effort of Company personnel.

As the Company's products are integrated into its customers' networks and equipment, are used with third party applications and are used to deliver confidential or personal information, the sale and support of these products and services may entail the risk of liability due to product liability, warranty or other claims tied to the security of data. In addition, the failure of the Company's products or services to perform to end user expectations could give rise to product liability claims and warranty claims. The consequences of any such defects, errors, vulnerabilities and claims could have a material adverse effect on the Company's business, results of operations and financial condition.

In some cases, if design defects, errors or vulnerabilities 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.

In addition, the Company outsources the majority of the manufacturing and repair of its products to third parties. The resources devoted by these third parties to meet the Company's manufacturing and repair requirements is not within the Company's control and there can be no assurance that manufacturing or repair problems will not occur in the future. See also the risk factor entitled "The Company increasingly 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 and repairs on a timely basis or to an appropriate quality standard".

The Company's business could be negatively affected as a result of actions of activist shareholders.

Publicly-traded companies have increasingly become subject to campaigns by investors seeking to advocate certain governance changes or corporate actions such as financial restructuring, special dividends, share repurchases or even sales of assets or the entire company. Activist shareholders have publicly advocated for certain governance and strategic changes at the Company in the past, and the Company could be subject to additional shareholder activity or demands in the future. Given the challenges the Company has encountered in its business in recent years, recent changes to the Company's governance and strategic focus may not satisfy such shareholders who may attempt to promote or effect further changes, or acquire control over the Company. Responding to proxy contests, media campaigns and other actions by activist shareholders would be costly and time-consuming, disrupt the Company's operations and would divert the attention of the Board and senior management from the pursuit of its business strategies, particularly its ability to implement its new strategic initiatives, which could adversely affect the Company's results of operations, financial condition and prospects. If individuals are elected to the Board with a specific agenda to increase short-term shareholder value, it may adversely affect or undermine the Company's ability to effectively

implement its plans. Perceived uncertainties as to the Company's future direction as a result of shareholder activism could also result in the loss of potential business opportunities, and may make it more difficult to attract and retain qualified personnel and business partners.

The collection, storage, transmission, use and disclosure 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 products and services. 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 disclosure of such information. In addition, a number of leading companies in the mobile communications industry, including the Company, have agreed to privacy principles designed to prompt third-party application developers to conspicuously post privacy policies with their applications.

The interpretation of privacy and data protection laws, and their application to the Internet and mobile communications, in a number of jurisdictions is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from country to country and in a manner that is not consistent with the Company's current data protection practices. Complying with these varying international requirements could cause the Company to incur additional costs and change the Company's business practices. In addition, because the Company's services are accessible worldwide, certain foreign jurisdictions may claim that the Company is required to comply with their laws, even where the Company has no local entity, employees, or infrastructure.

The Company could be adversely affected if legislation or regulations are expanded to require changes in its business practices, 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 or if end users allege that their personal information is not collected, stored, transmitted, used or disclosed appropriately or in accordance with the Company's end user agreements and privacy policies or applicable privacy and data protection laws. If the Company is required to allocate significant resources to modify its products or services or its existing security procedures for the personal information that the Company transmits and stores, its business, results of operations and financial condition may be adversely affected.

The Company's network carriers or other customers, partners or members of its ecosystem 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 BlackBerry products and services. Such expectations or requirements could subject the Company to additional costs, liabilities or negative publicity, and limit its future growth. In addition, governmental authorities may use the Company's products to access the personal data of individuals without the Company's involvement, for example, through so-called lawful intercept capability of network infrastructure. Even perceptions that the Company's products do not adequately protect users' privacy or data collected by the Company, made available to Company or stored in or through the Company's products or that they are being used by third parties to access personal or consumer data could impair the Company's sales or its reputation and brand value.

In addition, laws in various countries relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, which include actions for invasion of privacy, libel, slander, and other tort claims, unlawful activity, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted, or the content generated by users. Certain jurisdictions are also testing the liability of providers of online services for activities of their users and other third parties. Any court ruling that imposes liability on providers of online services for activities of their users and other third parties could harm the Company's business.

Certain governments are also imposing requirements for the filtering of content available to end users. These requirements vary across varying jurisdictions and compliance with these requirements may be costly. Conversely, a failure to comply could result in adverse publicity, a ban on the Company's products and services as well as other regulatory sanctions.

Failure of the Company's suppliers, subcontractors, third-party distributors and representatives to use acceptable ethical business practices or to comply with applicable laws could negatively impact the Company's business.

The Company expects its suppliers and subcontractors to operate in compliance with applicable laws, rules and regulations regarding working conditions, labor and employment practices, environmental compliance, anti-corruption (including the *Foreign Corrupt Practices Act* of the United States, the *Corruption of Foreign Public Officials Act* of Canada and the UK *Bribery Act*), and patent and trademark licensing as detailed in the Company's Supplier Code of Conduct. However, the Company does not directly control their labor and other business practices. If one of the Company's suppliers or subcontractors violates applicable labor, anti-corruption or other laws, or implements labor or other business practices that are regarded as unethical, or if a supplier or subcontractor fails to comply with procedures designed by the Company to adhere to existing or proposed regulations, the shipment of finished products to the Company could be interrupted, orders could be canceled,

relationships could be terminated, the Company's reputation could be damaged, and the Company may be subject to liability. Any of these events could have a negative impact on the Company's business, results of operations and financial condition.

The Company is subject to government laws, regulations, orders, policies and restrictions, including on the sale of products and services that use encryption technology.

Regulatory initiatives throughout the world can also create new and unforeseen regulatory obligations on the Company, its products and services. Government regulations applicable to the Company's products and services may provide opportunities for competitors or limit industry growth. For example, a change to the regulatory classification of the Company's products and services, such as content, taxation, and licensing requirements, could place regulatory obligations commonly reserved for licensed telecommunications carriers or broadcasters on the Company. The impact of these potential obligations could vary based on the jurisdiction, but any such changes could impact whether the Company enters, maintains or expands its presence in a particular market, and whether the Company must dedicate additional resources to comply with these obligations.

Various countries have enacted laws and regulations, adopted controls, license or permit 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 BlackBerry products and services in certain markets or may require the Company to make changes to the encryption technology that is embedded in its products or services 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. Likewise, restrictions or perceived restrictions may adversely affect the marketing and sales resources that network carriers and distributors may dedicate to 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 competitors may be subject to less stringent controls on the export, import, and use of encryption technologies in certain markets. Also, several countries have adopted legislation authorizing the circumvention of encryption measures in limited circumstances. These legislative provisions could potentially be used by competitors to attempt to reverse engineer or find vulnerabilities in the Company's products and services. 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 laws and regulations concerning encryption technology could subject the Company to sanctions and penalties, including fines, and suspension or revocation of export or import privileges.

In addition, governments are increasingly imposing requirements on entities like the Company to facilitate controls over the content that users have access to on their mobile devices. Examples include content filtering laws or laws designed to prevent a company's products or services from being used to infringe third party intellectual property such as copyright in artistic performances. Also, numerous jurisdictions impose content filtering requirements to prevent access to content deemed restricted based on the norms and laws of that particular jurisdiction. Furthermore, the Company may be required to pay copyright levies on products and services used by consumers to copy or stream copyrighted works. Non-compliance with these legal requirements could result in fines, imprisonment of local executives, and sanctions on the import and/or use of the Company's products or services.

The Company is subject to regulation and certification risks that could negatively affect 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 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, when used as directed, 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 regulatory and/or civil liability, additional costs (including fines) 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 (including climate change regulation) and other laws, standards and regulatory requirements (including legislation relating to certain minerals that are used in the wireless communications industry) will not adversely affect the Company's business, results of operations or financial condition.

In addition to complying with regulatory requirements, 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, results of operations and financial condition.

There has also been public speculation about possible health risks to individuals from exposure to electromagnetic fields or radio frequency energy from the use of mobile devices. Government agencies, international health organizations, industry associations 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. 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.

There are costs and other burdens associated with recently adopted regulations regarding conflict minerals.

In fiscal 2014, the SEC adopted new disclosure requirements implementing Section 1502 of the *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010* for manufacturers of products containing certain minerals that are mined from the Democratic Republic of Congo and adjoining countries. These so-called "conflict minerals" are commonly found in metals used in the manufacture of certain of the Company's products. The new disclosure requirements may limit the sourcing and availability, or may increase the costs, of some of the metals used in the manufacture of the Company's products. The effect may also reduce the number of suppliers who provide conflict-free metals, and may affect the Company's ability to obtain products in sufficient quantities or at competitive prices. Also, since the Company is subject to the new disclosure requirements and its supply chain is complex, the Company may face reputational challenges if the Company is unable to sufficiently verify the origins for all metals used in the Company's products through the due diligence procedures that the Company implements.

If the Company loses its foreign private issuer status under U.S. federal securities laws, it will incur additional expenses associated with compliance with the U.S. securities laws applicable to U.S. domestic issuers and will not be able to utilize certain benefits available to foreign private issuers.

As a foreign private issuer, as defined in Rule 3b-4 under the Exchange Act, the Company is currently exempt from certain of the provisions of the U.S. federal securities laws. For example, the U.S. proxy rules and the Section 16 reporting and "short swing" profit rules do not apply to foreign private issuers. However, if the Company loses its status as a foreign private issuer, these regulations would apply and it would also be required to commence reporting on forms required of U.S. domestic companies, such as Forms 10-K, 10-Q and 8-K, rather than the forms currently available to the Company, such as Forms 40-F and 6-K. Compliance with the additional disclosure and timing requirements under these securities laws would likely result in increased expenses and would require the Company's management to devote substantial time and resources to comply with new regulatory requirements. Further, to the extent that the Company offers or sells its securities on an unregistered basis outside of the United States, it would have to comply with the more restrictive Regulation S requirements that apply to U.S. domestic companies. The Company would also no longer be able to utilize the significant benefits afforded by the U.S./Canada multijurisdictional disclosure system, which generally permits eligible Canadian companies to use Canadian disclosure documents to satisfy continuous reporting requirements in both Canada and the United States, and allows Canadian companies to make offers and sales of securities to the public in the United States using a Canadian prospectus that is subject to review by the principal Canadian regulator, thereby avoiding the costs and delays associated with duplicative and sometimes conflicting regulatory requirements. In addition, the Company would not be able to benefit from certain exemptions available to foreign private issuers that it has used in the past, including its ability to comply with the rules of the TSX in lieu of certain NASDAQ listing requirements.

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 and tablets 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. Furthermore, the Company may be required to pay copyright levies on products and services used by consumers to copy or stream copyrighted works. Non-compliance with these legal requirements could result in fines, imprisonment of local executives, and sanctions on the import and/or use of the Company's products or services.

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

The Company is subject to income, indirect (such as sales tax, sales and use tax and value-added tax) and other taxes in Canada and numerous foreign jurisdictions. Significant judgment is required in determining its worldwide liability for income, indirect and other taxes, as well as potential penalties and interest. 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 assurance that the final determination of any tax audits will not be materially different from that which is reflected in historical income, indirect and other tax provisions and accruals. Should additional taxes or penalties and interest 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. In addition, there is a risk of recoverability of future deferred tax assets.

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, the timing of the release, if any, of the valuation allowance, and the relative proportion of research and development incentives to the Company's profitability.

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

The market price of the Company's outstanding common shares has been and continues to be volatile, due in part to uncertainty relating to the Company's ability to implement and realize the benefits of its ongoing strategic initiatives. 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, increasing market share of such companies, announcements by, or results of, the Company's competitors, results of existing or potential litigation, updates to forward-looking financial guidance, announcements regarding new products and services and market rumors.

The Company's financial results are difficult to forecast and such results 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. In particular, the Company's entry into new markets and its introduction of new products may increase the difficulty of forecasting financial results and performance. The Company's sales may also be impacted by current economic factors which more significantly impact other industry sectors, such as the financial, government and legal services sectors and increased adoption in those sectors of products of the Company's competitors. 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 profit 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 financial results and performance could be materially adversely affected. These factors can make it difficult to predict the Company's financial results and performance. Difficulties forecasting financial results and performance over longer periods increase significantly given the ongoing transition in the Company's business strategy, rapid technological changes, evolving industry standards, intense competition and short product life cycles that characterize the wireless communications industry. These difficulties in forecasting the Company's financial results and performance are magnified at the present time given the uncertainties related to the Company's strategic initiatives described in this AIF.

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

Many of the end users of BlackBerry products and services are directly affected by the current economic and geopolitical conditions affecting the broader market. 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 the Company's business, results of operations and financial condition.

Current and future conditions in the domestic and global economies remain uncertain, and 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.

Economic 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 BlackBerry products and services may not upgrade their devices or may postpone the replacement of their devices or the purchase of their first device, or may purchase less costly products and services offered by the Company's competitors 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, results of operations and financial condition.

In addition, acts of terrorism and the outbreak of hostilities and armed conflicts within or 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, results of operations 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 total cash, cash equivalents and investments of $3.3 billion as at February 28, 2015, compared to $2.7 billion as at March 1, 2014. Cash equivalents, short term and other investments are invested primarily in debt securities of varying maturities. Consequently, the Company is exposed to interest rate risk and its results of operations may be 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 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 "Market Risk of Financial Instruments" in the Company's MD&A for the fiscal year ended February 28, 2015 for a discussion of credit risk related to the Company's investment portfolio.

Future issuances of common shares by the Company, including upon any conversion of the Debentures, will be dilutive to existing shareholders.

The Company is authorized to issue an unlimited number of voting common shares, an unlimited number of non-voting Class A common shares and an unlimited number of preferred shares issuable in series on terms and conditions established by the Board, generally without the approval of shareholders. Existing shareholders have no pre-emptive rights in connection with such further issues. During fiscal 2014, the Company issued $1.25 billion aggregate principal amount of Debentures, which may be converted at the holders' option for up to 125,000,000 common shares (subject to adjustment in certain circumstances). If the Debentures were converted in full as at February 28, 2015, the common shares issued would represent approximately 19.1% of the Company's then outstanding common shares. Subject to TSX and NASDAQ rules requiring shareholder approval, the Company may make future acquisitions or enter into financings or other transactions involving the issuance of common shares or securities convertible into common shares, which may be dilutive to existing shareholders. Sales or issuances of substantial numbers of common shares, or the perception that such sales could occur, may adversely affect prevailing market pricing for the Company's common shares.

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

The Board also has the authority to issue an unlimited number of 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. Subject to the Company's compliance with applicable securities law requirements, 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.

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 ("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 assurance 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 the Company is or has been considered a PFIC.

DIVIDEND POLICY AND RECORD

The Company has not paid any cash dividends on its common shares during the last three fiscal years. 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 CAPITAL STRUCTURE

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. Dividends which the Board determines 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 common shares and class A common shares, holders of common shares and class A 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 common shares and the class A common shares without preference or distinction. Subject to the rights of holders of any class of share ranking prior to the common shares and class A common shares, in the event that the Company is liquidated, dissolved or wound-up, holders of common shares and class A common shares are entitled to receive the remaining assets ratably on a per share basis 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 this time, the Company has no plans to issue further class A common shares.

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 Board 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.

Convertible Debentures

The following is a summary of the material attributes and characteristics of the Debentures. This summary does not purport to be complete and is subject to, and qualified in its entirety by, the terms of the Indenture (as defined below). Reference is made

to the Indenture, which has been filed on SEDAR at www.sedar.com and with the SEC at www.sec.gov, for complete descriptions of the Debentures.

General

The Debentures are direct, unsecured debt obligations of the Company and are issued under an indenture (the "Trust Indenture") dated as of November 13, 2013 between the Company, as issuer, BlackBerry Corporation, BlackBerry UK Limited, BlackBerry Finance, LLC and BlackBerry Singapore Pte. Limited, as guarantors (collectively, the "Guarantors") and Computershare Trust Company of Canada, as trustee (the "Trustee"), as supplemented by a supplemental indenture dated as of December 12, 2013 between the same parties (the "First Supplemental Indenture") and a second supplemental indenture dated as of April 30, 2014 between the same parties (the "Second Supplemental Indenture", and together with the First Supplemental Indenture and the Trust Indenture, the "Indenture"). The Debentures are limited in the aggregate principal amount of $1,250,000,000.

The Debentures have a maturity date of November 13, 2020 (the "Maturity Date"), subject to the prior conversion, redemption or payment thereof as provided by the Indenture.

Each of the Guarantors has separately guaranteed the payment of principal premium (if any) and interest and other amounts due under the Debentures, and the performance of all other obligations of the Company under the Indenture (the "Guarantees"). Other significant subsidiaries of the Company may be required to provide such Guarantees where they satisfy certain financial tests.

Interest

The Debentures bear interest at a rate of 6% per annum, payable in equal quarterly instalments in arrears on the last day of February, May, August and November of each year. If an Event of Default (as defined below) has occurred and is continuing, the Debentures will bear interest at a rate of 10% per annum during the period of the default.

Subordination

The Debentures rank *pari passu* with one another, in accordance with their tenor without discrimination, preference or priority and, subject to statutory preferred exceptions, shall rank equally with all other present and future unsubordinated unsecured Indebtedness (as defined below) of the Company, other than the Specified Senior Indebtedness (as defined below) of the Company and the Guarantors. No payments shall be made on account of the Debentures during any default of payment when due of any principal, interest or other amount owing with respect to Specified Senior Indebtedness, unless such Specified Senior Indebtedness shall first have been paid in full or provided for. The Trustee, on behalf of the holders of Debentures (the "Holders"), may from time to time enter into subordination agreements with Senior Creditors (as defined below) to reflect the relative priorities of the Holders and such Senior Creditors.

Conversion Privilege

Each Holder shall have the right at its option to convert each $1,000 principal amount of its Debentures into common shares at any time prior to the third business day prior to the Maturity Date. Common shares will be issued based on a conversion price of $10.00 principal amount of Debentures per share (the "Conversion Price"), subject to adjustment in certain circumstances.

Redemption Right

The Debentures will not be redeemable prior to November 13, 2016. On or after November 13, 2016, but prior to November 13, 2017, the Debentures will be redeemable at the Company's sole option, on not more than 60 days' and not less than 40 days' prior written notice, in whole or in part, at a price equal to 104% of the principal amount thereof, plus accrued and unpaid interest. The percentage of principal amount at which the Debentures may be redeemed will decrease by 1% for each successive one year period thereafter to the Maturity Date.

Change of Control

If a change of control of the Company occurs involving: (i) the acquisition by any person or groups of persons acting jointly or in concert, directly or indirectly, in a single transaction or a series of related transactions, of voting control or direction over more than 35% of the then-outstanding common shares; (ii) the acquisition by any person (other than the Company or any of the Guarantors) or one or more members of a group of persons acting jointly or in concert (other than a group consisting solely of two or more of the Company and any of the Guarantors), directly or indirectly, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole; or (iii) the completion of a merger, amalgamation, arrangement or similar transaction which results in holders of the Company's common shares immediately prior to the completion of the transaction holding less than 50% of the then outstanding common shares of the resulting entity after the completion of the transaction (a "Change of Control"), the Company is required to make an offer (a

"Repayment Offer") to purchase all or, at the option of the Holders, a portion (in integral multiples of $1,000) of the principal amount of the Debentures held by such Holders, at a price equal to 115% of the principal amount thereof plus accrued and unpaid interest, if any, to but excluding the Change of Control Repurchase Date (as defined in the Indenture) (the "Change of Control Repurchase Price"). The Company is not required to make that Repayment Offer to Fairfax or its affiliates, or any of their joint actors, if they caused such a Change of Control. Any Debentures so repurchased will be cancelled and may not be reissued or resold.

Certain Covenants

The Company is bound by certain covenants under the Indenture. Positive covenants include: (i) payment of the Trustee's remuneration; (ii) maintenance of corporate existence and books of account; and (iii) payment of principal, premium (if any) and interest on the Debentures when due and payable. Reporting covenants include: (i) provision of an annual compliance certificate regarding compliance with the terms of the Indenture and confirming that no Events of Default have occurred under the Indenture; (ii) provision of notice of an Event of Default or any event which, with the passing of time or giving of notice, would constitute an Event of Default; and (iii) provision of public disclosure documents to the Trustee or Holders in certain circumstances. Subject to customary exceptions, negative covenants include: (i) no liens on assets of the Company or its subsidiaries, except Permitted Liens (as defined in the Indenture, which include customary liens arising by operation of law, liens securing Specified Senior Indebtedness, Purchase Money Security Interests (as defined below) securing permitted Indebtedness, liens on real property incurred in connection with a sale and leaseback of permitted Indebtedness, and any other lien not prohibited by the Company's asset-backed lending facility (now terminated), subject to compliance with restrictions on incurring Indebtedness); (ii) a limitation on amalgamations and mergers except in compliance with customary successor entity provisions; and (iii) a limitation on dividends, dividend increases and speculative hedging transactions.

The Company and its subsidiaries are restricted, without consent of Holders of 66-2/3% of the outstanding Debentures, from incurring any indebtedness or permitting any indebtedness to be outstanding, other than:

(a) the Debentures and the Guarantees;
(b) Specified Senior Indebtedness in an aggregate principal amount at any one time outstanding not to exceed $550,000,000;
(c) Indebtedness in an aggregate principal amount at any one time outstanding not to exceed $450,000,000, comprised of:
    (i) Indebtedness secured by a Purchase Money Security Interest including Capital Leases (as defined below);
    (ii) Indebtedness incurred in connection with a sale and leaseback of real property;
    (iii) Indebtedness incurred under a securitization or factoring of receivables;
    (iv) Indebtedness of any subsidiary acquired by the Company or its subsidiaries that existed prior to such acquisition and not incurred in contemplation of such acquisition;
    (v) Indebtedness incurred to finance insurance premiums;
    (vi) other Indebtedness (other than Specified Senior Indebtedness) provided that such Indebtedness shall be unsecured; or
    (vii) Indebtedness incurred to refinance any Indebtedness referred to in clauses (i) through (iv) above.

Events of Default

The Indenture provides for such events of default as are customary for indebtedness of this type (each, an "Event of Default") including: (i) a default in payment of any principal amount, purchase price or any Change of Control Repurchase Price when due; (ii) a default in payment of interest on any Debentures when due and the continuance of such default for 10 days; (iii) a default in maintaining the Company's reporting issuer status or the listing of the common shares, or in providing an opinion in respect of new Guarantors, and the continuance of such default for five business days; (iv) a default in the delivery of common shares or cash due upon conversion of Debentures, and the continuance of such default for three business days; (v) a default by the Company or any Guarantor in performing or observing any of the other covenants, agreements or material obligations of the Company or the Guarantor under the Indenture, and the continuance of such default for 30 days after written notice to the Company by the Trustee or by the Holders of not less than 25% in principal amount of outstanding Debentures requiring the same to be remedied; (vi) the failure to make a Repayment Offer following the occurrence of a Change of Control; (vii) certain events of bankruptcy or insolvency with respect to the Company or any Guarantor; (viii) any of the Guarantees being held in any judicial proceeding to be unenforceable or invalid or ceasing for any reason to be in full force and effect or any Guarantor, or any person acting on behalf of a Guarantor, denying or disaffirming its obligations under its Guarantee; (ix) (A) if the Company or any Guarantor is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount on any Indebtedness that is outstanding in an aggregate principal amount of more than $50,000,000 (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto, or (B) if the Company or any Guarantor is in default in the performance of or compliance with any term of any evidence of any

Indebtedness in an aggregate outstanding principal amount of more than $50,000,000 (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and in each case as a consequence of such default or condition such Indebtedness has become or has been declared due and payable before its stated maturity or before its regularly schedule dates of payment, or (C) as a consequence of the occurrence or continuation of any event or condition (other than (a) the passage of time or (b) the right of the holder of Indebtedness to convert such Indebtedness into equity interests or (c) any mandatory prepayment provisions in an agreement governing Indebtedness unless such provisions also require the permanent prepayment of all Indebtedness then outstanding and, if applicable, the permanent cancellation of all other amounts available to be borrowed under such agreement), the Company or any Guarantor has become obligated to purchase or repay Indebtedness (including any Specified Senior Indebtedness but excluding the Debentures) before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of more than $50,000,000 (or its equivalent in the relevant currency of payment); and (x) if the Company or any of its subsidiaries fails to pay final judgments aggregating in excess of an amount greater than $50,000,000 in cash (net of any amounts for which an insurance company is liable) rendered against the Company or any of its subsidiaries by a court of competent jurisdiction, which judgments are not paid, discharged or stayed for a period of 30 days after such judgments become final and non-appealable.

If an Event of Default has occurred and is continuing (other than an Event of Default due to an event of bankruptcy or insolvency), the Trustee may, in its discretion, and shall, at the written request of Holders of not less than 25% in principal amount of the Debentures then outstanding, declare the principal of (and premium, if any), together with accrued interest on all outstanding Debentures to be immediately due and payable. If an Event of Default due to an event of bankruptcy or insolvency occurs, the principal of (and premium, if any), together with accrued interest on all outstanding Debentures will immediately become due and payable without any action on the part of the Trustee or any Holders of Debentures. The Holders of more than 66-2/3% of the principal amount of outstanding Debentures may, on behalf of the Holders of all outstanding Debentures, waive an Event of Default in the manner set forth below under “Modification or Waiver”.

Modification or Waiver

The rights of the Holders may be modified or waived in accordance with the terms of the Indenture. For that purpose, among others, the Indenture contains certain provisions which will make binding on all Holders resolutions passed at meetings of the Holders (which may be called by the Company or the Trustee upon not less than 21 days’ notice) by votes cast thereat by Holders of not less than 66-2/3% including waivers for certain events of default, or in the case of Extraordinary Resolutions (as defined in the Indenture) and waivers of certain defaults in payment or delivery of shares not less than 90%, of the aggregate principal amount of the Debentures present at the meeting or represented by proxy, provided that a quorum for all meetings of Holders of Debentures will be at least 25% of the principal amount of outstanding Debentures represented in person or by proxy, or rendered by instruments in writing signed by the Holders of not less than 66-2/3%, or in the case of Extraordinary Resolutions not less than 90%, of the aggregate principal amount of the Debentures then outstanding. In addition, without the approval of Holders by Extraordinary Resolution, the Indenture may not be amended to: (i) alter the manner of calculation of or rate of accrual of interest on the Debentures or change the time of payment; (ii) make the Debentures convertible into securities other than common shares; (iii) change the Maturity Date or any instalment of interest on the Debentures; (iv) reduce the principal amount or Change of Control Repurchase Price with respect to the Debentures; (v) make any change that adversely affects the rights of Holders to require the Company to purchase the Debentures at the option of Holders; (vi) impair the right to institute suit for the enforcement of payments or the conversion of the Debentures; (vii) change the currency of payment of principal of, or interest on, the Debentures; (viii) except as contemplated by the Indenture, change the Conversion Price or otherwise adversely affect the Holders’ conversion rights; (ix) release any of the Guarantors from any of their obligations under a Guarantee provided for in the Indenture, except in accordance with the Indenture; or (x) change the provisions in the Indenture that relate to modifying or amending the Indenture.

Defined Terms

In the foregoing summary, the following terms have the meanings set forth below:

“**Capital Lease**” means, with respect to any Person (as defined in the Indenture), any lease of any property (whether real, personal or mixed) by such Person as lessee that, in accordance with U.S. GAAP (as in effect on the date of the Indenture), is required to be classified and accounted for as a capital lease on a balance sheet of such Person;

“**Indebtedness**” means, with respect to a person, and without duplication:

(a) indebtedness of such person for monies borrowed or raised, including any indebtedness represented by a note, bond, debenture or other similar instrument of such person;

(b) reimbursement obligations of such person arising from bankers’ acceptance, letters of credit or letters of guarantee or similar instruments;

(c) indebtedness of such person for the deferred purchase price of property or services, other than for consumable non-capital goods and services purchased in the ordinary course of business, including arising under any conditional sale or title retention agreement, but excluding for greater certainty ordinary course accounts payable;
(d) obligations of such person under or in respect of Capital Leases, synthetic leases, Purchase Money Security Interests or sale and leaseback transactions;
(e) the aggregate amount at which shares in the capital of such person that are redeemable at fixed dates or intervals or at the option of the holder thereof may be redeemed; and
(f) guarantees or liens granted by such person in respect of Indebtedness of another person;

"**Purchase Money Security Interest**" means a lien created or incurred by the Company or one of its subsidiaries securing Indebtedness incurred to finance the acquisition of property (including the cost of installation thereof), provided that (i) such lien is created substantially simultaneously with the acquisition of such property, (ii) such lien does not at any time encumber any property other than the property financed by such Indebtedness, (iii) the amount of Indebtedness secured thereby is not increased subsequent to such acquisition, and (iv) the principal amount of Indebtedness secured by any such lien at no time exceeds 100% of the original purchase price of such property and the cost of installation thereof, and for the purposes of this definition the term "acquisition" includes a Capital Lease;

"**Senior Creditor**" means a holder or holders of Specified Senior Indebtedness and includes any representative or representatives or trustee or trustees of any such holder or holders; and

"**Specified Senior Indebtedness**" means, without duplication, the Indebtedness under the Company's asset-backed lending facility (now terminated) and such other indebtedness as the Company shall designate as "Specified Senior Indebtedness" by notice to the Trustee in writing; provided that the aggregate principal amount of Specified Senior Indebtedness shall not exceed $550,000,000 at any one time outstanding; provided, further, that all Specified Senior Indebtedness must constitute:

(a) Indebtedness referred to in paragraphs (a) and (b) of the definition of Indebtedness above;
(b) renewals, extensions, restructurings, refinancings and refundings of any such Indebtedness; and
(c) guarantees of any of the foregoing.

MARKET FOR SECURITIES OF THE COMPANY

The Company's common shares are listed and posted for trading on the TSX under the symbol "BB" and are listed on NASDAQ under the symbol "BBRY". The volume of trading and price ranges of the Company's common shares on the TSX and NASDAQ during the previous fiscal year 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 2014	$8.67-$11.90	2,972,573	$7.87-$10.75	21,800,093
April 2014	$7.69-$9.29	1,806,950	$7.01-$8.44	11,650,036
May 2014	$7.78-$9.02	1,343,535	$7.16-$8.22	8,164,514
June 2014	$7.96-$10.94	2,563,712	$7.30-$10.26	18,857,628
July 2014	$9.50-$12.50	3,280,269	$8.71-$11.65	20,198,741
August 2014	$9.96-$11.25	1,535,876	$9.12-$10.38	7,442,506
September 2014	$10.73-$12.36	2,816,533	$9.66-$11.17	15,870,964
October 2014	$9.74-$12.10	2,427,044	$8.65-$10.88	11,624,866
November 2014	$11.31-$14.26	2,836,098	$10.03-$12.54	14,574,259
December 2014	$10.56-$12.85	2,799,387	$9.10-$11.09	12,120,813
January 2015	$11.14-$15.10	3,399,792	$9.32-$12.63	18,300,493
February 2015	$12.26-$13.70	1,963,562	$9.76-$10.95	7,812,475

In addition, the Debentures have been listed on the TSX since May 2014, under the symbol "BB.DB.U". There is limited trading in the Debentures. During 2014, an aggregate of CDN$55,540 principal amount of Debentures was traded on the TSX, at prices ranging from CDN$113.02 to CDN$160.00.

DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, the Company currently has a Board comprised of seven persons. Pursuant to a special resolution of shareholders, the directors are authorized from time to time to increase the size of the Board 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 Board has determined that each member of the Board except Mr. Chen is “independent” under the NASDAQ rules and applicable securities law requirements.

At the Company's last annual and special meeting of shareholders held on June 19, 2014, Bert Nordberg did not stand for re-election to the Board. On October 1, 2014, the Company appointed Mike Daniels, a former chairman and chief executive officer of Mobile 365 and a leading expert in cyber security, to the Board.

The Company also made the following executive officer appointments during fiscal 2015: Marty Beard as Chief Operating Officer, Sandeep Chennakeshu as President, BlackBerry Technology Solutions, Nita White-Ivy as Executive Vice President, Human Resources, and Billy Ho as Executive Vice President, Enterprise Products and Value Added Solutions.

The following table sets forth the name, province or state, and country of residence of each director and executive officer of the Company and their respective positions and offices held with the Company and their principal occupations during the last five years as of February 28, 2015. 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 and Residence	Current Position with Company	Principal Occupation During the Last Five Years (other than Current Position with Company)
John S. Chen California, USA	Chief Executive Officer; Executive Chair/Director (since November 2013)	Chief Executive Officer, President and Chairman, Sybase Inc. (1998 to 2012)
Michael Daniels[1] Virginia, USA	Director (since October 2014)	Corporate Director (currently and since prior to 2010)
Timothy Dattels[2] California, USA	Director (since 2012)	Senior Partner, TPG Capital LP (currently and since prior to 2010)
Claudia Kotchka, CPA [2] Ohio, USA	Director (since 2011)	Corporate Director (currently and since 2011); Independent Consultant (currently and since 2009)
Richard Lynch [1] Pennsylvania, USA	Director (since 2013)	President, FB Associates, LLC (currently); Executive Vice President, Strategic Technology Initiatives (2010 to 2011) and Executive Vice President and Chief Technology Officer (2007 to 2010), Verizon Communications Inc.
Barbara Stymiest, FCPA, FCA [1][2] Ontario, Canada	Director (since 2007)	Corporate Director (currently); member of the Group Executive, Royal Bank of Canada (2004 to 2011)
Prem Watsa [1] Ontario, Canada	Lead Director (since November 2013)[3]	Chief Executive Officer, Fairfax (currently and since 1985)
Marty Beard California, USA	Chief Operating Officer	Chairman and Chief Executive Officer of LiveOps Inc. (July 2011 to June 2014); President, Sybase 365 (November 2006 to June 2011)
Sandeep Chennakeshu Texas, USA	President, BlackBerry Technology Solutions	President, PMP LLC (2012 to December 2014); Owner, RSI Consulting LLC (2013 to August 2014); Senior Advisor to CEO of Sony Corporation of America (May 2010 to July 2012)
Dan Dodge Ontario, Canada	President, CEO and CTO, QNX (since prior to 2010)	
Sai Yuen (Billy) Ho California, USA	Executive Vice President, Enterprise Products and Value Added Solutions	Retired (2013); Senior Vice President & General Manager, Sybase Inc. (2009 to 2012)

Eric Johnson New York, USA	Executive Vice President, Enterprise Sales	SVP and GM, Global Database and Technology, SAP (2013); SVP and GM, Platform & Analytics Sales North America, SAP (2012 to 2013); SVP and GM North America, Sybase Inc. (2004 to 2012)
Ron Louks North Carolina, USA	President, Devices and Emerging Solutions	Chief Executive Officer, The Open NMS Group Inc. (2013) **;** Chief Executive Officer, Plus 1, LLC (2012 to 2013); Chief Strategy Officer, HTC Corporation (2010 to 2011); Chief Technology Officer, Sony Ericsson Mobile Communications (2009 to 2010)
James S. Mackey Pennsylvania, USA	Executive Vice President, Corporate Development and Strategic Planning	SVP, Corporate Development and Corporate Strategy, Open Text, Inc. (from 2012 to 2013); SVP (and previously, VP), Corporate Development, SAP AG (from 2004 to 2012)
John Sims California, USA	President, Global Sales	Global Head of Telecom & President, SAP Mobile Services (from 2011 to 2013); President, SAP Mobile Services (2011 to 2013); CEO, 724 Solutions (2001 to 2010)
Nita White-Ivy California, USA	Executive Vice President, Human Resources	Chief People Officer, SuccessFactors (an SAP company) (from December 2012 to December 2013); Vice President, Worldwide Human Resources, Sybase, Inc./SAP (from January 1998 to December 2012)
James Yersh Ontario, Canada	Chief Financial Officer	Senior Vice President and Controller, BlackBerry (2008 - November 2013)
Steve Zipperstein California, USA	Chief Legal Officer & Corporate Secretary	Vice President, General Counsel and Corporate Secretary, Verizon Wireless (2003 to 2011)

Notes:

1 Member of the Compensation, Nomination and Governance Committee (Chair - Prem Watsa).
2 Member of the Audit and Risk Management Committee (Chair - Barbara Stymiest).
3 Mr. Watsa first joined the Company as a director in January 2012, but then resigned on August 13, 2013 in connection with the formation of the Special Committee to explore strategic alternatives. See “General Development of the Business - Fiscal 2014”.

As at February 28, 2015, the above directors and executive officers of the Company beneficially owned, or controlled or directed, directly or indirectly, 489,567 common shares of the Company representing approximately 0.09% of the issued and outstanding common shares of the Company. In addition, as of such date, Fairfax and certain of its wholly-owned or controlled subsidiaries beneficially owned approximately 46,654,700 common shares of the Company (the “Fairfax Shares”) representing approximately 8.9% of the issued and outstanding common shares of the Company, or 96,654,700 common shares of the Company representing approximately 16.7% of the issued and outstanding common shares of the Company assuming conversion of all of its Debentures and after giving effect to the conversion. Prem Watsa, a director of the Company, is the Chairman and Chief Executive Officer of Fairfax and may be deemed under applicable U.S. securities laws to beneficially own the Fairfax Shares by virtue of his position at Fairfax.

The Board has two active standing committees: an Audit and Risk Management Committee and a Compensation Nomination and Governance Committee, the members of which are noted above.

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 the Company) 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.

Other than as set out below, 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 AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) 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 Messrs. Mike Lazaridis, John Richardson and Brian Bidulka as well as certain of the Company’s other 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 the Company with the OSC.

On November 21, 2013, TranSwitch Corporation (“Transwitch”) filed a voluntary petition for relief under Chapter 7 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Connecticut. Mr. Lynch was a member of the board of directors of TranSwitch from November 2010 and the chairman of the board from July 2012, until termination of the board on the date of the bankruptcy filing when a trustee was appointed.

On July 17, 2009, Luna Innovations Inc. (“Luna”) filed a voluntary petition for relief to reorganize under Chapter 11 of the United States Bankruptcy Code, including a proposed plan of reorganization with the United States Bankruptcy Court for the

Western District of Virginia (the “Bankruptcy Court”). On January 12, 2010, the Bankruptcy Court approved the plan and Luna emerged from bankruptcy on that date. Mr. Daniels was a member of the board of Luna from June 2007 until his resignation on July 16, 2009.

Conflicts of Interest

There is no existing or, to the Company's knowledge, potential material conflicts of interest between the Company or a subsidiary of the Company and any director or officer of the Company or a subsidiary of the Company. See also “Interest of Management and Others in Material Transactions” in this AIF.

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 AIF.

Ms. Stymiest (Chair), Mr. Dattels and Ms. Kotchka 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 NASDAQ. 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, FCPA, FCA (Chair) – Ms. Stymiest has an HBA from the Richard Ivey School of Business, University of Western Ontario and an FCA from the Chartered Professional Accountants of Ontario. From 2004 to 2011, Ms. Stymiest held various senior management positions in the Royal Bank of Canada and served as a member of the Group Executive responsible for the overall strategic direction of the company. Prior to this, Ms. Stymiest held positions as Chief Executive Officer at TMX Group Inc., Executive Vice-President & CFO at BMO Capital Markets and Partner of Ernst & Young LLP. Ms. Stymiest is currently a Director of George Weston Limited, Sun Life Financial Inc., University Health Network and the Canadian Institute for Advanced Research.

Timothy Dattels – Mr. Dattels has an MBA from Harvard Business School and is a Senior Partner of TPG Capital. Prior to joining TPG, Mr. Dattels served as a partner and Managing Director of Goldman Sachs and was head of Investment Banking for all Asian countries other than Japan. Through these roles, Mr. Dattels has gained extensive experience with financial analysis, financial advisory, analytics for mergers and acquisitions, public valuations, and financial valuation.

Claudia Kotchka, BBA, CPA – Ms. Kotchka has a BBA, Cum Laude, from Ohio University and is a Certified Public Accountant. Ms. Kotchka held various executive roles during her 31 year career at Procter & Gamble, including Vice-President, Design Innovation & Strategy from 2001 to 2009. Ms. Kotchka is an independent consultant to Fortune 500 companies on innovation, strategy and design. She is also a speaker at conferences and forums on design and innovation and has been featured in numerous books and articles on innovation. She is a member of the board of trustees of the Smithsonian Design Museum at the Cooper-Hewitt in New York and is a regular guest lecturer at Stanford University.

The Board has also determined that Ms. Stymiest 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 28, 2015 and March 1, 2014, 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 $3,458,051 and $5,128,000 respectively.

Audit-Related Fees

The aggregate fees billed by EY for the fiscal years ended February 28, 2015 and March 1, 2014, respectively, for assurance and related services rendered by EY that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported above as "Audit Fees" were $33,785 and $167,000. The fees paid in this category relate to provision of assurance services related to certain contractual compliance clauses, as well as the Company's corporate social responsibility disclosures.

Tax Fees

The aggregate fees billed by EY for the fiscal years ended February 28, 2015 and March 1, 2014, respectively, for professional services rendered by EY for tax compliance, tax advice, tax planning and other services were $9,432 and $11,000 respectively. Tax services provided included international tax compliance engagements.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the three-year period ending February 28, 2015 and during the current financial year up to the date hereof, none of the Company's directors, executive officers, 10 percent shareholders or any of their associates or affiliates had a material interest, directly or indirectly, in any transaction that has materially affected or is reasonably expected to materially affect the Company, other than Mr. Watsa, the Chairman and Chief Executive Officer, and a significant shareholder, of Fairfax, which participated in the Debenture Financing and continues to hold a significant proportion of the outstanding Debentures. See "General Development of the Business - Fiscal 2014" and "Description of Capital Structure - Convertible Debentures" in this AIF.

TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar in Canada is Computershare Investor Services Inc. of Canada, 100 University Ave., 8 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 settlement agreement and licensing 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 this AIF; and
- the Trust Indenture providing for the issuance and conversion of the Debentures, dated as of November 13, 2013, as supplemented by the First Supplemental Indenture dated as of December 12, 2013 and the Second Supplemental

Indenture dated as of April 30, 2014, which have been filed on SEDAR, and the terms of which are summarized under “Description of Capital Structure - Convertible Debentures”.

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 28, 2015 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 Chartered Professional Accountants of Ontario and applicable securities laws.

ADDITIONAL INFORMATION

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 MD&A for the year ended February 28, 2015, 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 used in this AIF:

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), among other locations. 3G is designed for high-speed wireless multimedia data and voice. It offers 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 a successor to 3G and 2G standards. The nomenclature of the generations generally refers to a change in the fundamental nature of the service. The 4G refers to all IP packet-switched networks and increases in data speeds.
API	Application Programming Interface. A set of routines, protocols and tools for building software apps.
ASIC	Application Specific Integrated Circuit. An integrated circuit customized for a particular use.
CDMA	Code Division Multiple Access. A method for transmitting simultaneous signals over a shared portion of the spectrum. The foremost application of CDMA 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.
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.
EDGE	See 3G Wireless.
EMS	Electronics Manufacturing Services. 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 Optimized. A 3G wireless radio broadband data standard that enables faster speeds than are available in existing CDMA networks or other 2G services, such as GPRS or EDGE.
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.
HSPA	High-Speed Packet Access. A family of radio interface standards that improves the speed and accuracy of traffic over cellular networks. HSPA builds on the existing WCDMA technology to allow carriers to offer better speeds and larger bandwidth intensive services like streaming audio and video.
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.
IEC	International Electrotechnical Commission
IEEE	Institute of Electrical and Electronics Engineers

Java	An object-oriented programming language developed by Sun Microsystems, Inc. Java 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.
LTE	Long Term Evolution is a wireless communication standard of high-speed data for smartphones and data terminals
NFC	Near Field Communication. Technology that allows smartphones and similar devices to link together through radio communication, when tapping them together, or bringing them into close proximity.
NOC	Network Operations Centre. A central location for network management. It functions as a control centre for network monitoring, analysis and accounting.
PDA	Personal digital assistant. A hand held portable microcomputer.
POSIX	Portable Operating System Interface. The open operating interface standard accepted world-wide. It is produced by IEEE and recognized by the International Standard for Organization and the American National Standards Institute.
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.
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.
UMTS	See 3G wireless.
WCDMA	See 3G wireless.

APPENDIX A

CHARTER OF THE AUDIT AND RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS OF BLACKBERRY LIMITED AS ADOPTED BY THE BOARD ON MARCH 26, 2015

1. AUTHORITY

The Audit and Risk Management Committee (the " **Committee**") of the Board of Directors (the " **Board**") of BlackBerry Limited (the " **Corporation**") is established pursuant to Section 5.03 of the Corporation's Amended and Restated 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 with respect to the oversight of enterprise risk management, including risk compliance, the risk performance and audit function, and the controls, processes and policies used by management to effectively manage 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, 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.

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. Members of the Committee may not serve, in the aggregate, on more than 3 audit committees of public companies, unless the Board has determined that such service will not impair the member’s ability to serve on the Committee.

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 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, (ii) the oversight of enterprise risk management activities, and (iii) 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 leader of the RPA Group 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 taking 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 above) 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 or quarterly filings with the SEC, the OSC or other regulatory body;

Oversight of Risk Management

(1) Require the members of the Corporation's senior leadership team 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) At least annually, review management’s risk appetite and evaluate the extent to which the Corporation's risk profile and business planning are aligned with the risk appetite;

(3) At least annually, review in light of the risk appetite, the Corporation’s enterprise risk management processes, including key policies and procedures for the effective identification, assessment, reporting, 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, and the activities of the Corporation’s Risk Management and Compliance Council;

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

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

management, and seek assurances from management on the effectiveness of risk management practices and controls;

(7) Consider emerging industry and regulatory risk management issues and the possible impact on the Corporation;

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 leader of the RPA Group;

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

(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 Chief Executive Officer to assign additional audit projects to the leader of the RPA Group;

(7) Meet privately with the leader of the RPA Group to discuss any areas of concern, and to confirm that (i) significant issues, including any material disagreements with the senior leadership team, 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 Chartered Professional Accountants Canada, 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) In addition to meeting regularly with the general counsel, meet at least annually with outside counsel to review legal and regulatory matters, including inquiries from governmental and regulatory authorities and 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 Business Standards and Principles 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 Business Standards and Principles and the Corporation's system to monitor compliance with and enforcement of the Code of Business Standards and Principles;

(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, 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 Executive Chair and the Lead Director of the Board of Directors, the CEO, 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 and/or the Assistant 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 this 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 the Committee's duties and responsibilities, as may be assigned by the Board of Directors.

Exhibit 1.2

INDEPENDENT AUDITORS' REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of **BlackBerry Limited**

We have audited the accompanying consolidated financial statements of **BlackBerry Limited** [the "Company"], which are comprised of the consolidated balance sheets as at February 28, 2015 and March 1, 2014, the consolidated statements of operations, comprehensive loss, shareholders' equity and cash flows for each of the years ended February 28, 2015, March 1, 2014, and March 2, 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with United States generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2015 and March 1, 2014, and the results of its operations and its cash flows for each of the years ended February 28, 2015, March 1, 2014, and March 2, 2013, in accordance with United States generally accepted accounting principles.

Other matter

We have also 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 28, 2015, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated March 27, 2015 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

Kitchener, Canada,
March 27, 2015

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

To the Board of Directors and Shareholders of **BlackBerry Limited**

We have audited **BlackBerry Limited's** [the "Company"] internal control over financial reporting as of February 28, 2015, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (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 United States 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 consolidated 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 28, 2015, 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 28, 2015 and March 1, 2014, and the consolidated statements of operations, comprehensive loss, shareholders' equity and cash flows for each of the years ended February 28, 2015, March 1, 2014 and March 2, 2013 of the Company and our report dated March 27, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

Kitchener, Canada,
March 27, 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders of BlackBerry Limited

Management of BlackBerry Limited is responsible for the preparation and presentation of the Consolidated Financial Statements and all of the financial information in this Annual Report. The Consolidated Financial Statements were prepared in accordance with United States generally accepted accounting principles and include certain amounts based upon estimates and judgments required for such preparation. The financial information appearing throughout this Annual Report is consistent with the Consolidated Financial Statements. The Consolidated Financial Statements have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors of BlackBerry Limited.

In fulfilling its responsibility for the reliability and integrity of financial information, management has developed and maintains systems of accounting and internal controls and budgeting procedures. Management believes these systems and controls provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and financial records are reliable for the preparation of accurate and timely Consolidated Financial Statements.

The Company's Audit and Risk Management Committee of the Board of Directors, which consists entirely of non-management independent directors, usually meets two times per fiscal quarter with management and the independent registered public accounting firm to ensure that each is discharging its respective responsibilities, to review the Consolidated Financial Statements and either the quarterly review engagement report or the independent registered public accounting firm's report and to discuss significant financial reporting issues and auditing matters. The Company's external registered public accounting firm has full and unrestricted access to the Audit and Risk Management Committee to discuss audit findings, financial reporting and other related matters. The Audit and Risk Management Committee reports its findings to the Board of Directors for consideration when the Board approves the Consolidated Financial Statements for issuance to the shareholders.

The Consolidated Financial Statements for fiscal 2015, fiscal 2014 and fiscal 2013 have been audited by Ernst & Young LLP, the independent registered public accounting firm appointed by the shareholders, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States).

/s/ John S. Chen
John S. Chen
President & CEO

Waterloo, Ontario
March 27, 2015

BlackBerry Limited
Incorporated under the Laws of Ontario
(United States dollars, in millions)

Consolidated Balance Sheets

	As at	
	February 28, 2015	March 1, 2014
Assets		
Current		
Cash and cash equivalents	$ 1,233	$ 1,579
Short-term investments	1,658	950
Accounts receivable, net	503	972
Other receivables	97	152
Inventories	122	244
Income taxes receivable	169	373
Other current assets	375	505
Deferred income tax asset	10	73
	4,167	4,848
Long-term investments	316	129
Restricted cash	59	—
Property, plant and equipment, net	556	1,136
Goodwill	76	—
Intangible assets, net	1,375	1,439
	$ 6,549	$ 7,552
Liabilities		
Current		
Accounts payable	$ 235	$ 474
Accrued liabilities	658	1,214
Deferred revenue	470	580
	1,363	2,268
Long-term debt	1,707	1,627
Deferred income tax liability	48	32
	3,118	3,927
Shareholders' Equity		
Capital stock and additional paid-in capital		
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 - 528,802,322 voting common shares (March 1, 2014 - 526,551,953)	2,444	2,418
Treasury stock		
February 28, 2015 - nil (March 1, 2014 - 7,659,685)	—	(179)
Retained earnings	1,010	1,394
Accumulated other comprehensive loss	(23)	(8)
	3,431	3,625
	$ 6,549	$ 7,552

See notes to consolidated financial statements.

On behalf of the Board:

John S. Chen
Director

Barbara Stymiest
Director

BlackBerry Limited
(United States dollars, in millions)

Consolidated Statements of Shareholders' Equity

	Capital Stock and Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance as at March 3, 2012	$ 2,446	$ (299)	$ 7,913	$ 40	$ 10,100
Net loss	—	—	(646)	—	(646)
Other comprehensive loss	—	—	—	(44)	(44)
Shares issued:					
Stock-based compensation	86	—	—	—	86
Tax deficiencies related to stock-based compensation	(11)	—	—	—	(11)
Purchase of treasury stock	—	(25)	—	—	(25)
Treasury shares released for restricted share unit settlements	(90)	90	—	—	—
Balance as at March 2, 2013	2,431	(234)	7,267	(4)	9,460
Net loss	—	—	(5,873)	—	(5,873)
Other comprehensive loss	—	—	—	(4)	(4)
Shares issued:					
Exercise of stock options	3	—	—	—	3
Stock-based compensation	68	—	—	—	68
Tax deficiencies related to stock-based compensation	(13)	—	—	—	(13)
Purchase of treasury stock	—	(16)	—	—	(16)
Treasury shares released for restricted share unit settlements	(71)	71	—	—	—
Balance as at March 1, 2014	2,418	(179)	1,394	(8)	3,625
Net loss	—	—	(304)	—	(304)
Other comprehensive loss	—	—	—	(15)	(15)
Shares issued:					
Exercise of stock options	6	—	—	—	6
Stock-based compensation	50	—	—	—	50
Excess tax benefit related to stock-based compensation	8	—	—	—	8
Sale of treasury stock	—	141	(80)	—	61
Treasury shares released for restricted share unit settlements	(38)	38	—	—	—
Balance as at February 28, 2015	$ 2,444	$ —	$ 1,010	$ (23)	$ 3,431

See notes to consolidated financial statements.

BlackBerry Limited
(United States dollars, in millions, except per share data)

Consolidated Statements of Operations

	For the Year Ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Revenue			
Hardware and other	$ 1,481	$ 3,880	$ 6,902
Service and software	1,854	2,933	4,171
	3,335	6,813	11,073
Cost of sales			
Hardware and other	1,382	3,985	6,627
Inventory write-down	95	1,616	241
Supply commitment charges (recovery)	(33)	782	192
Service and software	287	473	579
	1,731	6,856	7,639
Gross margin	1,604	(43)	3,434
Operating expenses			
Research and development	711	1,286	1,509
Selling, marketing and administration	938	2,103	2,111
Amortization	298	606	714
Impairment of long-lived assets	—	2,748	—
Impairment of goodwill	—	—	335
Debentures fair value adjustment	80	377	—
	2,027	7,120	4,669
Operating loss	(423)	(7,163)	(1,235)
Investment income (loss), net	38	(21)	15
Loss from continuing operations before income taxes	(385)	(7,184)	(1,220)
Recovery of income taxes	(81)	(1,311)	(592)
Loss from continuing operations	(304)	(5,873)	(628)
Loss from discontinued operations, net of tax	—	—	(18)
Net loss	$ (304)	$ (5,873)	$ (646)
Loss per share			
Basic and diluted loss per share from continuing operations	$ (0.58)	$ (11.18)	$ (1.20)
Basic and diluted loss per share from discontinued operations	—	—	(0.03)
Total basic and diluted loss per share	$ (0.58)	$ (11.18)	$ (1.23)

See notes to consolidated financial statements.

BlackBerry Limited
(United States dollars, in millions, except per share data)

Consolidated Statements of Comprehensive Loss

	For the Year Ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Net loss	$ (304)	$ (5,873)	$ (646)
Other comprehensive loss			
Net change in unrealized gains (losses) on available-for-sale investments	1	(1)	—
Net change in fair value of derivatives designated as cash flow hedges during the year, net of income tax recovery of $3 million (March 1, 2014 - income tax recovery of $6 million; March 2, 2013 - income taxes of $3 million)	(29)	(29)	11
Amounts reclassified to net income (loss) during the year, net of income tax recovery of $2 million (March 1, 2014 - income tax recovery of $6 million; March 2, 2013 - income taxes of $18 million)	13	26	(55)
Other comprehensive loss	(15)	(4)	(44)
Comprehensive loss	$ (319)	$ (5,877)	$ (690)

See notes to consolidated financial statements.

BlackBerry Limited
(United States dollars, in millions)
Consolidated Statements of Cash Flows

	For the Year Ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Cash flows from operating activities			
Loss from continuing operations	$ (304)	$ (5,873)	$ (628)
Loss from discontinued operations	—	—	(18)
Net loss	(304)	(5,873)	(646)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Amortization	694	1,270	1,918
Deferred income taxes	62	(149)	87
Stock-based compensation	50	68	86
Impairment of long-lived assets	—	2,748	—
Impairment of goodwill	—	—	335
Loss on disposal of property, plant and equipment	135	107	28
Debentures fair value adjustment	80	377	—
Other	37	34	8
Net changes in working capital items			
Accounts receivable, net	469	1,381	709
Other receivables	55	124	218
Inventories	123	359	426
Income tax receivable, net	204	224	(463)
Other current assets	116	(26)	(177)
Accounts payable	(240)	(590)	296
Accrued liabilities	(550)	(251)	(801)
Deferred revenue	(118)	38	279
Net cash provided by (used in) operating activities	813	(159)	2,303
Cash flows from investing activities			
Acquisition of long-term investments	(802)	(229)	(296)
Proceeds on sale or maturity of long-term investments	515	284	227
Acquisition of property, plant and equipment	(87)	(283)	(418)
Proceeds on sale of property, plant and equipment	348	49	5
Acquisition of intangible assets	(421)	(1,080)	(1,005)
Business acquisitions, net of cash acquired	(119)	(7)	(60)
Acquisition of short-term investments	(2,949)	(1,699)	(1,472)
Proceeds on sale or maturity of short-term investments	2,342	1,925	779
Net cash used in investing activities	(1,173)	(1,040)	(2,240)
Cash flows from financing activities			
Issuance of common shares	6	3	—
Excess tax benefit related to stock-based compensation	8	(13)	(11)
Sale (purchase) of treasury stock	61	(16)	(25)
Issuance of debt	—	1,250	—
Transfer to restricted cash	(59)	—	—
Net cash provided by (used in) financing activities	16	1,224	(36)
Effect of foreign exchange gain (loss) on cash and cash equivalents	(2)	5	(5)
Net increase (decrease) in cash and cash equivalents for the year	(346)	30	22
Cash and cash equivalents, beginning of year	1,579	1,549	1,527
Cash and cash equivalents, end of year	$ 1,233	$ 1,579	$ 1,549

See notes to consolidated financial statements.

1. BLACKBERRY LIMITED AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

BlackBerry Limited, formerly Research In Motion Limited , (the "Company") is a global leader in mobile communications, the Company revolutionized the mobile industry with the introduction of the BlackBerry® solution in 1999. Today, the Company aims to inspire the success of its millions of customers around the world by continuously pushing the boundaries of mobile experiences. Founded in 1984 and based in Waterloo, Ontario, the Company operates offices in North America, Europe, Middle East and Africa, Asia Pacific and Latin America. The Company's common shares are listed on the NASDAQ Global Select Market (NASDAQ: BBRY) and the Toronto Stock Exchange (TSX: BB), and its unsecured convertible debentures due 2020 (the "Debentures") are listed on the Toronto Stock Exchange (TSX: BB.DB.U).

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's presentation.

The Company's fiscal year is the 52 or 53 weeks ending on the last Saturday of February, or the first Saturday of March. Most fiscal years, including the fiscal years ending February 28, 2015, March 1, 2014 and March 2, 2013, comprise 52 weeks. However, if the date that is 52 weeks following the most recent fiscal year end is earlier than the last Saturday of February, then such fiscal year comprises 53 weeks.

Accounting Policies and Critical Accounting Estimates

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, provisions for warranty, revenue related estimates including vendor-specific objective evidence of selling price ("VSOE"), best estimated selling price ("BESP"), right of return and customer incentive commitments, royalties, implied fair value of goodwill, long-lived asset impairment, amortization expense, fair values of assets acquired and liabilities assumed in business combinations, provision for income taxes, realization of deferred income tax assets and the related components of the valuation allowance, allowance for doubtful accounts, and the fair values of financial instruments. Actual results could differ from these estimates.

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

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 sheets dates and revenues and expenses are translated 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 reflects invoiced and accrued revenue and is presented net of an allowance for doubtful accounts. The allowance for doubtful accounts reflects estimates of probable losses in the accounts receivable balance. The Company is dependent on a number of significant customers and on large complex contracts with respect to the majority of its products, software and service revenues. 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, software products and services through network carriers and resellers rather than directly.

The Company evaluates the collectability of its accounts receivable balance 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), the Company 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.

Investments

The Company's cash equivalents and investments, other than cost method and equity method investments, consist of money market and other debt securities, which are classified as available-for-sale for accounting purposes and are carried at fair value. Unrealized gains and losses, net of related income taxes, are recorded in accumulated other comprehensive income ("AOCI") 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. In the event of a decline in value which is other-than-temporary, the investment is written down to fair value with a charge to income. The Company does not exercise significant influence with respect to any of these investments.

Investments with maturities at time of purchase of three months or less are classified as cash equivalents. Investments with maturities of one year or less (but which are not cash equivalents), 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 assesses individual investments that are 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 investment. In the event that a decline in the fair value of an investment occurs and that 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 consolidated balance sheets 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.

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 AOCI.

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 notional and exercise values, transaction rates, market quoted currency spot rates, forward points, volatilities and interest rate yield curves. 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 AOCI, 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 and whether they are expected to continue to be highly effective in future periods.

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 unrealized gains and losses in AOCI are recognized in income at that time. Any future changes in the fair value of the instrument are recognized in current income.

For any derivative instruments that do not meet the requirements for hedge accounting, or for any derivative instruments 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, work in process and finished goods are stated at the lower of cost or market 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. Market is generally considered to be replacement cost; however, market is not permitted to exceed the ceiling (net realizable value) or be less than the floor (net realizable value less a normal markup). Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion and disposal.

Property, plant and equipment, net

Property, plant and equipment are 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, leasehold improvements 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 1 and 8 years
Furniture and fixtures	Declining balance at 20% per annum

Goodwill

Goodwill represents the excess of the acquisition price over the fair value of identifiable net assets acquired. Goodwill is allocated at the date of the business combination. Goodwill is not amortized, but is tested for impairment annually, during the fourth quarter, or more frequently if events or changes in circumstances indicate the asset may be impaired. These events and circumstances may include a significant change in legal factors or in the business climate, a significant decline in the Company's share price, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant disposal activity and the testing of recoverability for a significant asset group.

The Company consists of a single 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. The estimated fair value is determined utilizing a market-based approach, based on the quoted market price of the Company's stock in an active market, adjusted by an appropriate control premium. When the carrying amount of a reporting unit exceeds its fair value, goodwill of the reporting unit is considered to be impaired and the second step is necessary. In the second step, 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.

Intangible assets

Intangible assets with definite lives are stated at cost, less accumulated amortization. The Company is currently amortizing its intangible assets with finite lives over periods generally ranging between 2 to 17 years.

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.

Impairment of long-lived assets

The Company reviews long-lived assets ("LLA") 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 of the asset or asset group may not be recoverable. These events and circumstances may include significant decreases in the market price of an asset or asset group, significant changes in the extent or manner in which an asset or asset group is being used by the Company or in its physical condition, a significant change in legal factors or in the business climate, a history or forecast of future operating or cash flow losses, significant disposal activity, a significant decline in the Company's share price, a significant decline in revenues or adverse changes in the economic environment.

When indicators of impairment exist, LLA impairment is tested using a two-step process. The Company performs a cash flow recoverability test as the first step, which involves comparing the Company's estimated undiscounted future cash flows to the carrying amount of its net assets, since the Company consists of one asset group. If the net cash flows of the Company exceed the carrying amount of its net assets, LLA are not considered to be impaired. If the carrying amount exceeds the net cash flows, there is an indication of potential impairment and the second step of the LLA impairment test is performed to measure the impairment amount. The second step involves determining the fair value of the asset group, the Company. Fair value should be determined using valuation techniques that are in accordance with U.S. GAAP, including the market approach, income approach and cost approach. If the carrying amount of the Company's net assets exceeds the fair value of the Company, then the excess represents the maximum amount of potential impairment that will be allocated to the Company's assets on a relative basis, with the limitation that the carrying value of each asset cannot be reduced to a value lower than its fair value. The total impairment amount allocated is recognized as a non-cash impairment loss.

Business acquisitions

The Company accounts for its acquisitions using the acquisition method whereby identifiable assets acquired and liabilities assumed are 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. The Company includes the operating results of each acquired business in the consolidated financial statements from the date of acquisition.

Assets held for sale and discontinued operations

When certain criteria are met, the Company reclassifies assets and related liabilities as held for sale at the lower of their carrying value or fair value less costs to sell and, if material, presents them separately on the Company's consolidated balance sheets. If the carrying value exceeds the fair value less costs to sell, a loss is recognized. If the plan to sell an asset includes a leaseback arrangement for which the Company will retain more than a minor portion of the use of the asset, then the asset is not reclassifed as held for sale as all criteria are deemed not to have been met. Assets classified as held for sale are no longer amortized. Comparative figures are reclassified to conform to the current year's presentation.

When the Company has disposed of or classified as held for sale a component of the entity, and certain criteria are met, the results of operations of the component, including any loss recognized, are reported separately on the consolidated statements of operations as discontinued operations. Discontinued operations are presented if the component's operations and cash flows have been, or will be, eliminated from the Company and the Company will not have significant continuing involvement in the operations of the component after the disposal. Earnings (loss) per share amounts for both continuing operations and discontinued operations are presented separately on the consolidated statements of operations and income (loss) from continuing operations and loss from discontinued operations are reported separately on the consolidated statements of cash flows. Comparative figures are reclassified to conform to the current year's presentation.

Royalties

The Company recognizes its liability for royalties in accordance with the terms of existing license agreements. Where license agreements are not yet finalized, the Company 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 activities, royalty payment experience, and forward-looking expectations.

Warranty

The Company records 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 costs. 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.

Convertible debentures

The Company elected to measure the Debentures at fair value in accordance with the fair value option. Each period, the fair value of the Debentures is recalculated and resulting gains and losses from the change in fair value of the Debentures are recognized in income. The fair value of the Company's Debentures has been determined using the significant inputs of principal value, interest rate spreads and curves, embedded call option dates and prices, the stock price and volatility of the Company's listed common shares, and the Company's implicit credit spread.

Revenue recognition

The Company considers revenue realized or realizable and earned when the following four criteria have been met: (i) when persuasive evidence of an arrangement exists, (ii) the product has been delivered to a customer and title has been transferred or the services have been rendered, (iii) the sales price is fixed or determinable, and (iv) collection is reasonably assured. In addition to this general policy, the following paragraphs describe the specific revenue recognition policies for each of the Company's major categories of revenue.

Hardware

Revenue for hardware products is recognized when the four criteria noted above are met. The determination of when the price is fixed or determinable can affect the timing of revenue recognition, as discussed further below.

The Company records reductions to revenue for estimated commitments related to price protection, rights of return and customer incentive programs. Price protection is accrued as a reduction to revenue provided that (i) the future price reduction can be reliably estimated or based on contractual caps, (ii) the Company has not granted refunds in excess of those caps, and (iii) all other revenue recognition criteria have been met. If refunds cannot be reliably estimated or the contractual cap is no longer valid, revenue is not recognized until reliable estimates can be made or the price protection period lapses. The Company also records reductions to revenue for rights of return based on contractual terms and conditions as it relates to quality defects only and, if the expected product returns can be reasonably and reliably estimated, based on historical experience. Where a right of return cannot be reasonably and reliably estimated, the Company recognizes revenue when the product sells through to an end user or the return period lapses. The estimated cost of customer incentive programs is accrued as a reduction to revenue and is recognized at the later of the date at which the Company has recognized the revenue or the date at which the program is offered. If historical experience cannot support a breakage rate, the maximum rebate amount is accrued and adjusted when the incentive programs end. The Company considers several factors in determining whether it can reliably estimate future refunds or customer incentives such as levels of channel inventory, new competitor introductions, the stage of a product in the product life cycle, and potential cannibalization of future product offerings. If there is a future risk of pricing concessions and a reliable estimate cannot be made at the time of shipment, the Company recognizes the related revenue and costs of goods sold when its products are sold through to an end user. Shipments of BlackBerry 10 devices, and BlackBerry 7 devices in certain regions, are recognized as revenue when the devices sell through to end customers.

For shipments where the Company recognizes revenue when the product is sold through to an end user, the Company determines the point at which that happens based upon internally generated reporting indicating when the devices are activated on the Company's relay infrastructure.

Significant judgment is applied by the Company to determine whether shipments of devices have met the Company's revenue recognition criteria, as the analysis is dependent on many facts and circumstances. During fiscal 2014, the Company shipped devices to its carrier and distributor partners to support new and continuing product launches and meet expected levels of end customer demand. However, the sell-through levels for BlackBerry 10 devices decreased during fiscal 2014, causing the number of BlackBerry 10 devices in the channel to increase above the Company's expectations. In order to improve sell-through levels and stimulate global demand for BlackBerry 10 devices, the Company continued to

execute on sell-through programs and reduced the price on new shipments of BlackBerry 10 smartphones during fiscal 2014 and fiscal 2015. During fiscal 2015, the Company was not able to reasonably estimate the amount of the potential sell-through programs that may be offered on certain BlackBerry devices in future periods, resulting in revenues for BlackBerry 10 devices, and BlackBerry 7 devices in certain regions, being recognized only when the devices sold through to end customers.

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. Service revenue also includes the recognition of previously deferred revenue related to multi-element arrangements for non-software services and software upgrade rights related to BlackBerry 10 devices.

Software

Revenue from licensed software is recognized upon delivery or rateably over the license term and in accordance with industry-specific software revenue recognition accounting 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 those services are provided.

Other

Other revenue consists of the sale of accessories and repair and maintenance contracts. Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collection is probable.

Shipping and handling Costs

Amounts billed to customers related to shipping and handling are classified as revenue, and the Company's shipping and handling costs are included in cost of sales. Shipping and handling costs that cannot be reasonably attributed to certain customers are included in selling, marketing and administration.

Multiple-element arrangements

The Company enters into revenue arrangements that may consist of multiple deliverables of its product and service offerings. The Company's typical multiple-element arrangements involve: (i) BlackBerry 7 or earlier handheld devices with services, (ii) BlackBerry 10 handheld devices with unspecified software upgrades on a when-and-if available basis along with undelivered non-software services, and (iii) software with technical support services.

For the Company's arrangements involving multiple deliverables of BlackBerry 7 or earlier handheld devices with services, the consideration from the arrangement is allocated to each respective element based on its relative selling price, using VSOE. In certain limited instances when the Company is unable to establish the selling price using VSOE, the Company attempts to establish the selling price of each element based on acceptable third-party evidence of selling price ("TPE"); however, the Company is generally unable to reliably determine the selling prices of similar competitor products and services on a stand-alone basis. In these instances, the Company uses BESP in its allocation of arrangement consideration. The objective of BESP is to determine the price at which the Company would transact a sale if the product or service was sold on a stand-alone basis.

Beginning in January 2013, the Company introduced its BlackBerry 10 devices which use the Company's network infrastructure in a different manner than BlackBerry 7 or earlier devices. As a result, for arrangements involving multiple deliverables including the BlackBerry 10 device and the essential operating system software, as well as unspecified software upgrade rights and non-software services for which the Company may not charge for separately, the consideration from the arrangement is allocated to each respective element based on the relative selling price, using the Company's BESP, as the device, unspecified upgrade rights and non-software services are no longer sold separately. The consideration for the delivered hardware and the related essential operating system software are recognized at the time of sale provided that the four general revenue recognition criteria have been met. The consideration allocated to the unspecified software upgrade rights and non-software services is deferred and recognized rateably over the 24-month estimated life of the devices.

For arrangements involving multiple deliverables of software with technical support services, the revenue is recognized based on the industry-specific software revenue recognition accounting guidance. If the Company is not able to determine VSOE for all of the deliverables of the arrangement, but is able to obtain VSOE for all undelivered elements, revenue is

allocated using the residual method. Under the residual method, the amount of revenue allocated to delivered elements equals the total arrangement consideration, less the aggregate fair value of any undelivered elements. If VSOE of any undelivered software items does not exist, revenue from the entire arrangement is initially deferred and recognized at the earlier of: (i) delivery of those elements for which VSOE did not exist; or (ii) when VSOE can be established.

The Company determines BESP for a product or service by considering multiple factors including, but not limited to, historical pricing practices for similar offerings, market conditions, competitive landscape, internal costs, gross margin objectives and pricing practices. The determination of BESP is made through consultation with, and formal approval by, the Company's management, taking into consideration the Company's marketing strategy. The Company regularly reviews VSOE, TPE and BESP, and maintains internal controls over the establishment and updates of these estimates. Based on the above factors, the Company's BESP for the unspecified software upgrade right and non-software services ranges from $10-$20 per BlackBerry 10 device based on the region in which the service is provided.

Income taxes

The Company uses the liability method of income tax allocation to account for income taxes. Deferred income tax assets and liabilities are recognized based upon temporary differences between the financial reporting and income tax bases of assets and liabilities, and measured using enacted income 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 also required in evaluating the Company's uncertain income tax positions and provisions for income taxes. Liabilities for uncertain income tax positions are recognized based on a two-step approach. The first step is to evaluate whether an income 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 income 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 taxes payable and deferred income 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 income tax positions as interest expense, which is then 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.

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

Comprehensive income 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 5 and changes in the fair value of available-for-sale investments as described in Note 4. Realized gains or losses on available-for-sale investments are reclassified into investment income using the specific identification basis.

Earnings (loss) per share

Earnings (loss) per share is calculated based on the weighted average number of common 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. Awards granted under the plans are detailed in Note 11(b).

The Equity Incentive Plan (the "Equity Plan") was adopted during fiscal 2014 and replaced the Company's previous Equity Incentive Plan and Restricted Share Unit Plan (the "Prior Plans"). Awards previously granted under the Prior Plans continue to be governed by the terms of the Prior Plans and by any amendments approved by the Company's Board of Directors (the "Board"). The Equity Plan provides for the grants of incentive stock options and restricted share units ("RSUs") to officers and employees of the Company or its subsidiaries. The number of common shares authorized under the Equity Plan was 13,375,000 calculated at March 2, 2013. Any shares that are subject to options granted after fiscal 2013 are counted against this limit as 0.625 share for every one option granted, and any shares that are subject to RSUs granted after fiscal 2013 are counted against this limit as one share for every RSU. Awards previously granted under the Prior Plans and the Equity Plan that expire or are forfeited, or settled in cash, are added to the shares available under the Equity Plan. Options forfeited will be counted as 0.625 shares to the shares available under the Equity Plan. Shares issued as awards other than options (i.e., RSUs) that expire or are forfeited, settled in cash or sold to cover withholding tax requirements are counted as one share added to the shares available under the Equity Plan. In addition to awards under the Equity Plan, 10,521,418 RSUs were granted to Mr. Chen as an inducement to enter into a contract of full-time employment.

The Company measures stock-based compensation expense for options at the grant date based on the award's fair value as calculated by the Black-Scholes-Merton ("BSM") option-pricing model for stock options and the expense 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 number 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.

At the Company's discretion, 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 or the Compensation, Nomination and Governance Committee of the Board. The RSUs generally vest over a three-year period, either on the third anniversary date, in equal installments or 25% per year in years one and two and 50% in year three, 50% in year two and three or over a five-year period, 25% per year in year three and four and 50% in year five 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 common shares. The compensation expense for standard RSUs 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 vesting of RSUs, new common shares will be issued by the Company from treasury.

The Company has a Deferred Share Unit Plan (the "DSU Plan"), originally approved by the Board on December 20, 2007, under which each independent director is 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. At a minimum, 60% of each independent director's annual retainer will be satisfied in the form of DSUs. After his or her first year of service, a director can elect to receive the remaining 40% 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, 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 re-measured at each reporting period until settlement.

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 April 2014, the Financial Accounting Standards Board (the "FASB") issued a new accounting standards update on the topic of reporting discontinued operations and disclosures of disposals of components of an entity. The amendments change the requirements for reporting discontinued operations by limiting discontinued operations reporting to disposals

of components of an entity that represent strategic shifts that have (or will have) a major effect on an entity's operations and financial results. The amendments also require expanded disclosures for discontinued operations and certain other disposals that do not qualify for discontinued operations. The amendments are effective for all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after December 15, 2014 and interim periods within those years, with early adoption permitted. The Company will adopt this guidance in the first quarter of fiscal 2016.

In May 2014, the FASB issued a new accounting standard on the topic of revenue contracts, which replaces the existing revenue recognition standard. The new standard amends a number of requirements that an entity must consider in recognizing revenue and requires improved disclosures to help readers of financial statements better understand the nature, amount, timing and uncertainty of revenue recognized. For public entities, the new standard is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is not permitted. The Company will adopt this guidance in the first quarter of fiscal 2018 and is currently evaluating the impact that the adoption will have on its results of operations, financial position and disclosures.

In June 2014, the FASB issued a new accounting standards update on the topic of repurchase-to-maturity transactions, repurchase financings and disclosures. The amendments change the accounting for repurchase-to-maturity transactions and linked repurchase financings to secured borrowing accounting. The amendments require an entity to disclose information on transfers accounted for as sales in transactions that are economically similar to repurchase agreements and provides increased transparency about the types of collateral pledged in repurchase agreements and similar transactions accounted for as secured borrowings. The amendments are effective for public entities for the first interim or annual period beginning after December 15, 2014. Early adoption for a public entity is prohibited. The Company will adopt this guidance in the first quarter of fiscal 2016.

In June 2014, the FASB issued a new accounting standards update on the topic of stock compensation. The amendments in this update require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. The amendments in this update are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Early adoption is permitted. The Company will adopt this guidance in the first quarter of fiscal 2017.

In August 2014, the FASB issued a new accounting standards update on the topic of going concern. The amendments in this update provide guidance about management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosures. The amendments in this update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early adoption is permitted. The Company will adopt this guidance in the fourth quarter of fiscal 2017.

In February 2015, the FASB issued a new accounting standards update on the topic of consolidation. The amendments in this update provide guidance on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. All legal entities are subject to reevaluation under the revised consolidation model. The amendments in this update are effective for the annual period beginning after December 15, 2015. Early adoption is permitted. The Company will adopt this guidance in the first quarter of fiscal 2017 and is currently evaluating the impact that the adoption will have on its results of operations, financial position and disclosures.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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 components of cash, cash equivalents and investments by fair value level as at February 28, 2015 were as follows:

	Cost Basis	Unrealized Gains	Unrealized Losses	Other-than-temporary Impairment	Fair Value	Cash and Cash Equivalents	Short-term Investments	Long-term Investments	Restricted Cash
Bank balances	$ 765	$ —	$ —	—	$ 765	$ 765	$ —	$ —	$ —
Other investments	66	—	—	—	66	—	—	66	—
	831	—	—	—	831	765	—	66	—
Level 1:									
Money market funds	1	—	—	—	1	1	—	—	—
Level 2:									
Term deposits, certificates of deposit, and GICs	218	1	—	—	219	76	84	—	59
Commercial paper	710	—	—	—	710	240	470	—	—
Non-U.S. promissory notes	100	—	—	—	100	—	100	—	—
Non-U.S. treasury bills/notes	244	—	—	—	244	151	93	—	—
U.S. treasury bills/notes	915	—	—	—	915	—	705	210	—
Non-U.S. government sponsored enterprise notes	49	—	—	—	49	—	49	—	—
U.S. government sponsored enterprise notes	149	—	—	—	149	—	149	—	—
Corporate notes/bonds	8	—	—	—	8	—	8	—	—
	2,393	1	—	—	2,394	467	1,658	210	59
Level 3:									
Corporate notes/bonds	3	—	—	—	3	—	—	3	—
Auction-rate securities	41	2	—	(6)	37	—	—	37	—
	$ 44	$ 2	$ —	$ (6)	$ 40	$ —	$ —	$ 40	$ —
	$ 3,269	$ 3	$ —	$ (6)	$ 3,266	$ 1,233	$ 1,658	$ 316	$ 59

The components of cash, cash equivalents and investments by fair value level as at March 1, 2014 were as follows:

	Cost Basis	Unrealized Gains	Unrealized Losses	Other-than-temporary Impairment	Fair Value	Cash and Cash Equivalents	Short-term Investments	Long-term Investments
Bank balances	$ 708	$ —	$ —	$ —	$ 708	$ 708	$ —	$ —
Other investments	89	—	—	—	89	—	—	89
	797	—	—	—	797	708	—	89
Level 2:								
Bankers' acceptances/Bearer deposit notes	392	—	—	—	392	332	60	—
Commercial paper	15	—	—	—	15	15	—	—
Non-U.S. treasury bills/notes	480	—	—	—	480	241	239	—
U.S. treasury bills/notes	879	—	—	—	879	253	626	—
Non-U.S. government sponsored enterprise notes	55	—	—	—	55	30	25	—
	1,821	—	—	—	1,821	871	950	—
Level 3:								
Corporate notes/bonds	4	—	—	—	4	—	—	4
Auction rate securities	41	1	—	(6)	36	—	—	36
	45	1	—	(6)	40	—	—	40
	$ 2,663	$ 1	$ —	$ (6)	$ 2,658	$ 1,579	$ 950	$ 129

As at February 28, 2015, the Company's other investments consisted of cost method investments of $52 million (March 1, 2014 - $4 million) and equity method investments of $14 million (March 1, 2014 - $85 million). During the fiscal year ended February 28, 2015, the Company received a distribution of proceeds out of one of its equity method investments in the amount of approximately $134 million and recorded investment income of $115 million (pre-tax and after-tax).

The Company has restricted cash, consisting of cash and securities pledged as collateral to major banking partners in support of the Company's requirements for letters of credit. These letters of credit support certain leasing arrangements entered into in the ordinary course of business, for terms ranging from one month to nine years. The Company is legally restricted from accessing these funds during the term of the leases for which the letters of credit have been issued; however, the Company can continue to invest the funds and receive investment income thereon.

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

	For the year ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Realized gains	$ 6	$ —	$ 11
Realized losses	—	—	—
Net realized gains	$ 6	$ —	$ 11

The contractual maturities of available-for-sale investments as at February 28, 2015 were as follows:

	Cost Basis	Fair Value
Due in one year or less	$ 2,124	$ 2,125
Due in one to five years	213	213
Due after five years	94	96
No fixed maturity	1	1
	$ 2,432	$ 2,435

As at February 28, 2015 and March 1, 2014, the Company had no investments with continuous unrealized losses.

The Company engages in limited securities lending to generate fee income. Collateral, which exceeds the market value of the loaned securities, is retained by the Company until the underlying security has been returned to the Company. As at February 28, 2015, the Company had loaned securities (which are included in long-term investments) with a market value of approximately $85 million (March 1, 2014 - $100 million) consisting of U.S. treasury bills/notes, to a major global investment bank. The Company held collateral with a market value that exceeds the value of securities lent, consisting of U.S. treasury bills/notes.

In valuing the auction rate 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. 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 consolidated balance sheets as at February 28, 2015 and March 1, 2014.

4. FAIR VALUE MEASUREMENTS

For a description of the fair value hierarchy, please see Note 3.

Recurring Fair Value Measurements

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.

In determining the fair value of investments held, the Company primarily relies on an independent third party valuator for the fair valuation of securities. Pricing inputs used by the independent third party valuator are generally received from two primary vendors. The pricing inputs are reviewed for completeness and accuracy, within a set tolerance level, on a daily basis by the independent third party valuator. The Company also reviews and understands the inputs used in the valuation process and assesses the pricing of the securities for reasonableness after conducting its own internal collection of quoted prices from brokers. Fair values for all investment categories provided by the independent third party valuator that are in excess of 0.5% from the fair values determined by the Company are communicated to the independent third party valuator for consideration of reasonableness. The independent third party valuator considers the information provided by the Company before determining whether a change in the original pricing is warranted.

The Company's investments (other than those classified as Level 3) largely consist of securities issued by major corporate and banking organizations, the provincial and federal governments of Canada and the United States Department of the Treasury, and are all investment grade.

For a description of how the fair value of currency forward contracts and currency option contracts and the fair value of the Debentures have been determined, please see the "Derivative financial instruments" and "Convertible debentures" accounting policies in Note 1.

The following table summarizes the changes in fair value of the Company's Level 3 assets for the years ended March 1, 2014 and February 28, 2015:

	Level 3
Balance at March 2, 2013	$ 41
Principal payments	(1)
Balance at March 1, 2014	40
Principal repayments	(2)
Change in fair value	2
Balance at February 28, 2015	$ 40

The Company recognizes transfers in and out of levels within the fair value hierarchy at the end of the reporting period in which the actual event or change in circumstance occurred. There were no significant transfers in or out of Level 3 assets during the years ended February 28, 2015 and March 1, 2014.

The Company's Level 3 assets measured on a recurring basis include auction rate securities as well as corporate notes/bonds consisting of securities received in a payment-in-kind distribution from a former structured investment vehicle.

The auction rate securities are valued using a discounted cash flow method incorporating both observable and unobservable inputs. The unobservable inputs utilized in the valuation are the estimated weighted-average life of each security based on its contractual details and expected paydown schedule based upon the underlying collateral, the value of the underlying collateral which would be realized in the event of a waterfall event, an estimate of the likelihood of a waterfall event, and an estimate of the likelihood of a permanent auction suspension. Significant changes in these unobservable inputs would result in significantly different fair value measurements. Generally, a change in the assumption used for the probability of a waterfall event is accompanied by a directionally opposite change in the assumption used for the probability of a permanent auction suspension. A waterfall event occurs if the funded reserves of the securities become insufficient to make the interest payments, resulting in the disbursement of the securities' underlying collateral to the security holders.

The corporate notes/bonds are valued using a discounted cash flow method incorporating both observable and unobservable inputs. The unobservable inputs utilized in the valuation are the anticipated future monthly principal and interest payments, an estimated rate of decrease of those payments, the value of the underlying collateral, the number of securities currently in technical default as grouped by the underlying collateral, an estimated average recovery rate of those securities, and assumptions surrounding additional defaults. Significant changes in these unobservable inputs would result in significantly different fair value measurements. Generally, a change in the assumption used for the anticipated monthly payments is accompanied by a directionally similar change in the average recovery rate and a directionally opposite change in the yearly decrease in payments and additional defaults assumptions.

The following table presents the significant unobservable inputs used in the fair value measurement of each of the above Level 3 assets, as well as the impact on the fair value measurement resulting from a significant increase or decrease in each input in isolation:

As at February 28, 2015	Fair Value	Valuation Technique	Unobservable Input	Range (weighted average)	Effect of Significant Increase/(Decrease) in Input on Fair Value
Auction rate securities	$ 37	Discounted cash flow	Weighted-average life	7 - 18 years (13 years)	(Decrease)/increase
			Collateral value (as a % of fair value)	99% - 144% (115%)	Increase/(decrease)
			Probability of waterfall event	10%	Increase/(decrease)
			Probability of permanent suspension of auction	5%	(Decrease)/increase
Corporate bonds/notes	$ 3	Discounted cash flow	Anticipated monthly principal and interest payments	$0.1 million	Increase/(decrease)
			Yearly decrease in payments	10%	(Decrease)/increase
			Collateral value (as a % of fair value)	138%	Increase/(decrease)
			Current securities in technical default, by collateral grouping	0 - 100% (13%)	(Decrease)/increase
			Average recovery rate of securities in technical default	30%	Increase/(decrease)
			Additional defaults assumption	0 - 44% (18%)	(Decrease)/increase

5. DERIVATIVE FINANCIAL INSTRUMENTS

The notional amounts and fair values of financial instruments outstanding were as follows:

		As at February 28, 2015				
	Balance Sheet Location	Fair Value of Derivatives Designated as Cash Flow Hedges	Fair Value of Derivatives Not Designated as Cash Flow Hedges	Fair Value of Derivatives Not Subject to Hedge Accounting	Total Estimated Fair Value	Notional Amount
Derivative Assets [1]:						
Currency forward contracts	Other current assets	$ —	$ 19	$ 61	$ 80	$ 1,171
Currency option contracts	Other current assets	—	11	—	11	112
Total		$ —	$ 30	$ 61	$ 91	$ 1,283
Derivative Liabilities [1]:						
Currency forward contracts	Accrued liabilities	$ (13)	$ (4)	$ (4)	$ (21)	$ 654
Currency option contracts	Accrued liabilities	(13)	(1)	—	(14)	134
Total		$ (26)	$ (5)	$ (4)	$ (35)	$ 788

[1] The fair values of derivative assets and liabilities are measured using Level 2 fair value inputs.

		As at March 1, 2014				
	Balance Sheet Location	Fair Value of Derivatives Designated as Cash Flow Hedges	Fair Value of Derivatives Not Designated as Cash Flow Hedges	Fair Value of Derivatives Not Subject to Hedge Accounting	Total Estimated Fair Value	Notional Amount
Derivative Assets [1]:						
Currency forward contracts	Other current assets	$ —	$ —	$ 5	$ 5	$ 585
Currency option contracts	Other current assets	1	—	1	2	186
Total		$ 1	$ —	$ 6	$ 7	$ 771
Derivative Liabilities [1]:						
Currency forward contracts	Accrued liabilities	$ (7)	$ (4)	$ (15)	$ (26)	$ 1,304
Currency option contracts	Accrued liabilities	(1)	—	(1)	(2)	72
Total		$ (8)	$ (4)	$ (16)	$ (28)	$ 1,376
Currency option contracts - premiums	Accumulated other comprehensive loss	$ (1)	$ —	$ —	$ (1)	$ —

[1] The fair values of derivative assets and liabilities are measured using Level 2 fair value inputs.

Foreign Exchange

The Company's currency 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 exchange rates. 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 for the fiscal year ended February 28, 2015 were 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 and

option 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 and option 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 28, 2015 approximately 26% of cash and cash equivalents, 30% of accounts receivables and 13% of accounts payable and accrued liabilities are denominated in foreign currencies (March 1, 2014 – 35%, 26% and 12%).

Please see “Derivative financial instruments” in Note 1 for the Company’s accounting policies on these instruments.

As at February 28, 2015 and March 1, 2014, the outstanding derivatives designated as cash flow hedges were considered to be fully effective. The maturity dates of these instruments range from March, 2015 to February, 2016. As at February 28, 2015, the net unrealized loss on these forward and option contracts (including option premiums paid) was $26 million (March 1, 2014 - net unrealized loss of $8 million). Unrealized gains associated with these contracts were recorded in other current assets and accumulated other comprehensive income (loss). Unrealized losses were recorded in accrued liabilities and AOCI. Option premiums were recorded in AOCI. As at February 28, 2015, the Company estimates that approximately $26 million of net unrealized losses including option premiums on these forward and option contracts will be reclassified into income within the next twelve months. For the fiscal year ended February 28, 2015, there were no realized gains or losses on forward contracts which were ineffective upon maturity (fiscal year ended March 1, 2014 - $4 million in realized losses).

The following table shows the impact of derivative instruments designated as cash flow hedges on the consolidated statements of operations and the consolidated statements of comprehensive income (loss) for the year ended February 28, 2015:

	Amount of Gain (Loss) Recognized in Other Comprehensive Income on Derivative Instruments (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Currency forward contracts	(2)	Cost of sales	(1)
Currency option contracts	(1)	Cost of sales	(1)
Currency forward contracts	(3)	Selling, marketing and administration	(5)
Currency option contracts	(7)	Selling, marketing and administration	(4)
Currency forward contracts	(8)	Research and development	(3)
Currency option contracts	(5)	Research and development	(1)

The following table shows the impact of derivative instruments designated as cash flow hedges on the consolidated statement of operations for the year ended March 1, 2014:

	Amount of Gain (Loss) Recognized in Other Comprehensive Income on Derivative Instruments (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Currency option contracts	$ —	Revenue	$ (7)
Currency forward contracts	(1)	Cost of sales	(2)
Currency forward contracts	(2)	Selling, marketing and administration	(4)
Currency forward contracts	(4)	Research and development	(6)
Currency option contracts	(1)	Research and development	—

	Amount of Gain (Loss) Recognized in Income on Derivative Instruments (Ineffective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Ineffective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Ineffective Portion)
Currency forward contracts	$ —	Selling, marketing and administration	$ (4)

	Amount of Gain (Loss) Recognized in Income on Derivative Instruments (Unqualified Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Unqualified Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Unqualified Portion)
Currency forward contracts	$ —	Selling, marketing and administration	$ (9)

The Company has also entered into other forward and option contracts hedging anticipated foreign currency transactions which it did not designate as cash flow hedges. Any realized and unrealized gains and losses on these contracts are recognized in income each period. The maturity dates of these instruments range from March, 2015 to August, 2015. As at February 28, 2015, there were unrealized gains (net of premium paid) of $25 million recorded in respect of these instruments (March 1, 2014 - unrealized losses of $6 million). Unrealized gains associated with these contracts were recorded in other current assets and selling, marketing and administration expenses. Unrealized losses were recorded in accrued liabilities and selling, marketing and administration expenses.

As part of its currency 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 realized and unrealized 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, 2015 to August, 2015. As at February 28, 2015, net unrealized gains (net of premium paid) of $57 million were recorded in respect of these instruments (March 1, 2014 - net unrealized losses of $10 million). Unrealized gains associated with these contracts were recorded in other current assets and selling, marketing and administration expenses. Unrealized losses were recorded in accrued liabilities and selling, marketing and administration expenses.

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, 2015 and March 1, 2014:

		Amount of Gain (Loss) in Income on Derivative Instruments	
	Location of Gain (Loss) Recognized in Income on Derivative Instruments	February 28, 2015	March 1, 2014
Currency forward contracts	Selling, marketing and administration	$ 156	$ 16
Currency option contracts	Selling, marketing and administration	11	11

For information concerning the impact of foreign exchange on the consolidated statement of operations net of the above derivative instruments, please see Note 16.

Credit Risk

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 28, 2015, 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 47% (March 1, 2014 - 100%; March 2, 2013 - 29%). As at February 28, 2015, the Company had a total credit risk exposure across all counterparties with outstanding or unsettled foreign exchange derivative instruments of $56 million on a notional value of $2.1 billion (March 1, 2014 - nil total risk exposure on a notional value of $11 million).

The Company maintains Credit Support Annexes ("CSAs") with several of its counterparties. These CSAs require that the outstanding net position of all contracts to be made whole by the paying or receiving of collateral to or from the counterparties on a daily basis, subject to exposure and transfer thresholds. As at February 28, 2015, the Company held $15 million of collateral from counterparties, which approximated the fair value of those contracts. As with the derivatives recorded in an unrealized gain position, this amount is recorded in other current assets.

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 28, 2015, no single issuer represented more than 28% of the total cash, cash equivalents and investments (March 1, 2014 - no single issuer represented more than 33% of the total cash and cash equivalents and investments, and that issuer was the United States Department of Treasury).

Interest Rate Risk

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 has also issued the Debentures with a fixed interest rate. Consequently, the Company is exposed to interest rate risk as a result of the long term of the Debentures. The fair value of the Debentures will fluctuate with changes in prevailing interest rates. The Company does not currently utilize interest rate derivative instruments to hedge its investment portfolio.

6. CONSOLIDATED BALANCE SHEETS DETAILS

Accounts receivable, net

The allowance for doubtful accounts as at February 28, 2015 is $10 million (March 1, 2014 - $17 million).

There were no customers that comprised more than 10% of accounts receivable as at February 28, 2015 (March 1, 2014 – no customers that comprised more than 10%).

Inventories

Inventories were comprised of the following:

	As at	
	February 28, 2015	March 1, 2014
Raw materials	$ 11	$ 51
Work in process	62	156
Finished goods	49	37
	$ 122	$ 244

See “Inventories” in Note 1 for a description of the Company's accounting policies regarding inventory.

During fiscal 2015, the Company recorded primarily non-cash, pre-tax charges of approximately $ 95 million relating to the write-down of certain inventories and a recovery in supply commitments of $33 million.

During fiscal 2014, the Company shipped devices to its carrier and distributor partners to support new and continuing product launches and meet expected levels of end customer demand. However, the sell-through levels for BlackBerry 10 smartphones decreased significantly during fiscal 2014 due to the maturing smartphone market, very intense competition and, the Company believes, the uncertainty created by the Company's recently completed strategic review process. These factors caused the number of BlackBerry 10 devices in the channel to increase above the Company's expectations, which in turn caused the Company to reassess and revise its future demand assumptions for finished products, semi-finished goods and raw materials. The Company also made the decision to cancel plans to launch two devices to mitigate the identified inventory risk. Based on these revised demand assumptions, the Company recorded primarily non-cash, pre-tax charges of $1.6 billion against inventory and $782 million in supply commitment charges related to BlackBerry 10 devices.

During fiscal 2013, the company recorded primarily non-cash, pre-tax charges of approximately $241 million in inventory write-down and $192 million in supply commitment charges.

Other current assets

As at February 28, 2015, other current assets included $199 million in deferred cost of sales (March 1, 2014 - $356 million), as well as derivative instruments, among other items, none of which were greater than 5% of the current assets balance.

Property, plant and equipment, net

Property, plant and equipment were comprised of the following:

	As at	
	February 28, 2015	March 1, 2014
Cost		
Land	$ 26	$ 108
Buildings, leasehold improvements and other	423	905
BlackBerry operations and other information technology	1,236	1,297
Manufacturing equipment, research and development equipment and tooling	211	566
Furniture and fixtures	20	27
	1,916	2,903
Accumulated amortization	1,360	1,767
Net book value	$ 556	$ 1,136

As at February 28, 2015, the carrying amount of assets under construction was $2 million (March 1, 2014 - $45 million). Of this amount, $1 million was included in buildings, leasehold improvements and other (March 1, 2014 - $34 million); nil was included in BlackBerry operations and other information technology (March 1, 2014 - $2 million) and $1 million was included in manufacturing equipment, research and development equipment, and tooling (March 1, 2014 - $9 million).

For the year ended February 28, 2015, amortization expense related to property, plant and equipment was $184 million (March 1, 2014 - $532 million; March 2, 2013 - $721 million).

Intangible assets, net

Intangible assets were comprised of the following:

	As at February 28, 2015		
	Cost	Accumulated Amortization	Net Book Value
Acquired technology	$ 473	$ 329	$ 144
Intellectual property	2,545	1,314	1,231
	$ 3,018	$ 1,643	$ 1,375

	As at March 1, 2014		
	Cost	Accumulated Amortization	Net Book Value
Acquired technology	$ 410	$ 292	$ 118
Intellectual property	2,176	855	1,321
	$ 2,586	$ 1,147	$ 1,439

During fiscal 2015, the additions to intangible assets primarily consisted of payments relating to amended or renewed licensing agreements, acquired technology and in-process research and development from business acquisitions, as well as agreements with third parties for the use of intellectual property, software, messaging services and other BlackBerry related features.

For the year ended February 28, 2015, amortization expense related to intangible assets was $510 million (March 1, 2014 - $738 million; March 2, 2013 - $1.2 billion). Total additions to intangible assets in fiscal 2015 were $481 million (2014 - $1.1 billion).

Based on the carrying value of the identified intangible assets as at February 28, 2015 the annual amortization expense for each of the succeeding years is expected to be as follows: 2016 - $303 million; 2017 - $192 million; 2018 - $154 million; 2019 - $141 million; and 2020 - $135 million.

The weighted-average remaining useful life of the acquired technology is 2.9 years (2014 - 3.7 years).

Impairment of long-lived assets

See “Impairment of long-lived assets” in Note 1 for a description of how LLA impairment is tested.

During fiscal 2014, the Company experienced a significant decline in its share price following its pre-release of its second quarter fiscal 2014 results on September 20, 2013, as well as its announcement on November 4, 2013 that Fairfax Financial Holdings Limited (“Fairfax”) and other institutional investors were investing in the Company through the $1.0 billion private placement of the Debentures in lieu of finalizing the purchase of the Company as contemplated in the previously-announced letter of intent. The Company further identified the continuing decline in revenues, the generation of operating losses and the decrease in cash flows from operations as indicators of potential LLA impairment. Further, the Company believed that its strategic review process may have increased market uncertainty as to the future viability of the Company and may have negatively impacted demand for the Company's products. Accordingly, a cash flow recoverability test was performed as of November 4, 2013 (the “Measurement Date”). The estimated undiscounted net cash flows were determined utilizing the Company's internal forecast and incorporated a terminal value of the Company utilizing its market capitalization, calculated as the number of the Company's common shares outstanding as at the interim testing date multiplied by the average market price of the shares over a 10 day period following the Measurement Date. The Company used this duration in order to incorporate the inherent market fluctuations that may affect any individual closing price of the Company's shares. As a result, the Company concluded that the carrying value of its net assets exceeded the undiscounted net cash flows as at the Measurement Date. Consequently, step two of the LLA impairment test was performed whereby the fair values of the Company's assets were compared to their carrying values. As a result, the Company recorded a non-cash, pre-tax charge against its LLA of $2.7 billion in fiscal 2014, of which $852 million of the charge was applicable to property, plant and equipment and $1.9 billion was applicable to intangible assets. There were no long-lived asset impairment charges taken in fiscal 2015.

Goodwill

Changes to the carrying amount of goodwill during the fiscal years ended February 28, 2015 and March 1, 2014 were as follows:

	Carrying Amount
Balance as at March 3, 2012	$ 304
Goodwill acquired through business combinations during the year	31
Goodwill impairment charge	(335)
Balance as at March 2, 2013 and March 1, 2014	—
Goodwill acquired through business combinations during the year [(1)]	76
Balance as at February 28, 2015	$ 76

(1) See Note 7 for details on the goodwill acquired through business acquisitions in fiscal 2015.

Impairment of goodwill

Due to business conditions and a continued significant decline in the Company's market capitalization, the Company concluded that goodwill impairment indicators existed and an interim goodwill impairment assessment was required in fiscal 2013. Based on the results its goodwill impairment test, which compared the implied fair value of goodwill to its carrying value, the Company concluded that the carrying value of goodwill was impaired. Consequently, the Company recorded a goodwill impairment charge of $335 million in fiscal 2013 to write-off the entire carrying value of its goodwill, and reported this amount as a separate line item in the consolidated statements of operations.

Accrued liabilities

Accrued liabilities were comprised of the following:

	As at	
	February 28, 2015	March 1, 2014
Vendor inventory liabilities	58	244
Warranty	123	204
Royalties	56	106
Carrier liabilities	35	153
Other	386	507
	$ 658	$ 1,214

Other accrued liabilities, as noted in the above table, include, among other items, salaries and payroll withholding taxes, none of which were greater than 5% of the current liabilities balance.

Product Warranty

The change in the Company's warranty expense and actual warranty experience from March 3, 2012 to February 28, 2015, as well as the accrued warranty obligations, are set forth in the following table:

Accrued warranty obligations as at March 3, 2012	$	408
Actual warranty experience during fiscal 2013		(474)
Fiscal 2013 warranty provision		392
Adjustments for changes in estimate		(8)
Accrued warranty obligations as at March 2, 2013		318
Actual warranty experience during fiscal 2014		(357)
Fiscal 2014 warranty provision		270
Adjustments for changes in estimate		(27)
Accrued warranty obligations as at March 1, 2014		204
Actual warranty experience during fiscal 2015		(140)
Fiscal 2015 warranty provision		82
Adjustments for changes in estimate		(23)
Accrued warranty obligations as at February 28, 2015	$	123

7. BUSINESS ACQUISITIONS

Secusmart GmbH

On December 1, 2014, the Company acquired all of the issued and outstanding shares of Secusmart GmbH ("Secusmart"), a developer of high-security voice and data encryption and anti-eavesdropping solutions, for $82 million in cash and future contingent consideration with a fair value of $8 million. The acquisition aligns with the Company's strategy of addressing growing security costs and threats ranging from individual privacy to national security by obtaining leading voice and data encryption and anti-eavesdropping technologies, and furthers the Company's security capabilities in end-to-end mobile solutions.

Movirtu Limited

On September 8, 2014, the Company acquired all of the issued and outstanding shares of Movirtu Limited ("Movirtu"), a virtual SIM solutions company based in the United Kingdom, for $32.5 million of cash consideration (including transaction expenses of $2 million). The acquisition will provide the basis for a variety of innovative service offerings, including the WorkLife by BlackBerry solution that allows an enterprise to provision a work phone number and data plan onto a device with a single standard SIM card.

Other acquisitions

On July 31, 2014, the Company paid $9 million for all of the assets constituting the business of a provider of cloud-based software technology allowing users to connect devices and build an ecosystem with their data. With this acquisition, the Company obtained technology closely aligned to its announced BlackBerry Internet of Things platform.

There were no material business acquisitions made by the Company in fiscal 2014.

The following table summarizes the preliminary fair value allocations of the acquisition price of the assets and liabilities acquired during fiscal 2015:

Assets purchased		
Current assets	$	7
Property, plant and equipment		1
Intangible assets		71
Goodwill[1]		76
		155
Liabilities assumed		
Accounts payable		2
Deferred revenue		8
Deferred income tax liability		18
		28
Net non-cash assets acquired		127
Cash acquired		3
Net assets acquired	$	130
Consideration		
Cash consideration	$	104
Settlement of acquiree debt[2]		18
Contingent consideration[3]		8
	$	130

(1) Goodwill represents the excess of the acquisition price over the fair value of net assets acquired, which is not expected to be deductible for tax purposes when goodwill results from share purchases.
(2) $18 million in cash was paid to existing debt holders as part of the Movirtu acquisition. The Company assumed the outstanding balance of the debt.
(3) As part of the Secusmart acquisition, the Company has agreed to additional consideration contingent upon the achievement of certain financial targets, the fair value of which has been determined to be $8 million.

The weighted-average amortization period of the acquired technology related to the business acquisitions completed during the year ended February 28, 2015 is approximately 5 years.

8. RESTRUCTURING

Cost Optimization and Resource Efficiency (“CORE”) Program

In fiscal 2013, the Company commenced the CORE program with the objective of improving the Company’s operations and increasing efficiency. During fiscal 2015, the Company incurred approximately $322 million in total pre-tax charges related to the CORE program, related to employee termination benefits, facilities and manufacturing network simplification costs. No further charges are expected to be incurred under the CORE program.

The following table sets forth the activity in the Company's CORE program liability for fiscal 2015 and fiscal 2014:

	Employee Termination Benefits	Facilities Costs	Manufacturing Costs	Total
Balance as at March 2, 2013	$ 9	$ 18	$ 2	$ 29
Charges incurred	190	93	65	348
Cash payments made	(186)	(58)	(41)	(285)
Balance as at March 1, 2014	13	53	26	92
Charges incurred	96	48	55	199
Cash payments made	(106)	(71)	(79)	(256)
Balance as at February 28, 2015	$ 3	$ 30	$ 2	$ 35

The CORE program charges incurred in fiscal 2015, fiscal 2014 and fiscal 2013 were as follows:

	For the year ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Cost of sales	$ 23	$ 103	$ 96
Research and development	70	76	27
Selling, marketing and administration	229	333	97
Total CORE program charges	$ 322	$ 512	$ 220

As part of the CORE program, the Company sold certain redundant assets and discontinued certain operations to drive cost savings and efficiencies in the Company, which included divesting the majority of its Canadian commercial real estate portfolio in fiscal 2015. The Company recorded losses of approximately $12 million in fiscal 2015 ($110 million in fiscal 2014) related to asset disposals and the write-down to fair value less costs to sell of the assets sold, which has been included in the selling, marketing and administration expenses on the Company's consolidated statements of operations and included in the total CORE program charges presented above.

In fiscal 2015, the Company strategically divested the majority of its Canadian commercial real estate portfolio (the "Real Estate Sale"), offering properties comprising over 3 million square feet of space through a combination of sale-leaseback and vacant asset sales. The Company recorded proceeds of approximately $278 million and incurred a net loss on disposal of approximately $66 million on these properties for a total net loss on disposal of $137 million for the Real Estate Sale, the remainder of which was recorded in prior periods when certain of the properties were classified as held for sale and were written down to fair value less costs to sell. As part of the Real Estate Sale, the Company is leasing back office space with remaining lease terms of one month to seven years.

In fiscal 2013, the Company sold 100% of the shares of its wholly-owned subsidiary, NewBay Software Limited ("NewBay") and as a result, the operating results of NewBay are presented as discontinued operations in the Company's consolidated statements of operations for the fiscal year ended March 2, 2013.

The following table sets forth the components of the Company's loss from discontinued operations:

	March 2, 2013
Revenues from discontinued operations	$ 33
Loss from discontinued operations, before tax	(20)
Loss on disposal of discontinued operation	(3)
Income tax recovery	5
Loss from discontinued operations, net of tax	$ (18)

Carrying values of significant assets and liabilities of NewBay at the time of sale include property, plant and equipment and intangible assets of $41 million, current assets of $15 million and accrued liabilities of $13 million.

9. INCOME TAXES

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

	For the year ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Statutory Canadian tax rate	26.6%	26.6%	26.6%
Expected recovery of income taxes from continuing operations	$ (102)	$ (1,908)	$ (324)
Differences in income taxes resulting from:			
Valuation allowance	79	781	—
Investment tax credits	(51)	(77)	(127)
Canadian tax rate differences	(27)	(82)	(125)
Change in unrecognized income tax benefits	—	—	(116)
Non-deductible goodwill impairment	—	—	84
Foreign tax rate differences	11	(10)	6
Other differences	9	(15)	10
	$ (81)	$ (1,311)	$ (592)

	For the year ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Loss from continuing operations before income taxes:			
Canadian	$ (600)	$ (7,212)	$ (1,365)
Foreign	215	28	145
	$ (385)	$ (7,184)	$ (1,220)

The recovery of income taxes from continuing operations consists of the following:

	For the year ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Current			
Canadian	$ (153)	$ (1,203)	$ (760)
Foreign	21	77	88
Deferred			
Canadian	39	(184)	68
Foreign	12	(1)	12
	$ (81)	$ (1,311)	$ (592)

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

	As at	
	February 28, 2015	March 1, 2014
Assets		
Property, plant and equipment	$ 81	$ 430
Non-deductible reserves	108	120
Minimum taxes	268	120
Convertible debenture (see note 10)	121	95
Research and development	199	41
Tax loss carryforwards	84	25
Other	15	25
Deferred income tax assets	876	856
Valuation allowance	866	783
Deferred income tax assets net of valuation allowance	10	73
Liabilities		
Property, plant and equipment	(15)	—
Withholding tax on unremitted earnings	(33)	(32)
Deferred income tax liabilities	(48)	(32)
Net deferred income tax asset/(liability)	$ (38)	$ 41
Deferred income tax asset - current	$ 10	$ 73
Deferred income tax liability - long-term	(48)	(32)
	$ (38)	$ 41

The Company regularly assesses the need for a valuation allowance against its deferred tax assets. In making that assessment, the Company considers both positive and negative evidence related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more-likely-than-not that some or all of the deferred tax assets will be realized. In evaluating the need for a valuation allowance, the Company noted that there were increases in deductible temporary differences which are not currently deductible for tax purposes and the Company has three years of cumulative losses for fiscal 2015. As a result, the Company was unable to recognize the benefit relating to a significant portion of deferred tax assets that arose in fiscal 2015, which resulted in the recognition of a $866 million (March 1, 2014 - $783 million) valuation allowance against its deferred tax assets. The deferred tax recovery is partially offset by this deferred tax valuation allowance of $79 million and included in the income tax provision in fiscal 2015 (March 1, 2014 - $781 million). This accounting treatment has no effect on the Company's actual ability to utilize deferred tax assets to reduce future cash tax payments. The Company will continue to assess the likelihood that the deferred tax assets will be realizable at each reporting period and the valuation allowance will be adjusted accordingly.

During the third quarter in fiscal 2014, the Company took steps to accelerate the receipt of a portion of the tax refund to which it was entitled. The Canadian federal and Ontario provincial Ministers of Finance had indicated to the Company that they would be prepared to recommend measures such that the acceleration would not jeopardize the entitlement to the balance of its tax refund. The Company's actions resulted in a November 3, 2013 taxation year end (triggering the entitlement to the tax refund accrued to that date). In December 2013, Remission Orders were made by the Canadian federal and Ontario provincial governments which preserved the Company's ability to carry back losses for the balance of its fiscal 2015 year and for its fiscal 2015 year on the same basis as without the November 3, 2013 taxation year end. The tax provision includes the impact of the Remission Orders in accordance with ASC 740.

Given the change in financial circumstances for the Company in fiscal 2014, a determination was made that the Company no longer has plans to permanently reinvest the cumulative earnings of its foreign subsidiaries. As a result, $33 million relating to future withholding taxes was accrued as a deferred tax liability (March 1, 2014 - $32 million).

The Company's total unrecognized income tax benefits as at February 28, 2015 and March 1, 2014 were $11 million and $8 million, respectively. A reconciliation of the beginning and ending amount of unrecognized income tax benefits that, if recognized, would affect the Company's effective income tax rate is as follows:

	For the year ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Unrecognized income tax benefits, opening balance	$ 8	$ 29	$ 146
Increase for income tax positions of prior years	3	5	9
Increase for income tax positions of current year	—	—	2
Settlement of tax positions	—	(23)	(152)
Other	—	(3)	24
Unrecognized income tax benefits, ending balance	$ 11	$ 8	$ 29

As at February 28, 2015, all of the unrecognized income tax benefits of $11 million have been netted against deferred income tax assets on the Company's consolidated balance sheets.

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

Jurisdiction	
Canada[1]	Fiscal 2009 - 2015
United States[2]	Fiscal 2012 - 2015
United Kingdom	Fiscal 2011 - 2015

_____

(1) Includes federal as well as provincial and state jurisdictions, as applicable.
(2) Pertains to federal tax years. Certain state jurisdictions remain open from fiscal 2012 through fiscal 2015.

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 as well as the provisions for indirect and other taxes and related penalties and interest. The Company believes it is reasonably possible that approximately $8 million of its gross unrecognized income tax benefit will be realized in the next twelve months. 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 recognizes interest and penalties related to unrecognized income tax benefits as interest expense that is netted and reported within investment income (loss). The amount of interest accrued as at February 28, 2015 was approximately $1 million (March 1, 2014 – approximately $1 million). The amount of penalties accrued as at February 28, 2015 was nominal (March 1, 2014 – nominal).

As at February 28, 2015, the Company has the following net operating loss carryforwards and tax credits which are not recognized for accounting purposes and are scheduled to expire in the following years:

Year of Expiry	Net Operating Losses	Capital Losses	Research and Development Tax Credits	Minimum Taxes
2026	$ 3	$ —	$ —	$ —
2028	2	—	—	—
2029	15	—	—	1
2030	—	—	—	109
2031	28	—	—	127
2032	—	—	—	27
2033	—	—	119	—
2034	—	—	111	—
2035	294	—	42	—
Indefinite	—	23	—	—
	$ 342	$ 23	$ 272	$ 264

10. LONG-TERM DEBT

Convertible Debentures

In fiscal 2014, Fairfax and other institutional investors invested in the Company through a $1.25 billion private placement of the Debentures.

Interest on the Debentures is payable quarterly in arrears at a rate of 6% per annum. The Debentures have a term of seven years and each $1,000 of Debentures are convertible at any time into 100 common shares of the Company, for a total of 125 million common shares at a price of $10.00 per share for all Debentures, subject to adjustments.

The Company has the option to redeem the Debentures after November 13, 2016 at specified redemption prices in specified periods. Covenants associated with the Debentures include limitations on the Company's total indebtedness.

Under specified events of default, the outstanding principal and any accrued interest on the Debentures become immediately due and payable upon request of holders holding not less than 25% of the principal amount of the Debentures then outstanding. During an event of default, the interest rate rises to 10% per annum.

The Debentures are subject to a change of control provision whereby the Company would be required to make an offer to repurchase the Debentures at 115% of par value if a person or group (not affiliated with Fairfax) acquires 35% of the Company's outstanding common shares, acquires all or substantially all of its assets, or if the Company merges with another entity and the Company's existing shareholders hold less than 50% of the common shares of the surviving entity.

Due to the possible volatility through the Company's statements of operations resulting from fluctuation in the fair value of the embedded conversion option, as well as the number of other embedded derivatives within the Debentures, the Company has elected to record the Debentures, including the debt itself and all embedded derivatives, at fair value and present the Debentures as a hybrid financial instrument. No portion of the fair value of the Debentures has been recorded as equity, nor would be if each component was freestanding. As of February 28, 2015, the fair value of the Company's convertible debt was $1.7 billion (March 1, 2014 - $1.6 billion). The difference between the fair value of the Debentures and the unpaid principal balance of $1.25 billion, is $457 million. The fair value of the Debentures is measured using Level 2 fair value inputs.

The Company recorded a non-cash charge associated with the change in the fair value of the Debentures of $80 million in fiscal 2015 (fiscal 2014 - $377 million). This charge is presented on a separate line in the Company's statements of operations. The fair value adjustment charge does not impact the key terms of the Debentures such as the face value, the redemption features or the conversion price.

The Company recorded interest expense related to the Debentures of $ 75 million, which has been included in investment loss in the statements of operations in fiscal 2015 (fiscal 2014 - $21 million). The Company is required to make quarterly interest-only payments of approximately $19 million during the seven years the Debentures are outstanding. Fairfax, a

related party, owns $500 million principal amount of Debentures and receives interest at the same rate as other debenture holders.

In the course of issuing these Debentures in fiscal 2014, the Company incurred costs of $42 million. As the Company has elected the fair value option for the recording of the Debentures, these costs have been fully expensed in the period in which they were incurred and are recorded in selling, marketing and administration expenses in the statement of operations.

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 28, 2015 and March 1, 2014, there were no Class A common shares or preferred shares outstanding.

The following details the changes in issued and outstanding common shares for the three years ended February 28, 2015:

	Capital Stock and Additional Paid-In Capital		Treasury Stock	
	Stock Outstanding (000's)	Amount	Stock Outstanding (000's)	Amount
Common shares outstanding as at March 3, 2012	524,160	$ 2,446	8,711	$ (299)
Stock-based compensation	—	86	—	—
Tax deficiencies related to stock-based compensation	—	(11)	—	—
Purchase of treasury stock	—	—	3,006	(25)
Treasury shares released for RSU settlements	—	(90)	(2,697)	90
Common shares outstanding as at March 2, 2013	524,160	2,431	9,020	(234)
Exercise of stock options	417	3	—	—
Common shares issued for RSU settlements	1,975	—	—	—
Stock-based compensation	—	68	—	—
Tax deficiencies related to stock-based compensation	—	(13)	—	—
Purchase of treasury stock	—	—	1,641	(16)
Treasury shares released for RSU settlements	—	(71)	(3,001)	71
Common shares outstanding as at March 1, 2014	526,552	2,418	7,660	(179)
Exercise of stock options	945	6	—	—
Common shares issued for RSU settlements	1,305	—	—	—
Stock-based compensation	—	50	—	—
Excess tax benefit related to stock-based compensation	—	8	—	—
Purchase/sale of treasury stock	—	—	(6,033)	141
Treasury shares released for RSU settlements	—	(38)	(1,627)	38
Common shares outstanding as at February 28, 2015	528,802	$ 2,444	$ —	$ —

The Company had 529 million voting common shares outstanding, 1 million options to purchase voting common shares, 26 million RSUs and 0.3 million DSUs outstanding as at March 23, 2015.

(b) Stock-based compensation

Stock Options

The Company recorded a charge to income and a credit to paid-in-capital of approximately $2 million in fiscal 2015 (fiscal 2014 - $5 million; fiscal 2013 - $8 million) in relation to stock-based compensation expense.

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

Stock options previously granted under the Prior Plans generally vest over a period of three years to a maximum of five years , and are generally exercisable over a period of five years to a maximum of seven years from the grant date. The Company issues new shares to satisfy stock option exercises. There are 5 million shares in the equity pool available for future grants under the Equity Plan as at February 28, 2015.

A summary of option activity since March 3, 2012 is shown below:

	Options Outstanding			
	Number (000's)	Weighted-Average Exercise Price	Average Remaining Contractual Life in Years	Aggregate Intrinsic Value (millions)
Balance as at March 3, 2012	3,618	$ 73.86		
Granted during the year	5,288	7.86		
Forfeited/cancelled/expired during the year	(1,646)	60.86		
Balance as at March 2, 2013	7,260	27.53		
Exercised during the year	(417)	7.36		
Forfeited/cancelled/expired during the year	(3,576)	42.55		
Balance as at March 1, 2014	3,267	12.08		
Granted during the year	526	10.06		
Exercised during the year	(945)	7.13		
Forfeited/cancelled/expired during the year	(1,362)	17.10		
Balance as at February 28, 2015	1,486	$ 9.34	3.11	$ 5
Vested and expected to vest as at February 28, 2015	1,434	$ 9.39	3.09	$ 4
Exercisable as at February 28, 2015	566	$ 11.36	2.39	$ 2

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 28, 2015 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 28, 2015. The intrinsic value of stock options exercised during fiscal 2015, calculated using the average market price during the year, was approximately $2.46 per share.

A summary of unvested stock options since March 1, 2014 is shown below:

	Options Outstanding	
	Number (000's)	Weighted-Average Grant Date Fair Value
Balance as at March 1, 2014	1,977	$ 4.48
Granted during the year	526	—
Vested during the year	(600)	—
Forfeited during the year	(983)	—
Balance as at February 28, 2015	920	$ 4.27

As at February 28, 2015, there was $5 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 1.29 years. The total fair value of stock options vested during the year ended February 28, 2015 was $3 million (March 1, 2014 - $8 million, March 2, 2013 - $14 million).

Cash received from the stock options exercised for the year ended February 28, 2015 was $6 million (March 1, 2014 - $3 million; March 2, 2013 - nil). There were no tax deficiencies incurred by the Company related to stock options exercised at February 28, 2015 (March 1, 2014 – tax deficiency of $2 million; March 2, 2013 – tax deficiency of $1 million).

During the year ended February 28, 2015, there were 526,091 stock options granted (March 1, 2014 - nil; March 2, 2013 - 5,288,040). The weighted-average fair value of these grants was calculated using the BSM option-pricing model with the following assumptions:

	February 28, 2015
Weighted-average grant date fair value of stock options granted during the period	$ 4.32
Assumptions:	
Risk-free interest rates	1.25%
Expected life in years	3.67
Expected dividend yield	—%
Volatility	56.59%

Restricted Share Units

The Company recorded compensation expense with respect to RSUs of approximately $48 million in the year ended February 28, 2015 (March 1, 2014 - $63 million; March 2, 2013 - $78 million).

A summary of RSU activity since March 3, 2012 is shown below:

	RSUs Outstanding			
	Number (000's)	Weighted-Average Grant Date Fair Value	Average Remaining Contractual Life in Years	Aggregate Intrinsic Value (millions)
Balance as at March 3, 2012	8,595	$ 31.96		
Granted during the year	11,189	7.94		
Vested during the year	(2,697)	38.96		
Forfeited/cancelled during the year	(1,902)	25.46		
Balance as at March 2, 2013	15,185	13.83		
Granted during the year	21,741	7.39		
Vested during the year	(4,977)	17.11		
Forfeited/cancelled during the year	(7,604)	11.44		
Balance as at March 1, 2014	24,345	8.15		
Granted during the year	9,530	9.72		
Vested during the year	(2,928)	13.73		
Forfeited/cancelled during the year	(4,946)	9.55		
Balance as at February 28, 2015	26,001	$ 7.84	2.58	$ 281
Vested and expected to vest February 28, 2015	25,001	$ 7.79	2.61	$ 270

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 28, 2015 that would have been received by RSU holders if all RSUs had been vested on February 28, 2015.

The excess tax benefit incurred by the Company related to the RSUs vested was $8 million for the year ended February 28, 2015 (March 1, 2014 - tax deficiency of $11 million; March 2, 2013 - tax deficiency of $10 million).

Previously, the Company contributed capital to a trust account to enable a trustee to purchase shares on the open market in connection with the vesting of certain RSUs awarded by the Company. During the year ended February 28, 2015, the

trustee purchased nil and sold 6,032,719 common shares for consideration of approximately $61 million (March 1, 2014 - 1,641,447 common shares were purchased for total cash consideration of approximately $16 million), which was remitted to the Company as a return of contributions. With the sale, the trustee no longer holds shares, and the Company expects to settle vested RSUs by issuing new common shares from treasury.

As at February 28, 2015, there was $153 million of unrecognized compensation expense related to RSUs that will be expensed over the vesting period, which, on a weighted-average basis, results in a period of approximately 1.86 years.

During the year ended February 28, 2015, there were 9,530,093 RSUs granted (March 1, 2014 - 21,741,154), all of which when vested will be settled with the issuance of new common shares of the Company.

Deferred Share Units

The Company issued 108,954 DSUs in the year ended February 28, 2015. There were 0.3 million DSUs outstanding as at February 28, 2015 (March 1, 2014 - 0.2 million). The Company had a liability of $3.3 million in relation to the DSU Plan as at February 28, 2015 (March 1, 2014 - $2.4 million).

12. EARNINGS (LOSS) PER SHARE

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

	For the year ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Loss for basic and diluted loss per share available to common shareholders from continuing operations [1]	$ (304)	$ (5,873)	$ (628)
Loss for basic and diluted loss per share available to common shareholders from discontinued operations	$ —	$ —	$ (18)
Weighted-average number of shares outstanding (000's) - basic and diluted [2]	527,684	525,168	524,160
Loss per share - reported			
Basic and diluted loss per share from continuing operations	$ (0.58)	$ (11.18)	$ (1.20)
Basic and diluted loss per share from discontinued operations	—	—	(0.03)
Total basic and diluted loss per share	$ (0.58)	$ (11.18)	$ (1.23)

[1] The Company has not presented the dilutive effect of the Debentures using the if-converted method in the calculation of loss per share for the year ended February 28, 2015, as to do so would be antidilutive. See Note 10 for details on the Debentures.

[2] The Company has not presented the dilutive effect of in-the-money options or RSUs that will be settled upon vesting by the issuance of new common shares in the calculation of loss per share for the year ended February 28, 2015 as to do so would be antidilutive. As at February 28, 2015, there were 928,909 options and 23,890,603 RSUs outstanding that were in-the-money and may have a dilutive effect on earnings (loss) per share in future periods.

13. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

	As at		
	February 28, 2015	March 1, 2014	March 2, 2013
Accumulated net unrealized gains on available-for-sale investments	$ 3	$ 1	$ 2
Accumulated net unrealized losses on derivative instruments designated as cash flow hedges, net of tax	(26)	(9)	(6)
Accumulated other comprehensive loss	$ (23)	$ (8)	$ (4)

The effects on net income of amounts reclassified from AOCI into income by component for the year ended February 28, 2015 were as follows:

Location of loss reclassified from AOCI into income	Gains and Losses on Cash Flow Hedges	Gains and Losses on Available-for-Sale Securities	Total
Selling, marketing and administration	(9)	—	(9)
Research and development	(4)	—	(4)
Cost of sales	(2)	—	(2)
Recovery of income taxes	2	—	2
Total amount reclassified into income, net of tax	$ (13)	$ —	$ (13)

14. COMMITMENTS AND CONTINGENCIES

(a) Credit facility and letters of credit

The Company has $59 million in collateralized outstanding letters of credit in support of certain leasing arrangements entered into in the ordinary course of business. See the discussion of restricted cash in Note 3.

(b) Lease commitments

The Company is committed to future minimum annual lease payments related to real estate operating leases as follows:

For the fiscal years ending:	
2016	42
2017	37
2018	30
2019	26
2020	18
Thereafter	26
	$ 179

For the year ended February 28, 2015, the Company incurred rental expense of $60 million (March 1, 2014 - $80 million; March 2, 2013 - $91 million).

(c) Litigation

The Company is involved in litigation in the normal course of its business, both as a defendant and as a plaintiff. The Company is subject to a variety of claims (including claims related to patent infringement, purported class actions and other claims in the normal course of business) and may be subject to additional claims either directly or through indemnities against claims that it provides to certain of its partners and customers. 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 against the Company have 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" in the Company's unaudited Annual Information Form for the fiscal year ended February 28, 2015, which is included in the Company's Annual Report on Form 40-F, including the risk factors entitled "The Company is subject to general commercial litigation, class action 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", "The Company is subject to potential litigation claims arising from the Company's disclosure practices", and "The Company may infringe on the intellectual property rights of others".

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 a potential loss is considered probable and the amount is reasonably estimable, provisions for loss are made based on management's assessment of the likely outcome. Where a range of loss can be reasonably estimated with no best estimate in the range, the Company records the minimum amount in the range. The Company does not provide for claims for which the outcome is not determinable or claims for which the amount of the loss cannot be reasonably estimated. Any settlements or awards under such claims are provided for when reasonably determinable.

As of February 28, 2015, there are no claims outstanding for which the Company has assessed the potential loss as both probable to result and reasonably estimable, therefore no accrual has been made. Further, there are claims outstanding for which the Company has assessed the potential loss as reasonably possible to result, however an estimate of the amount of loss cannot reasonably be made. There are many reasons that the Company cannot make these assessments, including, among others, one or more of the following: the early stages of a proceeding does not require the claimant to specifically identify the patent that has allegedly been infringed; damages sought are unspecified, unsupportable, unexplained or uncertain; discovery has not been started or is incomplete; the facts that are in dispute are highly complex (e.g., once a patent is identified, the analysis of the patent and a comparison to the activities of the Company is a labour-intensive and highly technical process); the difficulty of assessing novel claims; the parties have not engaged in any meaningful settlement discussions; the possibility that other parties may share in any ultimate liability; and the often slow pace of patent litigation.

Though they do not meet the test for accrual described above, the Company has included the following summaries of certain of its legal proceedings that it believes may be of interest to its investors.

On January 3, 2014, the Company filed a lawsuit against Typo Products LLC ("Typo") in the U.S. District Court for the Northern District of California (the "USDCNDC"). The Company asserted that Typo infringes U.S. Patent Nos. 7,629,964 and 8,162,552, generally directed to a keyboard for use with a mobile communication device. The Company also asserted that Typo infringed U.S. Design Patent No. D685,775, generally directed to a keyboard design, and trade dress relating to keyboards. The complaint seeks an injunction, monetary damages, and other relief that the court deems just and proper. On January 22, 2014, the Company filed a motion for preliminary injunction to enjoin Typo from infringing U.S. Patent No. 7,629,964 and U.S. Design Patent No. D.685,775. Typo filed its opposition on February 5, 2014 and on March 11, 2014, the Company filed a motion to dismiss Typo's counterclaim and defenses. On March 28, 2014, the court granted the Company's motion for preliminary injunction, which went into effect after the Company's payment of a $0.5 million bond. On May 9, 2014, the court granted the Company's motion to dismiss. Typo has withdrawn its products from the market pursuant to the injunction, pending resolution of the lawsuit. The Company prevailed on its claim construction and filed an amended complaint adding related party Show Media LLC to the litigation. On December 26, 2014, Typo filed a motion for summary judgment. On February 4, 2015, the court granted the renewed motion for contempt, ordering Typo to pay the Company $0.9 million in sanctions, as well as fees and costs. Proceedings are ongoing.

On February 16, 2015, the Company filed a lawsuit against Typo, Typo Innovations, LLC, Show Media LLC, Hallier Investments, LLC and Laurence Hallier in the USDCNDC. The lawsuit relates to a modified version of the product accused in the Typo complaint described in the paragraph above. The Company asserted that the defendants infringe U.S. Patent Nos. 7,417,565 and 8,162,552, generally directed to a keyboard for use with a mobile communication device, and U.S. Patent No. 8,493,322, generally directed to a text input method. The Company also asserted that the defendants infringe U.S. Patent Nos. 8,431,849 and 8,658,925, generally directed to a keypad assembly with backlighting and trade dress relating to keyboards. The complaint seeks an injunction, monetary damages, and other relief that the court deems just and proper. Proceedings are ongoing.

Between October and December 2013, several purported class action lawsuits and one individual lawsuit were filed against the Company and certain of its former officers in various jurisdictions alleging that during the period from September 27, 2012 through September 20, 2013, the Company and certain of its officers made materially false and misleading statements regarding the Company's financial condition and business prospects and that certain of the Company's financial statements contain material misstatements. The individual lawsuit was voluntarily dismissed. In respect of the U.S. class actions, four motions for the appointment of lead plaintiff were filed. On March 14, 2014, the Judge consolidated the proceedings in the U.S. District Court for the Southern District of New York. On May 27, 2014, the Consolidated Amended Class Action Complaint was filed. The Company filed a motion to dismiss the complaint. On March 13, 2015, the court issued an order granting the Company's motion to dismiss. The proceeding is ongoing.

(d) Concentrations in certain areas of the Company's business

The Company attempts to ensure that most components essential to the Company's business are generally available from multiple sources, however certain components are currently obtained from limited sources within a competitive market, which subjects the Company to significant supply, availability and pricing risks. Many components are at times subject to industry-wide shortages and significant commodity pricing fluctuations including those that are available from multiple sources. In addition, the Company has entered into various agreements for the supply of components, the manufacturing of its products and agreements that allow the Company to use intellectual property owned by other companies; however, there can be no guarantee that the Company will be able to extend or renew these agreements on similar terms, or at all. Therefore, the Company remains subject to significant risks of supply shortages, intellectual property litigation risk as well as potential price increases that can materially adversely affect its financial condition and operating results.

The Company also uses some custom components that are not common to the rest of the industry, and new products introduced by the Company often utilize custom components available from only one source for a period of time. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers' yields have matured or manufacturing capacity has increased. If the Company's supply of components for a new or existing product were delayed or constrained, the Company's financial condition and operating results could be materially adversely affected. Further, if the Company was not able to find an alternative source for the necessary quantities, the Company's business and financial performance could also be materially adversely affected. Continued availability of these components at acceptable prices, or at all, may be affected if those suppliers concentrate on the production of common components instead of components customized to meet the Company's requirements.

Substantially all of the Company's hardware products are manufactured by outsourcing partners that are located primarily in Asia or Mexico. A significant concentration of this manufacturing is currently performed by a small number of outsourcing partners. Although the Company works closely with its outsourcing partners on manufacturing schedules, the Company's operating results could be adversely affected if its outsourcing partners were unable to meet their production commitments.

(e) Indemnifications

The Company enters into certain agreements that contain indemnification provisions under which the Company could be subject to costs and damages, including in the event of an infringement claim against the Company or an indemnified third party. Such intellectual property infringement indemnification clauses are generally not subject to any dollar limits and remain in effect for the term of the Company's agreements. To date, the Company has not encountered material costs as a result of such indemnifications.

The Company has entered into indemnification agreements with its current and former directors and executive officers. Under these agreements, the Company agreed, subject to applicable law, to indemnify its directors and executive officers against all costs, charges and expenses reasonably incurred by such individuals in respect of any civil, criminal or administrative action which could arise by reason of their status as directors or officers. The Company maintains liability insurance coverage for the benefit of its directors and current and former executive officers. The Company has not encountered material costs as a result of such indemnifications in the current year. See the Company's Management Information Circular for fiscal 2014 for additional information regarding the Company's indemnification agreements with its directors and current and former executive officers.

15. SEGMENT DISCLOSURES

The Company is organized and managed as a single reportable operating segment. The Company currently sells an integrated BlackBerry wireless communications platform solution, which includes the sale of BlackBerry handheld devices and the provision of data communication, compression and security infrastructure services, which enable BlackBerry handheld wireless devices to send and receive wireless messages and data. For enterprise customers, the Company currently sells an integrated BlackBerry Enterprise Server software solution that gives corporate and government customers the ability to set and enforce specific information technology policies to manage their BlackBerry handheld wireless devices when the data services pass through BlackBerry's Relay and Provisioning infrastructure.

Revenue from continuing operations, classified by major geographic segments in which the Company's customers are located, was as follows:

	For the year ended					
	February 28, 2015		March 1, 2014		March 2, 2013	
North America						
Canada	$ 216	6.4%	$ 491	7.2%	$ 661	6.0%
United States	775	23.2%	1,320	19.4%	2,235	20.2%
	991	29.6%	1,811	26.6%	2,896	26.2%
Europe, Middle East and Africa						
United Kingdom	292	8.8%	604	8.9%	1,238	11.2%
Other	1,139	34.2%	2,387	35.0%	3,264	29.5%
	1,431	43.0%	2,991	43.9%	4,502	40.7%
Latin America	380	11.4%	907	13.3%	2,114	19.1%
Asia Pacific	533	16.0%	1,104	16.2%	1,561	14.0%
	$ 3,335	100.0%	$ 6,813	100.0%	$ 11,073	100.0%

	For the year ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Revenue mix			
Hardware	$ 1,431	$ 3,785	$ 6,648
Service	1,620	2,698	3,910
Software	234	235	261
Other	50	95	254
	$ 3,335	$ 6,813	$ 11,073

Property, plant and equipment, intangible assets and goodwill, classified by geographic segments in which the Company's assets are located, was as follows:

	As at			
	February 28, 2015		March 1, 2014	
	Property, plant and equipment, intangible assets and goodwill	Total assets	Property, plant and equipment, intangible assets and goodwill	Total assets
Canada	$ 1,628	$ 3,368	$ 2,225	$ 2,362
United States	202	2,700	275	2,207
United Kingdom	79	126	7	954
Other	98	355	68	2,029
	$ 2,007	$ 6,549	$ 2,575	$ 7,552

Information about major customers

There were no customers that comprised more than 10% of the Company's revenue in fiscal 2015 and fiscal 2014 – no customers that comprised more than 10%; fiscal 2013 – no customers that comprised more than 10%).

16. CASH FLOW INFORMATION

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

	For the year ended		
	February 28, 2015	March 1, 2014	March 2, 2013
Interest paid during the year	$ 75	$ 29	$ —
Income taxes paid during the year	59	131	107
Income tax refunds received during the year	425	1,447	390

(b) Additional information

Advertising expense, which includes media, agency and promotional expenses totaling $141 million (March 1, 2014 - $843 million; March 2, 2013 - $925 million) is included in selling, marketing and administration expenses for the fiscal year ended February 28, 2015.

Selling, marketing and administration expense for the fiscal year ended February 28, 2015 included $42 million with respect to foreign exchange gains (March 1, 2014 – loss of $62 million; March 2, 2013 – gain of $87 million).

Exhibit 1.3

BLACKBERRY LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS AND FISCAL YEAR ENDED FEBRUARY 28, 2015

March 27, 2015

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 BlackBerry Limited, formerly Research In Motion Limited (the "Company" or "BlackBerry"), for the fiscal year ended February 28, 2015**.** 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.

The Company 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 are different from those of the United States. This MD&A provides information for the fiscal year ended February 28, 2015 and up to and including March 27, 2015.

Additional information about the Company, including the Company's Annual Information Form for the fiscal year ended February 28, 2015 (the "AIF"), which is included in the Company's Annual Report on Form 40-F for the fiscal year ended February 28, 2015 (the "Annual Report"), 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.

Cautionary Note Regarding Forward-Looking Statements

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

- the Company's ability to reach sustainable non-GAAP profitability sometime in fiscal 2016, and expectations regarding its cash flow and revenue trend;
- the Company's plans, strategies and objectives, including the anticipated benefits of its strategic initiatives described below;
- the Company's expectations regarding anticipated demand for, and the timing of, new product and service offerings, and the Company's plans and expectations relating to its existing and new product and service offerings, including BlackBerry Enterprise Service ("BES") 10, BES12, BlackBerry 10 smartphones, services related to BlackBerry Messenger ("BBM"), and the cloud-based BlackBerry Internet of Things platform (the "BlackBerry IoT Platform"), including software products offered by the Company's wholly-owned subsidiary, QNX Software Systems Limited ("QNX");
- the Company's expectations regarding expanding its distribution capability and realizing the related benefits sometime in fiscal 2016;
- the Company's expectations regarding the generation of revenue from its software, services and other technologies;
- the Company's anticipated levels of decline in service revenue in the first quarter of fiscal 2016;
- the Company's expectations for the average selling prices of its devices;
- the Company's expectations for gross margin for the next few quarters;
- the Company's expectations for operating expenses for the coming quarters;
- the Company's expectations regarding its non-GAAP earnings per share in fiscal 2016 **;**
- the Company's expectations with respect to the sufficiency of its financial resources and maintaining its strong cash position;
- the Company's estimates of purchase obligations and other contractual commitments; and
- the Company's assumptions and expectations described in the Company's critical accounting estimates and significant accounting policies.

The words "expect", "anticipate", "estimate", "may", "will", "should", "could", "intend", "believe", "target", "plan" and similar expressions are intended to identify forward-looking statements in this MD&A, including in the sections entitled "Business Overview", "Fiscal 2015 Summary Results of Operations - Financial Highlights", "Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014 - Revenue - Revenue by Category - Hardware Revenue", "Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014 - Revenue - Revenue by Category - Service Revenue", "Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014 - Revenue - Revenue by Category - Software Revenue", "Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014 - Gross Margin", "Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014 - Operating Expenses", "Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014 - Net Loss", and "Financial Condition - Debenture Financing and Other Funding Sources". Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances, including but not limited to, the Company's expectations regarding its business, strategy, opportunities and prospects, including its ability to implement meaningful changes to address its business challenges, the launch of new products and services, general economic conditions, product pricing levels and competitive intensity, supply constraints, and the Company's expectations regarding the cash flow generation of its business and the sufficiency of its financial resources. Many factors could cause the Company'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, most of which are discussed in greater detail in the "Risk Factors" section of the AIF, which is included in the Annual Report. These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements:

- the Company's ability to attract new enterprise customers and maintain its existing relationships with its enterprise customers or transition them to the BES12 platform and deploy BlackBerry 10 smartphones;
- the Company's ability to develop, market and distribute an integrated software and services offering, or otherwise monetize its technologies, to grow revenue, achieve sustained profitability or mitigate the impact of the decline in the Company's service access fees;
- the Company's ability to enhance its current products and services, or develop new products and services in a timely manner or at competitive prices, or to meet customer requirements, including risks related to new product introductions;
- risks related to the Company's products and services being dependent upon the interoperability with rapidly changing systems provided by third parties;
- intense competition, rapid change and significant strategic alliances within the Company's industry, including recent and potential future strategic transactions by its competitors or carrier partners, which could continue to weaken the Company's competitive position or could continue to require the Company to reduce its prices to compete effectively;
- the Company's ability to sell, deliver and support BlackBerry products and services is dependent on establishing and maintaining relationships with network carriers and distributors;
- the occurrence or perception of a breach of the Company's security measures, or an inappropriate disclosure of confidential or personal information;
- network or other business interruptions;
- dependence on the Company's ability to attract new personnel and retain key personnel;
- risks related to sales to customers in highly regulated industries and governmental entities, which can be highly competitive and require compliance with stringent regulation;
- the Company's increasing reliance on third-party manufacturers for certain products and its ability to manage its production and repair process, and risks related to the Company changing manufacturers or reducing the number of manufacturers or suppliers it uses;
- the Company's reliance on its suppliers for functional components and the risk that suppliers will not supply components on a timely basis, in sufficient quantities or of the desired quality;
- the Company's ability to obtain rights to use software or components supplied by third parties;
- the Company's ability to maintain or increase its liquidity and service its debt is dependent on generating cash flow by offering competitive products and services and sustaining recent cost reductions;
- the Company's ability to address inventory and asset risk and the potential for additional charges related to its inventory and long-lived assets;
- risks related to the Company's significant indebtedness;

- risks related to acquisitions, divestitures, investments and other business initiatives that may negatively affect the Company's results of operations;
- risks related to foreign operations, including fluctuations in foreign currencies, and collecting accounts receivables in jurisdictions with foreign currency controls;
- third-party claims for infringement of intellectual property rights by the Company and the outcome of any litigation with respect thereto;
- general commercial litigation, class action and other litigation claims, including purported class action claims relating to the Company or its operations;
- risks associated with litigation claims against the Company arising from its disclosure practices;
- the Company's ability to successfully obtain patent or other proprietary or statutory protection for its technologies and products;
- the Company's ability to supplement and manage its BlackBerry World applications catalogue;
- reliance on strategic alliances and relationships with third-party network infrastructure developers;
- the continued quality and reliability of the Company's products and services and the potential effect of defects in products and services;
- risks as a result of actions of activist shareholders;
- potential liabilities or costs related to the collection, storage, transmission, use and disclosure of user and personal information;
- risks related to the failure of the Company's suppliers, subcontractors, third-party distributors and representatives to use acceptable ethical business practices or comply with applicable laws;
- restrictions on import and use of the Company's products and services in certain countries due to encryption of the products and services;
- regulation, certification and health risks, and risks relating to the misuse of the Company's products;
- costs and other burdens associated with recently adopted regulations regarding conflict minerals;
- risks related to the Company possibly losing its foreign private issuer status under U.S. federal securities laws, resulting in additional expenses associated with compliance with the U.S. securities laws applicable to U.S. domestic issuers and inability to utilize certain benefits available to foreign private issuers;
- the potential impact of copyright levies in numerous countries;
- tax liabilities, resulting from changes in tax laws or otherwise, associated with the Company's worldwide operations;
- reduced spending by customers due to the uncertainty of economic and geopolitical conditions; and
- market and credit risk associated with the Company's cash, cash equivalents and short-term or long-term investments.

Any statements that are forward-looking statements are intended to enable the Company's shareholders to view the anticipated performance and prospects of the Company from management's perspective at the time such statements are made, and they are subject to the risks that are inherent in all forward-looking statements, as described above, as well as difficulties in forecasting the Company's financial results and performance for future periods, particularly over longer periods, given the ongoing transition in the Company's business strategy and the rapid technological changes, evolving industry standards, intense competition and short product life cycles that characterize the wireless communications industry. These difficulties in forecasting the Company's financial results and performance are magnified at the present time given the uncertainties related to the Company's strategic initiatives described in this MD&A. See "Business Overview - Strategy, Products and Services" and the AIF, which is included in the Annual Report.

The Company 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 applicable law.

Business Overview

A global leader in mobile communications, the Company revolutionized the mobile industry with the introduction of the BlackBerry® solution in 1999. Today, the Company aims to inspire the success of its millions of customers around the world by continuously pushing the boundaries of mobile experiences. Founded in 1984 and based in Waterloo, Ontario, the Company operates offices in North America, Europe, Middle East and Africa, Asia Pacific and Latin America. The Company's common shares are listed on the NASDAQ Global Select Market (NASDAQ: BBRY) and the Toronto Stock Exchange (TSX: BB), and its unsecured convertible debentures due 2020 (the "Debentures") are listed on the Toronto Stock Exchange (TSX: BB.DB.U).

With the BlackBerry platform, the Company believes it offers a market-leading mobile communications experience with push-based connectivity, industry-leading security and enterprise manageability, excellent radio performance and differentiated social applications, such as BBM, that provide immediacy, productivity and collaboration. The Company has sought to renew

its focus on its core strengths of enterprise and security through the expansion of its product and service offerings in the enterprise space, including the introduction of the BES12 platform.

The Company's latest devices are its BlackBerry 10 smartphone models, including the Classic, Passport, Z3, Z30, Z10, Q10 and Q5, each with Long Term Evolution capability, as well as the BlackBerry Leap that was announced on March 3, 2015 and is expected to be available beginning in April 2015. As at the end of fiscal 2015, the Company had a user base of approximately 37 million.

The Company has experienced a significant decline in revenue and market share due to intense competition and other factors, as discussed below under "Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014 – Revenue" and "Results of Operations – Three months ended February 28, 2015 compared to three months ended March 1, 2014 – Revenue".

Strategy, Products and Services

The Company is completing its transition to an operating unit organizational structure consisting of the Devices business, Enterprise Services, Business Technology Solutions ("BTS") business and Messaging. Across all four businesses, BlackBerry products and services are renowned for productivity and security, and the Company delivers the most secure end-to-end mobile enterprise solutions in the market. With these core strengths, the Company's broad product portfolio is focused on serving enterprise customers, particularly in regulated industries and select vertical markets, including financial services, government and healthcare. The Company's goal is to maintain its market leadership in the enterprise mobility segment by continuing to extend the functionality of its BES infrastructure beyond enterprise mobility management ("EMM") , to include application management, application enablement and application development and, on top of this extensive foundation, deliver additional horizontal and vertical applications. To achieve this vision, BlackBerry has aligned its businesses and operations around the four core areas to drive greater efficiency and speed in bringing new offerings to market, while optimizing assets and capabilities across all businesses in support of the Company's overall strategy and financial objectives. Please also see the "Narrative Description of the Business - Strategy" and "Narrative Description of the Business - Products and Services" sections in the AIF, which is included in the Annual Report.

The Company continues to implement its new strategy, taking the following key steps in fiscal 2015:

- achieved its target of break-even cash flow results in the third quarter of fiscal 2015, one quarter sooner than anticipated;
- launched BES12, a cross-platform EMM solution;
- launched four new BlackBerry 10 smartphones, including the Classic, Passport, Z3 and the Porsche Design P'9983;
- unveiled the BlackBerry IoT Platform, initially targeting the automotive and asset tracking industries, by combining technology from QNX, with BlackBerry's secure network infrastructure and device lifecycle management software;
- announced that the Company is working with Google to enable BES12 to manage devices equipped with Android™ for Work;
- announced a strategic partnership with Samsung Electronics Co., Ltd. to provide a tightly integrated, end-to-end secure solution that brings together BES12 with Samsung Galaxy smartphones and tablets that are embedded with Samsung KNOX;
- announced a partnership with Amazon to make approximately 240,000 Android applications available to BlackBerry users through the Amazon Appstore;
- announced new value-added enterprise solutions, including BlackBerry Blend, WorkLife by BlackBerry, Enterprise Identity by BlackBerry and VPN Authentication by BlackBerry;
- launched BBM Protected and BBM Meetings;
- acquired Secusmart GmbH ("Secusmart"), a leader in high-security voice and data encryption and anti-eavesdropping solutions for government organizations, enterprises and telecommunications service providers in Germany and internationally;
- acquired Movirtu Limited ("Movirtu"), a provider of virtual identity solutions for mobile operators that allow multiple numbers to be active on a single device, complementing BlackBerry's Secure Work Space, BlackBerry Balance and other partitioning technologies;
- launched a substantial software update to the BlackBerry 10 smartphone platform, bringing BlackBerry 10.3.1 to in-market BlackBerry 10 devices including the BlackBerry Classic, Passport, Z30, Z3, Z10, Q10, and Q5, as well as the Porsche Design P'9983 and P'9982 smartphones;

- appointed Mike Daniels, a leading expert in cyber security, with extensive experience in the U.S. government and the private sector, to the board of directors of the Company (the "Board");
- appointed Dr. Sandeep Chennakeshu as President of the BTS unit, Marty Beard as Chief Operating Officer, Nita White-Ivy as Executive Vice President, Human Resources, and Billy Ho as Executive Vice President, Enterprise Products and Value Added Solutions;
- announced that BES10 and BES12 would be available as a hosted service through third-party partners worldwide, which offers a diverse portfolio of EMM services, including dedicated BES10 and BES12 hosting, high availability solutions, and fully managed services;
- received Security Technical Implementation Guide approval from the U.S. Defense Information Systems Agency for Secure Work Space for iOS® and Android;
- completed the divestiture of the majority of the Company's real estate holdings in Canada (the "Real Estate Sale");
- announced a three-year agreement with EnStream LP, a mobile payments joint venture owned by Canadian wireless carriers Bell, Rogers and TELUS, to provide a secure platform that supports transaction services between leading banks and consumers;
- announced an agreement with Salesforce.com Inc. to connect its customer relationship management platform to BlackBerry's EMM solutions;
- announced an investment in healthcare information technology leader NantHealth LLC and collaboration on the development of HIPAA and other government privacy certified, integrated clinical systems that facilitate the delivery of medical care, including the launch of the next generation of NantHealth HBOX, a portable medical device that captures and transmits secure medical data among patient, doctor and hospital featuring QNX technology; and
- provided for mobile device management companies to directly manage devices with the BlackBerry 10 operating system, including AirWatch, Citrix and IBM.

The Company continues to enhance its BlackBerry 10 offerings with new value-added services, including advanced security tools and additional enterprise services, new services for the Company's strong BBM base, the creation of cross-platform offerings and services that leverage BlackBerry's social media community.

Non-GAAP Financial Measures

The Consolidated Financial Statements have been prepared in accordance with U.S. GAAP, and information contained in this MD&A is presented on that basis. On March 27, 2015, the Company announced financial results for the three months and fiscal year ended February 28, 2015, which included certain non-GAAP financial measures, including adjusted gross margin, adjusted gross margin percentage, adjusted income (loss) from continuing operations before taxes, adjusted income (loss) from continuing operations and adjusted diluted income (loss) per share from continuing operations.

For the three months ended February 28, 2015, these measures (collectively, the "Q4 Fiscal 2015 Non-GAAP Adjustments") consisted of:

- investment income recorded for the Rockstar Sale (as defined below under "Fiscal 2015 Summary Results of Operations - Financial Highlights - Rockstar Patent Portfolio Sale") of approximately $115 million (pre-tax and after-tax) (the "Rockstar Sale Adjustment"),
- $58 million pre-tax ($57 million after tax) of CORE program charges, and
- the Q4 Fiscal 2015 Debentures Fair Value Adjustment (as defined below under "Fiscal 2015 Summary Results of Operations - Financial Highlights - Debentures Fair Value Adjustment") charge of approximately $50 million (pre-tax and after tax).

The Company also reported the non-GAAP financial measure of free cash flow for the three months ended February 28, 2015 of $189 million. Free cash flow consists of operating cash flows of $216 million, less the effect of foreign exchange of $11 million and capital expenditures of $16 million.

For the fiscal year ended February 28, 2015, these measures (collectively, the "Fiscal 2015 Non-GAAP Adjustments") consisted of:

- pre-tax restructuring charges of $322 million ($294 million after tax) related to the CORE program,
- the Rockstar Sale Adjustment of approximately $115 million (pre-tax and after-tax), and
- the Fiscal 2015 Debentures Fair Value Adjustment (as defined below under "Fiscal 2015 Summary Results of Operations - Financial Highlights - Debentures Fair Value Adjustment") of $80 million (pre-tax and after tax).

The Company believes that presenting non-GAAP financial measures that exclude the impact of those items enables it and its shareholders to better assess the Company's operating performance relative to its consolidated financial results in prior and future periods and improves the comparability of the information presented. Readers are cautioned that adjusted gross margin, adjusted gross margin percentage, adjusted income (loss) from continuing operations before taxes, adjusted income (loss) from continuing operations, adjusted diluted income (loss) per share from continuing operations and similar measures do not have any standardized meaning prescribed by U.S. GAAP and are therefore unlikely to be comparable to similarly titled measures reported by other companies. These non-GAAP financial measures should be considered in the context of the U.S. GAAP results, which are described in this MD&A. A reconciliation of these non-GAAP financial measures for the three months and fiscal year ended February 28, 2015 to the most directly comparable U.S. GAAP measures was included in the Company's press release, dated March 27, 2015, and is reflected in the table below.

Q4 Fiscal 2015 Non-GAAP Adjustments		For the Three Months Ended February 28, 2015				
	Income statement location	**Gross margin (before taxes)**	**Gross margin % (before taxes)**	**Loss before income taxes**	**Net income**	**Earnings per share**
As reported		$ 318	48.2%	$ (1)	$ 28	$ 0.05
Rockstar Sale Adjustment [1]	Investment income	—	—	(115)	(115)	
Debentures Fair Value Adjustment [2]	Debentures fair value adjustment	—	—	50	50	
CORE Program Charges [3]	Cost of sales	1	0.1%	1	1	
CORE Program Charges [3]	Research and development	—	—	6	6	
CORE Program Charges [3]	Selling, marketing and administration	—	—	51	50	
Adjusted		$ 319	48.3%	$ (8)	$ 20	$ 0.04

[1] See "Fiscal 2015 Summary Results of Operations - Financial Highlights - Rockstar Patent Portfolio Sale".
[2] See "Fiscal 2015 Summary Results of Operations - Financial Highlights - Debentures Fair Value Adjustment".
[3] See "Fiscal 2015 Summary Results of Operations - Financial Highlights - CORE and Operational Restructuring".

Fiscal 2015 Non-GAAP Adjustments		For the Fiscal Year Ended February 28, 2015				
	Income statement location	**Gross margin (before taxes)**	**Gross margin % (before taxes)**	**Loss from continuing operations before income taxes**	**Loss from continuing operations**	**Loss per share from continuing operations**
As reported		$ 1,604	48.1%	$ (385)	$ (304)	$ (0.58)
Rockstar Sale Adjustment [1]	Investment income	—	—	(115)	(115)	
Debentures Fair Value Adjustment [2]	Debentures fair value adjustment	—	—	80	80	
CORE Program Charges [3]	Cost of sales	23	0.7%	23	21	
CORE Program Charges [3]	Research and development	—	—	70	63	
CORE Program Charges [3]	Selling, marketing and administration	—	—	229	210	
Adjusted		$ 1,627	48.8%	$ (98)	$ (45)	$ (0.09)

[1] See "Fiscal 2015 Summary Results of Operations - Financial Highlights - Rockstar Patent Portfolio Sale".
[2] See "Fiscal 2015 Summary Results of Operations - Financial Highlights - Debentures Fair Value Adjustment".
[3] See "Fiscal 2015 Summary Results of Operations - Financial Highlights - CORE and Operational Restructuring".

Similarly, on March 28, 2014, the Company announced financial results for the three months and fiscal year ended March 1, 2014, which included certain non-GAAP financial measures, such as adjusted gross margin, adjusted loss from continuing operations before taxes, adjusted loss from continuing operations and adjusted diluted loss per share from continuing operations.

For the three months ended March 1, 2014, these measures (collectively, the "Q4 Fiscal 2014 Non-GAAP Adjustments") consisted of:

- the debentures fair value adjustment of $382 million (pre-tax and after tax),
- CORE program charges of approximately $148 million pre-tax ($105 million after tax), and
- the Q4 fiscal 2014 inventory recovery of $149 million ($106 million after tax) (the "Q4 Fiscal 2014 Inventory Recovery").

For the fiscal year ended March 1, 2014, these measures (collectively, the "Fiscal 2014 Non-GAAP Adjustments") consisted of:

- the long-lived asset impairment charge of approximately $2.7 billion pre-tax ($2.5 billion after tax),
- the Q3 fiscal 2014 inventory charge of approximately $1.6 billion pre-tax ($1.3 billion after tax) (the "Q3 Fiscal 2014 Inventory Charge"),
- the Z10 inventory charge of $934 million pre-tax ($666 million after tax) (the "Z10 Inventory Charge"),
- CORE program charges of approximately $512 million pre-tax ($398 million after tax),
- the debentures fair value adjustment of $382 million (pre-tax and after tax), and
- the Q4 fiscal 2014 inventory recovery of $149 million ($106 million after tax) (the "Q4 Fiscal 2014 Inventory Recovery").

A reconciliation of these non-GAAP financial measures for the three months and fiscal year ended March 1, 2014 to the most directly comparable U.S. GAAP measures was included in the Company's press release, dated March 28, 2014, and is reflected in the table below:

		For the Three Months Ended March 1, 2014			For the Fiscal Year Ended March 1, 2014			
	Income Statement Location	**Gross Margin**	**Loss from continuing operations before income taxes**	**Loss from continuing operations**	**Gross Margin**	**Loss from continuing operations before income taxes**	**Loss from continuing operations**	**Diluted loss per share from continuing operations**
As reported		$ 553	$ (557)	$ (423)	$ (43)	$ (7,184)	$ (5,873)	$ (11.18)
Long-lived Asset Impairment Charge	Impairment of long-lived assets	—	—	—	—	2,748	2,475	4.71
Q3 Fiscal 2014 Inventory Charge	Cost of sales	—	—	—	1,592	1,592	1,347	2.56
Z10 Inventory Charge	Cost of sales	—	—	—	934	934	666	1.27
CORE Program Charges	Cost of sales	17	17	12	103	103	83	0.16
CORE Program Charges	Research and development	—	21	15	—	76	58	0.11
CORE Program Charges	Selling, marketing and administration	—	110	78	—	333	257	0.49
Debentures Fair Value Adjustment	Debentures fair value adjustment	—	382	382	—	382	382	0.73
Q4 Fiscal 2014 Inventory Recovery	Cost of sales	(149)	(149)	(106)	(149)	(149)	(106)	(0.20)
Adjusted		$ 421	$ (176)	$ (42)	$ 2,437	$ (1,165)	$ (711)	$ (1.35)

Accounting Policies and Critical Accounting Estimates

Accounting Policies

Please see Note 1 to the Consolidated Financial Statements for a description of the Company's significant accounting policies, which is included in the Annual Report.

Critical Accounting 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. 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 from these estimates.

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

Valuation of Long-Lived Assets

The long-lived assets ("LLA") impairment test prescribed by U.S. GAAP requires the Company to identify its asset groups and test impairment of each asset group separately. To conduct the LLA impairment test, the asset group is tested for recoverability using undiscounted cash flows over the remaining useful life of the primary asset. If forecasted net cash flows are less than the carrying amount of the asset group, an impairment charge is measured by comparing the fair value of the asset group to its carrying value. Determining the Company's asset groups and related primary assets requires significant judgment by management. Different judgments could yield different results.

The Company's determination of its asset groups, its primary asset and its remaining useful life, and estimated cash flows are significant factors in assessing the recoverability of the Company's assets for the purposes of LLA impairment testing. The Company's share price can be affected by, among other things, changes in industry or market conditions, including the effect of competition, changes in the Company's results of operations, changes in the Company's forecasts or market expectations relating to future results, and the Company's strategic initiatives and the market's assessment of any such factors. See "Risk Factors - The market price of the Company's common shares is volatile" in the AIF. The current macroeconomic environment and competitive dynamics continue to be challenging to the Company's business and the Company cannot be certain of the duration of these conditions and their potential impact on the Company's future financial results and cash flows. A continued decline in the Company's performance, the Company's market capitalization and future changes to the Company's assumptions and estimates used in the LLA impairment test, particularly the expected future cash flows, remaining useful life of the primary

asset and terminal value of the asset group, may result in further impairment charges in future periods of some or all of the assets on the Company's balance sheet. Although it does not affect the Company's cash flow, an impairment charge to earnings has the effect of decreasing the Company's earnings or increasing the Company's losses, as the case may be. The Company's share price could also be adversely affected by the Company's recorded LLA impairment charges.

The Company used various valuation techniques to determine the fair values of its assets to measure and allocate impairment. Techniques related to real estate, capital equipment and intangible assets included the direct capitalization method, market comparable transactions, the replacement cost method, discounted cash flow analysis, as well as the relief from royalty and excess earnings valuation methods. Determining valuations using these valuation techniques requires significant judgment and assumptions by management. Different judgments could yield different results.

Inventory and Inventory Purchase Commitments

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. Inventory purchases and purchase commitments are based upon such forecasts of future demand and scheduled rollout and life cycles of new products. The business environment in which the Company 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. Significant judgment was required in calculating the inventory charges, which involved forecasting future demand and the associated pricing at which the Company can realize the carrying value of its inventory.

Valuation Allowance Against Deferred Tax Assets

The Company regularly assesses the need for a valuation allowance against its deferred tax assets. A valuation allowance is required for deferred tax assets if it is more likely than not that all or some portion of the asset will not be realized. All available evidence, both positive and negative, that may affect the realization of deferred tax assets must be identified and considered in determining the appropriate amount of the valuation allowance. Additionally, for interim periods, the estimated annual effective tax rate should include the valuation allowance for current year changes in temporary differences and losses or income arising during the year. For interim periods, the Company needs to consider the valuation allowance that it expects to recognize at the end of the fiscal year as part of the estimated annual effective tax rate. During interim quarters, the Company uses estimates including pre-tax results and ending position of temporary differences as at the end of the fiscal year to estimate the valuation allowance that it expects to recognize at the end of the fiscal year. This accounting treatment has no effect on the Company's actual ability to utilize deferred tax assets to reduce future cash tax payments. Different judgments could yield different results. See "Results of Operations - Three months ended February 28, 2015 compared to three months ended March 1, 2014 - Income Taxes".

Assets Held for Sale

The Company applies judgment in determining whether the criteria for reclassifying assets as held for sale are met, including the assessment of sale leaseback arrangements included in the plan to sell. Further, in determining fair values less costs to sell, the Company utilizes third party appraisals, based on discounted cash flow or market comparable valuation approaches. The Company estimates costs to sell based on historical costs incurred for similar transactions. Should any of the estimates change, or if the actual proceeds of disposal differ from the estimate of fair value, it could have a material impact on earnings.

Revenue Recognition

Significant judgment is applied by the Company to determine whether shipments of devices have met the Company's revenue recognition criteria, as the analysis is dependent on many facts and circumstances. During fiscal 2014, the Company shipped devices to its carrier and distributor partners to support new and continuing product launches and meet expected levels of end customer demand. However, the sell-through levels for BlackBerry 10 devices decreased during fiscal 2014, causing the number of BlackBerry 10 devices in the channel to increase above the Company's expectations. In order to improve sell-through levels and stimulate global demand for BlackBerry 10 devices, the Company continued to execute on sell-through programs and reduced the price on new shipments of BlackBerry 10 smartphones during fiscal 2014 and fiscal 2015. During fiscal 2015, the Company was not able to reasonably estimate the amount of the potential sell-through programs that may be offered on certain BlackBerry devices in future periods, resulting in revenues for BlackBerry 10 devices, and BlackBerry 7 devices in certain regions, being recognized only when the devices sold through to end customers.

Hardware

The Company's use of customer incentives requires management to use significant judgment in evaluating whether prices for handheld devices are fixed or determinable, which can impact the timing of when hardware revenue is recognized. When the price isn't considered fixed or determinable, the Company recognizes revenue when the product is sold through to its end users. The Company must take into account its past history with its carrier and distribution partners to determine whether it can reliably estimate whether any future concessions will be provided on products it has previously sold into the channel. The Company also makes estimates of the level of channel inventory and the likelihood it will sell-through at the prices sold to its distribution partners. The Company also has to consider external factors such as end customer demand, market acceptance of its products, cannibalization of new product introductions, the competitive landscape, and technological obsolescence in determining whether the price is fixed or determinable at the time of shipment. These factors could result in the Company increasing its customer incentive programs which could impact the results of the Company's operations. The Company recognizes these customer incentives at the later of when the Company has recognized the product sale or when the program is offered.

The Company also uses estimates in determining return provisions for its hardware sales. The Company has limited rights of return for quality defects based on contractual terms and conditions. The Company's historical experience is that returns for defects are immaterial to the results of operations and represent only 0.5% to 1% of total units shipped. However, if defect rates were to increase beyond those estimated, the Company would be required to recognize additional reductions to revenue. If the defect rate were to change such that the Company could no longer reliably estimate the return rate, recognition of revenue could be delayed until a reliable estimate could be made or the return period lapses.

Multiple Element Arrangements

The Company's process for determining best estimated selling prices ("BESPs") as it relates to when and if available upgrade rights to the BlackBerry 10 devices exist involves management's judgment and multiple factors are considered that may vary over time depending upon the unique facts and circumstances related to each deliverable. The objective of BESP is to determine the price at which the Company would transact a sale if the product or service was sold on a stand-alone basis. Should future facts and circumstances change, the Company's BESPs and the future rate of related amortization for software upgrades and non-software services related to future sales of these devices could change. Factors subject to change include the unspecified software upgrade rights offered, change in pricing of elements sold separately by the Company in the future, the estimated value of unspecified software upgrade rights, the estimated or actual costs incurred to provide non-software services, and the estimated period software upgrades and non-software services expected to be provided. Management does not expect the estimate of BESP to increase in the future given the competitive nature of the industry and the downward trends on its pricing. It is more likely to decrease in the future, which would result in a positive impact on the results of operations on a go-forward basis. Management also uses historical data to determine the useful life of the device over which to amortize the upgrade value. If the life of the device increased, the rate at which revenue is recognized would decrease. Conversely if the life of the device decreased, the rate at which revenue is recognized would increase. Management reviews its estimates on an annual basis unless other facts and circumstances arise to warrant a shorter review cycle.

Adoption of Accounting Policies

In April 2014, the Financial Accounting Standards Board (the "FASB") issued a new accounting standards update on the topic of reporting discontinued operations and disclosures of disposals of components of an entity. The amendments change the requirements for reporting discontinued operations by limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have (or will have) a major effect on an entity's operations and financial results. The amendments also require expanded disclosures for discontinued operations and certain other disposals that do not qualify for discontinued operations. The amendments are effective for all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after December 15, 2014 and interim periods within those years, with early adoption permitted. The Company will adopt this guidance in the first quarter of fiscal 2016.

In May 2014, the FASB issued a new accounting standard on the topic of revenue contracts, which replaces the existing revenue recognition standard. The new standard amends a number of requirements that an entity must consider in recognizing revenue and requires improved disclosures to help readers of financial statements better understand the nature, amount, timing and uncertainty of revenue recognized. For public entities, the new standard is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is not permitted. The Company will adopt this guidance in the first quarter of fiscal 2018 and is currently evaluating the impact that the adoption will have on its results of operations, financial position and disclosures.

In June 2014, the FASB issued a new accounting standards update on the topic of repurchase-to-maturity transactions, repurchase financings and disclosures. The amendments change the accounting for repurchase-to-maturity transactions and linked repurchase financings to secured borrowing accounting. The amendments require an entity to disclose information on

transfers accounted for as sales in transactions that are economically similar to repurchase agreements and provides increased transparency about the types of collateral pledged in repurchase agreements and similar transactions accounted for as secured borrowings. The amendments are effective for public entities for the first interim or annual period beginning after December 15, 2014. Early adoption for a public entity is prohibited. The Company will adopt this guidance in the first quarter of fiscal 2016.

In June 2014, the FASB issued a new accounting standards update on the topic of stock compensation. The amendments in this update require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. The amendments in this update are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Early adoption is permitted. The Company will adopt this guidance in the first quarter of fiscal 2017.

In August 2014, the FASB issued a new accounting standards update on the topic of going concern. The amendments in this update provide guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The amendments in this update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early adoption is permitted. The Company will adopt this guidance in the fourth quarter of fiscal 2017.

In February 2015, the FASB issued a new accounting standards update on the topic of consolidation. The amendments in this update provide guidance on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. All legal entities are subject to reevaluation under the revised consolidation model. The amendments in this update are effective for the annual period beginning after December 15, 2015. Early adoption is permitted. The Company will adopt this guidance in the first quarter of fiscal 2017 and is currently evaluating the impact that the adoption will have on its results of operations, financial position and disclosures.

Fiscal 2015 Summary Results of Operations

The following table sets forth certain consolidated statement of operations data, as well as certain consolidated balance sheet data, as at February 28, 2015, March 1, 2014, and March 2, 2013.

	As at and for the Fiscal Year Ended *(in millions, except for share and per share amounts)*				
	February 28, 2015	March 1, 2014	Change	March 2, 2013	Change
Revenue	$ 3,335	$ 6,813	$ (3,478)	$ 11,073	$ (4,260)
Gross margin[1][2]	1,604	(43)	$ 1,647	3,434	(3,477)
Operating expenses[1][2][3]	2,027	7,120	(5,093)	4,669	2,451
Investment income (loss), net [1]	38	(21)	59	15	(36)
Loss from continuing operations before income taxes	(385)	(7,184)	6,799	(1,220)	(5,964)
Recovery of income taxes[4]	(81)	(1,311)	1,230	(592)	(719)
Loss from continuing operations	(304)	(5,873)	5,569	(628)	(5,245)
Loss from discontinued operations	—	—	—	(18)	18
Net loss	$ (304)	$ (5,873)	$ 5,569	$ (646)	$ (5,227)
Loss per share - reported					
Basic and diluted loss per share from continuing operations	$ (0.58)	$ (11.18)		$ (1.20)	
Basic and diluted loss per share from discontinued operations	—	—		(0.03)	
Total basic and diluted loss per share	$ (0.58)	$ (11.18)		$ (1.23)	
Weighted-average number of shares outstanding (000's)					
Basic & diluted	527,684	525,168		524,160	
Total assets	$ 6,549	$ 7,552	$ (1,003)	$ 13,165	$ (5,613)
Total long-term financial liabilities	1,707	1,627	80	—	1,627

(1) See "Non-GAAP Financial Measures" for the impact of the Fiscal 2015 Non-GAAP Adjustments on gross margin, operating expenses and investment income (loss), net in fiscal 2015.

(2) See "Non-GAAP Financial Measures" for the impact of the Fiscal 2014 Non-GAAP Adjustments on gross margin and operating expenses in fiscal 2014.

(3) During fiscal 2013, the Company performed a goodwill impairment test and based on the results of that test, the Company recorded a pre-tax goodwill impairment charge of approximately $335 million (the "2013 Goodwill Impairment Charge").

(4) During fiscal 2013, the Company recorded an income tax benefit of $166 million related to the settlement of uncertain tax positions, including related interest and foreign exchange gains.

Financial Highlights

The Company had approximately $3.3 billion in cash, cash equivalents and investments as of February 28, 2015. In fiscal 2015, the Company recognized revenues of $3.3 billion and incurred a loss of $304 million, or $0.58 basic and diluted loss per share on a GAAP basis. As further discussed below, net loss reflects income associated with the Rockstar Sale, charges associated with the net change in the fair value of the Debentures of $80 million and the pre-tax restructuring charges of $322 million related to the CORE program recorded in fiscal 2015. See also "Non-GAAP Financial Measures" and "Financial Condition - Debenture Financing and Other Funding Sources " in this MD&A.

The Company reached its target of break-even cash flow results in the third quarter of fiscal 2015 and continues to anticipate positive free cash flow. The Company is expanding its distribution capability, and expects traction from these efforts to manifest sometime in fiscal 2016. The Company continues to target sustainable non-GAAP profitability sometime in fiscal 2016 and anticipates revenue stabilization sometime in fiscal 2016.

CORE and Operational Restructuring

In fiscal 2013, the Company commenced the CORE program, which drove significant improvements and efficiencies across all functions in the Company's organization.

The Company continued to implement the planned restructuring activities in the fourth quarter of fiscal 2015, incurring approximately $58 million in pre-tax charges related to the CORE program. In fiscal 2015, the Company recorded $322 million in pre-tax charges related to the CORE program.

The Company's headcount reductions and the other elements of the CORE program, including the Real Estate Sale, have been completed as of the fourth quarter of fiscal 2015.

Debentures Fair Value Adjustment

As previously disclosed, the Company elected the fair value option to account for the Debentures; therefore, periodic revaluation is required under U.S. GAAP. The valuation is influenced by a number of embedded features within the Debentures, including the Company's put option on the debt and the investors' conversion option, among others. The primary factors that influence the fair value adjustment are the Company's share price, as well as associated volatility in the share price, and the Company's implied credit rating. The fair value adjustment charge does not impact the key terms of the Debentures such as the face value, the redemption features or the conversion price. In the fourth quarter of fiscal 2015, the Company recorded a non-cash charge associated with the change in the fair value of the Debentures of approximately $50 million (pre-tax and after tax) (the "Q4 Fiscal 2015 Debentures Fair Value Adjustment"). In fiscal 2015, the Company recorded net non-cash charges associated with the change in the fair value of the Debentures of approximately $80 million (pre-tax and after tax) (the "Fiscal 2015 Debentures Fair Value Adjustment").

Argentina Service Revenue

Beginning in the fourth quarter of fiscal 2014, the Company ceased recognizing revenues related to service access fees charged to customers in Argentina due to that country's political and economic condition, as well as its foreign currency restrictions. During the third quarter of fiscal 2015, the Company reached agreements with certain carrier partners in Argentina to address long outstanding receivables and related terms for future service access fees (the "Argentina Settlement Agreements"). As part of the Argentina Settlement Agreements, the Company received $7 million in cash and recognized $8 million in service revenue in the fourth quarter of fiscal 2015, while $40 million total cash collected was recognized as service revenue in fiscal 2015. In addition, the Company continued to defer additional service revenue of $9 million (the "Q4 Fiscal 2015 Argentina Service Revenue Deferral").

Venezuela Collection Agreement

Beginning in the first quarter of fiscal 2014, the Company ceased recognizing revenues related to service access fees charged to customers in Venezuela due to that country's political and economic condition, as well as its foreign currency restrictions. During the first quarter of fiscal 2015, the Company reached an agreement with its carrier partners in Venezuela to address the Company's inability to timely collect past service revenue charged in U.S. dollars and to address revenue for future services (the "Venezuela Collection Agreement"). As a result of the Venezuela Collection Agreement, the Company received $124 million in fiscal 2015. $41 million of the cash collected was recognized as service revenue in fiscal 2015, with the remainder representing payment of previously recognized service revenues and the pre-payment of service access fees for services to be provided up to the end of the 2015 calendar year.

Business Acquisitions

On December 1, 2014, the Company acquired all of the issued and outstanding shares of Secusmart, a developer of high-security voice and data encryption and anti-eavesdropping solutions, for $82 million in cash and future contingent consideration with a fair value of $8 million. The acquisition aligns with the Company's strategy of addressing growing security costs and threats ranging from individual privacy to national security by obtaining leading voice and data encryption and anti-eavesdropping technologies, and furthers the Company's security capabilities in end-to-end mobile solutions.

On September 8, 2014, the Company acquired all of the issued and outstanding shares of Movirtu, a virtual SIM solutions company based in the United Kingdom, for $32.5 million of cash consideration (including transaction expenses of $2 million). The acquisition of Movirtu led to the announcement of the WorkLife by BlackBerrry solution, which allows an enterprise to provision a work phone number and data plan onto a "Bring Your Own Device" (or "BYOD") device.

On July 31, 2014, the Company paid $9 million for all of the assets constituting the business of a provider of cloud-based software technology allowing users to connect devices and build an ecosystem with their data. With this acquisition, the Company obtained technology closely aligned to its announced BlackBerry IoT Platform.

Rockstar Patent Portfolio Sale

On January 28, 2015, Rockstar Consortium US LP, in which BlackBerry is a limited partner, sold its portfolio of approximately 4,000 patents. Following the sale, the Company received a distribution of proceeds out of the partnership in the amount of approximately $134 million and recorded investment income of $115 million (pre-tax and after-tax) (the "Rockstar Sale").

Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014

Revenue

Revenue from continuing operations for fiscal 2015 was $3.3 billion, a decrease of approximately $3.5 billion, or 51.0%, from $6.8 billion in fiscal 2014.

Comparative breakdowns of the significant revenue categories and geographic regions are set forth in the following table:

	For the Fiscal Year Ended *(in millions)*					
	February 28, 2015		March 1, 2014		Change	
BlackBerry handheld devices recognized	7.0		13.7		(6.7)	(48.9)%
Revenue						
Hardware	$ 1,431	42.9%	$ 3,785	55.5%	$ (2,354)	(62.2)%
Service	1,620	48.6%	2,698	39.6%	(1,078)	(40.0)%
Software	234	7.0%	235	3.5%	(1)	(0.4)%
Other	50	1.5%	95	1.4%	(45)	(47.4)%
	$ 3,335	100.0%	$ 6,813	100.0%	$ (3,478)	(51.0)%
Revenue by Geography						
North America	$ 991	29.6%	$ 1,811	26.6%	$ (820)	(45.3)%
Europe, Middle East and Africa	1,431	43.0%	2,991	43.9%	(1,560)	(52.2)%
Latin America	380	11.4%	907	13.3%	(527)	(58.1)%
Asia Pacific	533	16.0%	1,104	16.2%	(571)	(51.7)%
	$ 3,335	100.0%	$ 6,813	100.0%	$ (3,478)	(51.0)%

Revenue by Category

Hardware Revenue

Hardware revenue was $1.4 billion, or 42.9% of revenue, in fiscal 2015 compared to $3.8 billion, or 55.5% of revenue, in fiscal 2014, representing a decrease of 62.2%. The Company recognized revenue related to approximately 7.0 million BlackBerry handheld devices in fiscal 2015, compared to approximately 13.7 million BlackBerry handheld devices in fiscal 2014. Approximately 67% of the devices recognized in fiscal 2015 were BlackBerry 10 devices. The Company believes that the significant decrease in hardware revenue over the prior fiscal year was primarily attributable to intense competition and an aging product portfolio, as well as a reduction in the average selling prices for the Company's devices as the Company sold through substantially all of its older model BlackBerry 10 inventory. The Company expects the average selling prices of its devices to increase due to the higher selling prices of the Company's new devices, including the Passport and Classic.

Significant judgment is applied by the Company to determine whether shipments of devices have met the Company's revenue recognition criteria, as the analysis is dependent on many facts and circumstances. See "Accounting Policies and Critical Accounting Estimates - Critical Accounting Estimates - Revenue Recognition" in this MD&A and Note 1 to the Consolidated Financial Statements, which is included in the Annual Report, for a description of the Company's revenue recognition accounting policy and revenue recognition critical accounting estimates with respect to hardware revenue.

During fiscal 2015, approximately 8.5 million BlackBerry smartphones were sold through to end customers, which included shipments made and recognized prior to fiscal 2015 and which reduced the Company's inventory in channel. The number of BlackBerry smartphones that were sold through to end customers was 20.5 million in fiscal 2014.

Service Revenue

Service revenue decreased by $1.1 billion, or 40.0%, to $1.6 billion, or 48.6% of revenue, in fiscal 2015, compared to $2.7 billion, or 39.6% of revenue, in fiscal 2014. Service revenue in fiscal 2015 included approximately $41 million relating to cash

payments of previously deferred service revenue as part of the Venezuela Collection Agreement, as well as $40 million from carrier partners in Argentina for service revenue previously deferred. The decrease is primarily attributable to a lower number of BlackBerry users and lower revenue from those users as compared to fiscal 2014. The year-over-year decrease also resulted from a continued shift in the mix of the Company's customers from higher-tiered unlimited plans to prepaid and lower-tiered plans as well as pricing reduction programs implemented by the Company to maintain the customer base. The Company expects service revenue to decline by approximately 15% per quarter in fiscal 2016.

Software Revenue

Software revenue, which includes fees from licensed BES software, client access licenses, technical support, maintenance and upgrades and QNX software licensing revenues, decreased by $1 million, or 0.4%, to $234 million, or 7.0% of revenue, in fiscal 2015, compared to $235 million, or 3.5% of revenue, in fiscal 2014. The decrease was primarily attributable to a decrease in technical support, which was offset by an increase in QNX revenue and client access license fees.

The Company continues to target $600 million in software revenue in fiscal 2016, including revenue generated from BBM services such as BBM Protected and BBM Meetings. The Company is focusing on enterprise in developed markets and consumers in developing markets to generate BBM revenue, and expects to generate other software revenue from monetizing existing and forthcoming products, including as described above in "Business Overview - Strategic Initiatives and Products and Services Update". The Company expects the rate of growth of software revenue to accelerate in the second half of fiscal 2016. The Company expects the generation of revenue from software and services and its other technologies to mitigate the impact of declining service access fees.

Other Revenue

Other revenue, which includes non-warranty repairs, accessories, licensing revenues and gains and losses on qualifying revenue cash flow hedges, decreased by $45 million, or 47.4% to $50 million, or 1.5% in fiscal 2015 compared to $95 million, or 1.4% in fiscal 2014. The decrease was primarily attributable to a decrease in accessory and non-warranty repair revenues.

Revenue Trends

The Company has seen both its revenue and its smartphone market share decline in recent years relative to companies such as Apple with its iOS ecosystem, and companies that build smartphones based on the Android ecosystem, such as Samsung and Lenovo/Motorola.

This decline is due to a variety of factors, including consumer preferences for devices with access to the broadest number of applications, such as those available in the iOS and Android platforms, and lower average selling prices for the Company's devices. Revenue and market share have also been impacted by intense competition, including from the significant number of new Android based competitors that have emerged, and by the BYOD trend in the enterprise market. 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. In addition, uncertainty relating to the Company's strategy and operations may have negatively impacted demand for the Company's products.

The Company has introduced both software and hardware products to address the shift in the market toward enterprise mobility solutions that can handle a range of requirements and deployment models. The products include BlackBerry 10 smartphones with BlackBerry Balance and the BES12 platform, which unifies the support for BBOS and BlackBerry 10 devices, together with that for iOS, Android and Windows Phone® devices. This gives IT departments the ability to securely monitor and control multiple OS platforms and securely protect corporate data on an employee's personal smartphone or tablet.

For further information regarding the Company's competitors, please see the section in the AIF entitled "Narrative Description of the Business - Competition".

Revenue by Geography

North America Revenues

Revenues in North America were $991 million or 29.6% of revenue in fiscal 2015, reflecting a decrease of $820 million compared to $1.8 billion, or 26.6% of revenue in fiscal 2014. The decrease in North American revenue is primarily attributable to a decrease in revenue from the United States, which represented approximately 23.2% of total revenue in fiscal 2015, compared to 19.4% of total revenue in fiscal 2014. Sales in Canada represented approximately 6.4% of total revenue in fiscal 2015, compared to 7.2% of total revenue in fiscal 2014.

Revenues in North America have continued to decline due to the Company's aging product portfolio, consumer preferences for devices with access to the broadest number of applications, such as those available in the iOS and Android environments,

intense competition and a reduction in service revenue. Sales in North America have also been impacted by the significant number of new Android based competitors that have entered the market.

Europe, Middle East and Africa Revenues

Revenues in Europe, Middle East and Africa were $1.4 billion or 43.0% of revenue in fiscal 2015, reflecting a decrease of $1.6 billion compared to $3.0 billion or 43.9% of revenue in fiscal 2014. The Company believes that the decrease in revenues is due to the same factors discussed above related to the decrease in North America revenues.

The Company's largest markets in this region include the United Kingdom, South Africa and Germany.

Latin America Revenues

Revenues in Latin America were $380 million or 11.4% of revenue in fiscal 2015, reflecting a decrease of $527 million compared to $907 million or 13.3% of revenue in fiscal 2014. The Company believes that the decrease in revenues is due to the same factors discussed above related to the decrease in North America revenues. The decrease is also attributable to the Argentina currency restrictions discussed in the section entitled "Fiscal 2015 Summary Results of Operations - Financial Highlights - Argentina Service Revenue".

The Company's largest markets in this region include Argentina, Mexico and Venezuela.

Asia Pacific Revenues

Revenues in Asia Pacific were $533 million or 16.0% of revenue in fiscal 2015, reflecting a decrease of $571 million compared to $1.1 billion or 16.2% of revenue in fiscal 2014. The Company believes that the decrease in revenues is due to the same factors discussed above related to the decrease in North America revenues.

The Company's largest markets in this region include Indonesia, India and Hong Kong.

Gross Margin

Gross margin increased by $1.6 billion or 3,830.2%, to $1.6 billion, or 48.1% of revenue, in fiscal 2015, compared to $(43) million, or (0.6)% of revenue, in fiscal 2014. Excluding the relevant Fiscal 2015 Non-GAAP Adjustments and Fiscal 2014 Non-GAAP Adjustments explained in "Non-GAAP Financial Measures" above, gross margin decreased by $810 million to $1.6 billion, or 48.8% of revenue.

The $810 million decrease in gross margin was primarily attributable to a reduction in service revenue compared to fiscal 2014, as well as a decrease in the average selling prices of devices recognized as a result of pricing reductions implemented in order to drive sell-through. The decrease was also attributable to a decrease in the number of devices for which revenue was recognized due to intense competition and an aging product portfolio, as noted above. Generally, service revenues earn higher gross margins than sales of handheld devices and hardware revenues have lower gross margins than the Company's overall gross margin. The Company expects gross margin to be in the mid 40% range for the next few quarters.

Operating Expenses

The table below presents a comparison of research and development, selling, marketing and administration, and amortization expense for fiscal 2015 compared to fiscal 2014.

	For the Fiscal Year Ended *(in millions)*					
	February 28, 2015		March 1, 2014		Change	
		% of Revenue		% of Revenue		% of Change
Revenue	$ 3,335		$ 6,813		$ (3,478)	(51.0)%
Operating expenses						
Research and development [1][2]	711	21.3%	1,286	18.9%	$ (575)	(44.7)%
Selling, marketing and administration [1][2]	938	28.1%	2,103	30.9%	(1,165)	(55.4)%
Amortization	298	8.9%	606	8.9%	(308)	(50.8)%
Impairment of long-lived assets [2]	—	—%	2,748	40.3%	(2,748)	(100.0)%
Debentures fair value adjustment [1][2]	80	2.4%	377	5.5%	(297)	(78.8)%
Total	$ 2,027	60.7%	$ 7,120	104.5%	$ (5,093)	(71.5)%

(1) See "Non-GAAP Financial Measures" for the impact of the Fiscal 2015 Non-GAAP Adjustments on operating expenses in fiscal 2015.
(2) See "Non-GAAP Financial Measures" for the impact of the Fiscal 2014 Non-GAAP Adjustments on operating expenses in fiscal 2014.

Operating expenses decreased by $5.1 billion, or 71.5%, to $2.0 billion or 60.7% of revenue in fiscal 2015, compared to $7.1 billion or 104.5% of revenue in fiscal 2014. Excluding the impact of the relevant Fiscal 2015 Non-GAAP Adjustments and Fiscal 2014 Non-GAAP Adjustments, operating expenses decreased by $1.9 billion, or 54.0%. This decrease was primarily attributable to a decrease in marketing and advertising costs, lower salaries and benefits costs due to a reduction in headcount related to the CORE program and amortization expense. The Company expects operating expenses to increase slightly in the coming quarters as the Company invests in its distribution capability.

Research and Development Expenses

Research and development expenses 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 expenses decreased by $575 million, or 44.7%, to $711 million, or 21.3% of revenue, in fiscal 2015, compared to $1.3 billion, or 18.9% in fiscal 2014. Excluding the impact of the relevant Fiscal 2015 Non-GAAP Adjustments and Fiscal 2014 Non-GAAP Adjustments, research and development expenses decreased by $569 million, or 47.0%. The decrease was primarily attributable to reduced salaries and benefits as a result of a reduction in headcount related to the CORE program and reductions in outsourcing, material and device testing 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 decreased by $1.2 billion, or 55.4%, to $938 million, or 28.1% of revenue in fiscal 2015 compared to $2.1 billion in fiscal 2014, or 30.9% of revenue. Excluding the impact of the relevant Fiscal 2015 Non-GAAP Adjustments and Fiscal 2014 Non-GAAP Adjustments, selling, marketing and administration expenses decreased by $1.1 billion, or 59.9%. The decrease was primarily attributable to reductions in marketing and advertising costs and salaries and benefits as a result of reductions in headcount and consulting costs.

Amortization Expense

The table below presents a comparison of amortization expense relating to property, plant and equipment and intangible assets recorded as amortization or cost of sales from continuing operations for fiscal 2015 compared to fiscal 2014. Intangible assets are comprised of patents, licenses and acquired technology.

	For the Fiscal Year Ended *(in millions)*					
	Included in Amortization			**Included in Cost of sales**		
	February 28, 2015	March 1, 2014	Change	February 28, 2015	March 1, 2014	Change
Property, plant and equipment	$ 111	$ 321	$ (210)	$ 73	$ 211	$ (138)
Intangible assets	187	285	(98)	323	453	(130)
Total	$ 298	$ 606	$ (308)	$ 396	$ 664	$ (268)

Amortization

Amortization expense relating to certain property, plant and equipment and intangible assets decreased by $308 million to $298 million for fiscal 2015, compared to $606 million for fiscal 2014. The decrease in amortization expense reflects the lower cost base of LLA as a result of the LLA impairment charge of $2.7 billion ($2.5 billion after tax) recorded in the third quarter of fiscal 2014 (the "Q3 Fiscal 2014 LLA Impairment Charge"), as well as reduced spending on capital assets, partially offset by certain property, plant and equipment and intangible asset additions in fiscal 2015.

Cost of sales

Amortization expense relating to certain property, plant and equipment and intangible assets employed in the Company's manufacturing operations and BlackBerry service operations decreased by $268 million to $396 million for fiscal 2015, compared to $664 million for fiscal 2014. This decrease primarily reflects the lower cost base of LLA as a result of the Q3 Fiscal 2014 LLA Impairment Charge.

Impairment of LLA

During fiscal 2014, the Company performed an LLA impairment test and based on the results of that test, the Company recorded the Q3 Fiscal 2014 LLA Impairment Charge.

Investment Income (Loss), Net

Investment income increased by $59 million to $38 million in fiscal 2015, from a loss of $21 million in fiscal 2014. The increase in investment income is primarily attributable to the Rockstar Sale, gains on the sale of certain investments, and increases in the Company's average cash and investment balances, which were partially offset by interest costs associated with the Debentures and an increase in the Company's share of losses accounted for under the equity method. See "Financial Condition - Liquidity and Capital Resources".

Income Taxes

For fiscal 2015, the Company's net effective income tax recovery rate was approximately 21%, compared to approximately 18% for the prior fiscal year. The Company's net effective income tax recovery rate reflects the fact that the Company expects an income tax recovery of its cash tax paid in fiscal 2012 due to an anticipated loss carryback of its fiscal 2015 anticipated tax loss. That current tax recovery will be limited to fiscal 2012 cash tax paid not previously recovered. The Company's income tax recovery rate also reflects the fact that the Company has a significant valuation allowance in place against its deferred tax assets, and in particular, due to this valuation allowance, the significant income statement impact of the Debentures fair value was offset by a corresponding adjustment of the valuation allowance. The Company's net effective income tax recovery rate also reflects the geographic mix of earnings in jurisdictions with different income tax rates.

RSU Trust Share Sale

In the fourth quarter of fiscal 2014, approximately 6 million common shares of the Company that had been held in trust for delivery in connection with the vesting of certain restricted share units ("RSUs") awarded by the Company were sold. The Company received approximately $61 million in total returned contributions and incurred a loss on the sale of $80 million which was charged to retained earnings, with corresponding tax recoveries of $8 million recorded in additional paid in capital, and $30 million recorded in income tax recovery (the "RSU Trust Share Sale").

Net Loss

The Company's net loss for fiscal 2015 was $304 million, reflecting a decrease in net loss of $5.6 billion compared to a net loss of $5.9 billion in fiscal 2014. Excluding the impact of the relevant Fiscal 2015 Non-GAAP Adjustments and Fiscal 2014 Non-GAAP Adjustments, the Company's net loss for fiscal 2015 was $45 million compared to a net loss from continuing operations of $711 million in fiscal 2014, reflecting a decrease in net loss of $666 million due to a reduction in operating expenses, which was partially offset by decreases in the Company's gross margin and the recovery of income taxes.

Basic and diluted loss per share were $0.58 in fiscal 2015, a decrease of 94.8%, compared to basic and diluted loss per share of $11.18 in fiscal 2014. The Company believes that the consensus estimate of analysts of a non-GAAP net loss between $0.08 and $0.13 per share for fiscal 2016 is reasonable, but intends to achieve profitability that is better than such estimate.

The weighted average number of shares outstanding was 528 million common shares for basic and diluted loss per share for the fiscal year ended February 28, 2015 and 525 million common shares for both basic and diluted loss per share for the fiscal year ended March 1, 2014.

Common Shares Outstanding

On March 23, 2015, there were 529 million voting common shares, options to purchase 1 million voting common shares, 26 million restricted share units and 0.3 million deferred share units outstanding. An aggregate of 125 million common shares are issuable upon conversion of the Debentures.

The Company has not paid any cash dividends during the last three fiscal years.

Results of Operations - Fiscal year ended March 1, 2014 compared to fiscal year ended March 2, 2013

Revenue

Revenue from continuing operations for fiscal 2014 was $6.8 billion, a decrease of approximately $4.3 billion, or 38.5%, from $11.1 billion in fiscal 2013.

Comparative breakdowns of the significant revenue categories and geographic regions are set forth in the following table:

	For the Fiscal Year Ended					
	March 1, 2014		March 2, 2013		Change Fiscal 2014/2013	
Millions of BlackBerry handheld devices recognized	13.7		28.1		(14.4)	(51.2)%
Revenue *(in millions)*						
Hardware	$ 3,785	55.5%	$ 6,648	60.0%	$ (2,863)	(43.1)%
Service	2,698	39.6%	3,910	35.3%	(1,212)	(31.0)%
Software	235	3.5%	261	2.4%	(26)	(10.0)%
Other	95	1.4%	254	2.3%	(159)	(62.6)%
	$ 6,813	100.0%	$ 11,073	100.0%	$ (4,260)	(38.5)%
Revenue by Geography *(in millions)*						
North America	$ 1,811	26.6%	$ 2,896	26.2%	$ (1,085)	(37.5)%
Europe, Middle East and Africa	2,991	43.9%	4,502	40.7%	(1,511)	(33.6)%
Latin America	907	13.3%	2,114	19.1%	(1,207)	(57.1)%
Asia Pacific	1,104	16.2%	1,561	14.0%	(457)	(29.3)%
	$ 6,813	100.0%	$ 11,073	100.0%	$ (4,260)	(38.5)%

Revenue by Category

Hardware Revenue

Hardware revenue was $3.8 billion, or 55.5% of consolidated revenue, in fiscal 2014 compared to $6.6 billion, or 60.0% of consolidated revenue, in fiscal 2013, representing a decrease of 43.1%. This decrease in hardware revenue over the prior fiscal year was primarily attributable to a decrease in the volume of BlackBerry handheld devices recognized by approximately 14.4 million, or 51.2%, to approximately 13.7 million BlackBerry handheld devices in fiscal 2014, compared to approximately 28.1

million BlackBerry handheld devices recognized in fiscal 2013. The majority of the devices recognized in fiscal 2014 were BlackBerry 7 devices. The Company believes that the significant decrease in hardware revenue over the prior fiscal year was primarily attributable to decreased demand and lower sell-through for the Company's new devices, due to the very intense competition. The Company also believes that uncertainty surrounding its strategic review process, as well as previously disclosed announcements concerning the Company's operational restructuring, management changes and the Company's workforce reductions, may have negatively impacted demand for the Company's products in fiscal 2014.

During fiscal 2014, approximately 20.5 million BlackBerry smartphones were sold through to end customers, which included shipments made and recognized prior to fiscal 2014 and which reduced the Company's inventory in channel. Of the devices that sold through to end customers in fiscal 2014, approximately 15.5 million were BlackBerry 7 devices. The number of BlackBerry smartphones that were sold through to end customers was 36.1 million in fiscal 2013.

Service Revenue

Service revenue decreased by $1.2 billion, or 31.0%, to $2.7 billion, or 39.6% of consolidated revenue, in fiscal 2014, compared to $3.9 billion, or 35.3% of consolidated revenue, in fiscal 2013. Service revenue in fiscal 2014 included approximately $36 million relating to cash payments received on account of previously deferred service revenue from carriers in Venezuela. The decrease in service revenue was primarily attributable to a lower number of BlackBerry users and lower revenue from those users compared to fiscal 2013, and also reflected a service revenue deferral related to carriers in Venezuela (the "Fiscal 2014 Venezuela Service Revenue Deferral") and a service revenue deferral related to carriers in Argentina (the Q4 "Fiscal 2014 Argentina Service Revenue Deferral"), as discussed below.

The year-over-year decrease also resulted from a continued shift in the mix of the Company's customers from higher-tiered unlimited plans to prepaid and lower-tiered plans as well as pricing reduction programs implemented by the Company to maintain the customer base. The number of BlackBerry customers continued to decline in fiscal 2014.

The Fiscal 2014 Venezuela Service Revenue Deferral was attributable to political and economic events in Venezuela, combined with that country's foreign currency restrictions, resulting in the Company recognizing revenues on a cash basis in fiscal 2014. The Company invoices its carrier partners in Venezuela for service access fees in U.S. dollars, and foreign currency restrictions implemented by the Venezuelan government have impacted the ability of the Company's Venezuelan carrier partners to timely obtain U.S. dollars. During fiscal 2014, the Company deferred service revenues associated with services rendered in fiscal 2014 of approximately $240 million. The Company also experienced similar currency-related issues in Argentina in the fourth quarter of fiscal 2014, which led to the deterioration of collections from the carriers to whom the Company provides services. As a result, the Company recorded the Q4 Fiscal 2014 Argentina Service Revenue Deferral of approximately $13 million of service revenue associated with service access fees charged to customers in Argentina in the fourth quarter of fiscal 2014.

Software Revenue

Software revenue, which included fees from licensed BES software, client access licenses, technical support, maintenance, upgrades and QNX software licensing revenues decreased by $26 million, or 10.0%, to $235 million, or 3.5% of consolidated revenue, in fiscal 2014, compared to $261 million, or 2.4% of consolidated revenue, in fiscal 2013. The decrease was primarily attributable to decreases in technical support and client access license revenues, partially offset by an increase in QNX revenue.

Other Revenue

Other revenue, which included non-warranty repairs, accessories, licensing revenues and gains and losses on revenue hedging instruments, decreased by $159 million, or 62.6% to $95 million, or 1.4% in fiscal 2014 compared to $254 million, or 2.3% in fiscal 2013. The decrease was primarily attributable to non-warranty repair revenue and also reflected gains on revenue hedging instruments experienced in fiscal 2013 and not repeated in fiscal 2014 as well as decreases in licensing and accessory revenues.

Revenue by Geography

North America Revenues

Revenues in North America were $1.8 billion or 26.6% of consolidated revenue in fiscal 2014, reflecting a decrease of $1.1 billion compared to $2.9 billion, or 26.2% of consolidated revenue in fiscal 2013. The decrease in North American revenue was primarily attributable to a decrease in revenue from the United States, which represented approximately 19.4% of total consolidated revenue in fiscal 2014, compared to 20.2% of total consolidated revenue in fiscal 2013, as a result of the intensely competitive dynamics within the United States. Sales in Canada represented approximately 7.2% of the consolidated revenue.

Revenues in the United States continued to decline and subscriber attrition remained high due to the intense competition faced by the Company in this market, consumer preferences for devices with access to the broadest number of applications, such as

those available in the iOS and Android environments, and the other factors described above. To address this decline, the Company worked with developers to ensure that a broad spectrum of applications including games, multimedia, productivity, enterprise and social media applications would be available on BlackBerry 10 smartphones prior to their introduction. Sales in the United States were also impacted by the significant number of new Android-based competitors that entered the market.

Europe, Middle East and Africa Revenues

Revenues in Europe, Middle East and Africa were $3.0 billion or 43.9% of consolidated revenue in fiscal 2014, reflecting a decrease of $1.5 billion compared to $4.5 billion or 40.7% of consolidated revenue in fiscal 2013. Some of the larger markets comprising this region include the United Kingdom, South Africa and United Arab Emirates. The Company launched BlackBerry 10 devices in many countries in this region in fiscal 2014 including Saudi Arabia, the United Arab Emirates, South Africa, the United Kingdom, Slovakia, Austria, Netherlands, Nigeria, France, Germany, Italy, Spain, Turkey, Switzerland, Kuwait, Lebanon, Iraq and Pakistan.

Latin America Revenues

Revenues in Latin America were $907 million or 13.3% of consolidated revenue in fiscal 2014, reflecting a decrease of $1.2 billion compared to $2.1 billion or 19.1% of consolidated revenue in fiscal 2013. Some of the larger markets comprising this region include Argentina, Colombia and Venezuela. The Company launched BlackBerry 10 devices in many countries in this region in fiscal 2014 including Mexico, Colombia, Chile, Brazil, Ecuador and Peru.

Asia Pacific Revenues

Revenues in Asia Pacific were $1.1 billion or 16.2% of consolidated revenue in fiscal 2014, reflecting a decrease of $457 million compared to $1.6 billion or 14.0% of consolidated revenue in fiscal 2013. Some of the larger markets comprising this region include Indonesia and India. In fiscal 2014, the Company launched BlackBerry 10 devices in many countries in this region including Australia, Hong Kong, the Philippines, Malaysia, India, Indonesia and Singapore.

Gross Margin

Consolidated gross margin from continuing operations decreased by $3.5 billion, to a loss of $43 million, or (0.6)% of consolidated revenue, in fiscal 2014, compared to $3.4 billion, or 31.0% of consolidated revenue, in fiscal 2013. Excluding the impacts of the Q3 Fiscal 2014 Inventory Charge, the Z10 Inventory Charge, the Q4 Fiscal 2014 Inventory Recovery, charges related to the CORE program incurred in fiscal 2014, of which $103 million was attributable to cost of sales, and the impact of charges related to the CORE program incurred in fiscal 2013, of which $96 million was attributable to cost of sales, gross margin decreased by $1.1 billion.

The $1.1 billion decrease in consolidated gross margin was primarily attributable to decreases in service revenue and the number of devices for which revenue was recognized compared to fiscal 2013. The majority of the devices recognized in fiscal 2014 were BlackBerry 7 devices, which, for much of fiscal 2014, had lower gross margins than Blackberry 10 devices. The decrease in consolidated gross margin also reflected the Company's fixed costs being allocated over lower shipment volumes. Hardware revenues have lower gross margins than the Company's consolidated gross margin. Service revenues earn higher gross margins than sales of handheld devices.

Operating Expenses

The table below presents a comparison of research and development, selling, marketing and administration, and amortization expense from continuing operations for fiscal 2014 compared to fiscal 2013.

	For the Fiscal Year Ended *(in millions)*					
	March 1, 2014		March 2, 2013		Change Fiscal 2014/2013	
		% of Revenue		% of Revenue		% of Change
Revenue	$ 6,813		$ 11,073		$ (4,260)	(38.5)%
Operating expenses						
Research and development [1]	1,286	18.9%	1,509	13.6%	$ (223)	(14.8)%
Selling, marketing and administration [1]	2,103	30.9%	2,111	19.1%	(8)	(0.4)%
Amortization	606	8.9%	714	6.4%	(108)	(15.1)%
Impairment of Long Lived Assets [2]	2,748	40.3%	—	—%	2,748	100.0 %
Impairment of Goodwill [3]	—	—%	335	3.0%	(335)	(100.0)%
Debentures fair value adjustment [4]	377	5.5%	—	—%	377	100.0 %
Total	$ 7,120	104.5%	$ 4,669	42.1%	$ 2,451	52.5 %

(1) Research and development and selling, marketing and administration expenses for fiscal 2014 included charges of approximately $76 million and $333 million, respectively, related to the CORE program.
(2) Research and development and selling, marketing and administration expenses for fiscal 2013 included charges of approximately $27 million and $97 million, respectively, related to the CORE program.
(3) During fiscal 2014, the Company performed an LLA impairment test and based on the results of that test, the Company recorded the Q3 Fiscal 2014 LLA Impairment Charge.
(4) During fiscal 2013, the Company recorded the pre-tax 2013 Goodwill Impairment Charge of approximately $335 million.
(5) In fiscal 2014, the Company recorded a non-cash net charge associated with the change in the fair value of the Debentures of $377 million, including a debentures fair value adjustment of approximately $382 million in the fourth quarter of fiscal 2014 (the "Q4 Fiscal 2014 Debentures Fair Value Adjustment").

Operating expenses increased by $2.5 billion, or 52.5%, to $7.1 billion or 104.5% of consolidated revenue in fiscal 2014, compared to $4.7 billion or 42.1% of consolidated revenue in fiscal 2013. Excluding the impact of the Q3 Fiscal 2014 LLA Impairment Charge of approximately $2.7 billion, the Q4 Fiscal 2014 Debentures Fair Value Adjustment of approximately $382 million and charges incurred as part of the Company's CORE program and strategic review process during fiscal 2014, of which $409 million were attributable to operating expenditures, as well as the impact of the 2013 Goodwill Impairment Charge of approximately $335 million and charges incurred as part of the CORE program during fiscal 2013, of which $124 million were attributable to operating expenditures, operating expenses decreased by $629 million. This decrease was primarily attributable to decreases in salaries and benefits costs due to a reduction in headcount related to the CORE program, legal expenses and marketing and advertising costs. The decrease was partially offset by an increase in consulting costs related to the Company's strategic review process.

Research and Development Expenses

Research and development expenses 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 expenses decreased by $223 million, or 14.8%, to $1.3 billion in fiscal 2014, compared to $1.5 billion in fiscal 2013. Excluding the impact of charges incurred as part of the CORE program during fiscal 2014, of which $76 million was attributable to research and development expenditures, and the impact of the charges incurred as part of the CORE program during fiscal 2013, of which $27 million was attributable to research and development expenditures, research and development expenses decreased by $272 million. The decrease was primarily attributable to decreases in salaries and benefits costs due to a reduction in headcount and other costs savings related to the CORE program, a decrease in research and development device costs as a result of the cancellation of two planned devices. Research and development-related headcount decreased by approximately 30% compared to the end of fiscal 2013.

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 decreased by $8 million, or 0.4%, to $2.1 billion in fiscal 2014 compared to $2.1 billion in fiscal 2013. Excluding the impact of charges incurred as part of the CORE program during fiscal 2014, of which $333 million was attributable to selling, marketing and administration expenditures, and the impact of the charges incurred as part of the Company's CORE program and strategic review process during fiscal 2014, of which $97 million was attributable to selling, marketing and administration expenditures, selling, marketing and administration expenses decreased by $244 million. The decrease was primarily attributable to decreases in salaries and benefits costs due to a reduction in headcount related to the CORE program, legal expenses and marketing and advertising expenses, partially offset by an increase in consulting costs related to the Company's completed strategic review process. Selling, marketing and administration related headcount decreased by approximately 36%, compared to the end of fiscal 2013.

Amortization Expense

The table below presents a comparison of amortization expense relating to property, plant and equipment and intangible assets recorded as amortization or cost of sales from continuing operations for fiscal 2014 compared to fiscal 2013. Intangible assets are comprised of patents, licenses and acquired technology.

	For the Fiscal Year Ended *(in millions)*					
	Included in Amortization			**Included in Cost of sales**		
	March 1, 2014	March 2, 2013	Change	March 1, 2014	March 2, 2013	Change
Property, plant and equipment	$ 321	$ 402	$ (81)	$ 211	$ 319	$ (108)
Intangible assets	285	312	(27)	453	874	(421)
Total	$ 606	$ 714	$ (108)	$ 664	$ 1,193	$ (529)

Amortization

Amortization expense relating to certain property, plant and equipment and intangible assets decreased by $108 million to $606 million for fiscal 2014, compared to $714 million for fiscal 2013. The decrease in amortization expense reflected the lower cost base of LLA as a result of the Q3 Fiscal 2014 LLA Impairment Charge, as well as reduced spending on capital assets, partially offset by certain property, plant and equipment and intangible asset additions made over the last four quarters.

Cost of sales

Amortization expense relating to certain property, plant and equipment and intangible assets employed in the Company's manufacturing operations and BlackBerry service operations decreased by $529 million to $664 million for fiscal 2014, compared to $1.2 billion for fiscal 2013. This decrease primarily reflected the impact of amortizing intangible assets over lower shipment volumes and the lower cost base of LLA as a result of the Q3 Fiscal 2014 LLA Impairment Charge recorded in fiscal 2014. The decrease was partially offset by renewed or amended licensing agreements and certain property, plant and equipment asset additions made over the prior four quarters.

Impairment of Long-Lived Assets

During fiscal 2014, the Company performed an LLA impairment test and based on the results of that test, the Company recorded the Q3 Fiscal 2014 LLA Impairment Charge of approximately $2.7 billion.

Impairment of Goodwill

Due to business conditions and a continued significant decline in the Company's market capitalization, the Company concluded that goodwill impairment indicators existed and an interim goodwill impairment assessment was required for the first quarter of fiscal 2013. The Company used a two-step impairment test to identify potential goodwill impairment and measured the amount of the goodwill impairment loss to be recognized. As a result of the test performed, the Company recorded the 2013 Goodwill Impairment Charge of $335 million, which eliminated the remaining carrying value of its goodwill, and reported this amount as a separate line item in the consolidated statements of operations. The Company's share price and control premium are significant factors in assessing the Company's fair value for purposes of the goodwill impairment assessment. The Company's share price can be affected by, among other things, changes in industry or market conditions, including the effect of

competition, changes in the Company's results of operations, and changes in the Company's forecasts or market expectations relating to future results.

Investment Income

Investment income decreased by $36 million to a loss of $21 million in fiscal 2014, from a gain of $15 million in fiscal 2013. The decrease primarily reflected interest costs associated with the Debentures, certain one-time gains recorded in fiscal 2013 not repeated in fiscal 2014, recognition of the Company's portion of investment losses in its equity-based investments and the decreases in the Company's average cash and investment balances and yield. The decrease was partially offset by the accrual of interest income for other tax matters.

Income Taxes

For fiscal 2014, the Company's income tax recovery from continuing operations was $1.3 billion, resulting in an effective income tax recovery rate of approximately 18.2%, compared to income tax recovery of $592 million and an effective income tax rate of approximately 48.5% for the prior fiscal year. The Company's effective income tax recovery rate reflects the geographic mix of earnings in jurisdictions with different tax rates. The Company's lower effective income tax recovery rate in fiscal 2014 primarily reflected certain charges related to the Q3 Fiscal 2014 LLA Impairment Charge resulting in the recognition of a deferred tax valuation allowance, which is more fully described below.

The Company regularly assesses the need for a valuation allowance against its deferred tax assets. In making that assessment, the Company considers both positive and negative evidence related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more-likely-than-not that some or all of the deferred tax assets will be realized. In evaluating the need for a valuation allowance, the Company noted that there were significant increases in deductible temporary differences in the third quarter of fiscal 2014 in relation to the Q3 Fiscal 2014 LLA Impairment Charge, which was not currently deductible for tax purposes. In addition, the Company had three years of cumulative losses for fiscal 2014. As a result, the Company was unable to recognize the benefit relating to a significant portion of deferred tax assets that arose in fiscal 2014, which resulted in a $783 million valuation allowance against its deferred tax assets. The deferred tax recovery was partially offset by this deferred tax valuation allowance of $781 million and included in the income tax provision in fiscal 2014. This accounting treatment has no effect on the Company's actual ability to utilize deferred tax assets to reduce future cash tax payments. The Company will continue to assess the likelihood that the deferred tax assets will be realizable at each reporting period and the valuation allowance will be adjusted accordingly.

During the third quarter of fiscal 2014, the Company took steps to accelerate the receipt of a portion of the tax refund to which it was entitled. The Canadian federal and Ontario provincial Ministers of Finance had indicated to the Company that they would be prepared to recommend measures such that the acceleration would not jeopardize the Company's potential entitlement to the balance of its tax refund. The Company's actions resulted in a November 3, 2013 taxation year end, which triggered the entitlement to the accrued tax refund of $696 million, which the Company received in the third quarter of fiscal 2014. In December 2013, Remission Orders were made by the Canadian federal and Ontario provincial governments which preserved the Company's ability to carry back losses for the balance of fiscal 2014 and for fiscal 2015 on the same basis as without the November 3, 2013 taxation year end. The tax provision included the impact of the Remission Orders in accordance with ASC 740 because they were made in the fourth quarter.

Given the change in the Company's financial circumstances in the third quarter of fiscal 2014, the Company provided for foreign withholding taxes of $32 million that would apply on the distribution of the earnings of its non-Canadian subsidiaries.

Net Loss

The Company's net loss from continuing operations for fiscal 2014 was $5.9 billion or $11.18 per share (basic and diluted), reflecting an increase in net loss of $5.2 billion compared to net loss from continuing operations of $628 million, or $1.20 per share (basic and diluted) in fiscal 2013. The increase in net loss from continuing operations included the impact in fiscal 2014 and 2013 of:

Fiscal 2014

- the Q3 Fiscal 2014 LLA Impairment Charge;
- the Q3 Fiscal 2014 Inventory Charge;
- the Z10 Inventory Charge;
- the Q4 Fiscal 2014 Debentures Fair Value Adjustment;
- restructuring charges of approximately $398 million, after tax, related to the Company's CORE program and strategic review process; and
- the Q4 Fiscal 2014 Inventory Recovery.

Fiscal 2013

- an income tax benefit of $166 million related to the settlement of uncertain tax positions, including related interest and foreign exchange gains;
- the 2013 Goodwill Impairment Charge; and
- approximately $151 million, after-tax, of restructuring charges related to the Company's CORE program in fiscal 2013.

Excluding the above items, the Company's net loss increased by $394 million compared to fiscal 2013, which reflected a decrease in the Company's gross margin, partially offset by an increase in the recovery of income taxes and a reduction in operating expenditures. The decrease in the Company's consolidated gross margin was primarily due to decreases in service revenue and the number of devices for which revenue was recognized compared to fiscal 2013 and also reflected the Company's fixed costs being allocated over lower shipment volumes. Hardware revenues have lower gross margins than the Company's consolidated gross margin. Service revenues earn higher gross margins than sales of handheld devices.

The weighted average number of shares outstanding was 525 million common shares for basic and diluted loss per share for the fiscal year ended March 1, 2014 and 524 million common shares for both basic and diluted loss per share for the fiscal year ended March 2, 2013.

Results of Operations - Three months ended February 28, 2015 compared to the three months ended March 1, 2014

The following table sets forth certain unaudited consolidated statement of operations data, which is expressed in millions of dollars, except for share and per share amounts and as a percentage of revenue, for the three months ended February 28, 2015 and March 1, 2014:

	For the Three Months Ended *(in millions, except for share and per share amounts)*				
	February 28, 2015		March 1, 2014		Change
Revenue	660	100.0 %	976	100.0 %	(316)
Gross margin [1][2]	318	48.2 %	553	56.7 %	(235)
Operating expenses [1][2]	424	64.2 %	1,090	111.7 %	(666)
Investment income (loss), net [1]	105	15.9 %	(20)	(2.0)%	125
Loss before income taxes	(1)	(0.1)%	(557)	(57.0)%	556
Recovery of income taxes	(29)	(4.4)%	(134)	(13.7)%	105
Net income (loss)	$ 28	4.3 %	$ (423)	(43.3)%	$ 451
Earnings (loss) per share - reported					
Basic	$ 0.05		$ (0.80)		$ 0.85
Diluted	$ 0.05		$ (0.80)		$ 0.85
Weighted-average number of shares outstanding (000's)					
Basic	528,685		526,374		
Diluted	543,556		526,374		

(1) See "Non-GAAP Financial Measures" for the impact of the Q4 Fiscal 2015 Non-GAAP Adjustments on gross margin, operating expenses and investment income (loss), net in the fourth quarter of fiscal 2015.
(2) See "Non-GAAP Financial Measures" for the impact of the Q4 Fiscal 2014 Non-GAAP Adjustments on gross margin and operating expenses in the fourth quarter of fiscal 2014.

Revenue

Revenue from operations for the fourth quarter of fiscal 2015 was $660 million, a decrease of approximately $316 million, or 32.4%, from $976 million in the fourth quarter of fiscal 2014.

Comparative breakdowns of the significant revenue categories are set forth in the following table:

	For the Three Months Ended *(in millions)*					
	February 28, 2015		March 1, 2014		Change	
BlackBerry handheld devices recognized	1.3		1.3		—	— %
Revenue						
Hardware	$ 274	41.5%	$ 358	36.7%	$ (84)	(23.5)%
Service	309	46.8%	548	56.2%	(239)	(43.6)%
Software	67	10.2%	56	5.7%	11	19.6 %
Other	10	1.5%	14	1.4%	(4)	(28.6)%
	$ 660	100.0%	$ 976	100.0%	$ (316)	(32.4)%
Revenue by Geography						
North America	$ 205	31.0%	$ 297	30.4%	$ (92)	(31.0)%
Europe, Middle East and Africa	283	42.9%	412	42.2%	(129)	(31.3)%
Latin America	60	9.1%	127	13.0%	(67)	(52.8)%
Asia Pacific	112	17.0%	140	14.4%	(28)	(20.0)%
	$ 660	100.0%	$ 976	100.0%	$ (316)	(32.4)%

Revenue by Category

Hardware Revenue

Hardware revenue was $274 million, or 41.5% of revenue, in the fourth quarter of fiscal 2015, compared to $358 million, or 36.7% of revenue, in the fourth quarter of fiscal 2014, representing a decrease of $84 million or 23.5%. The Company recognized revenue related to approximately 1.3 million BlackBerry handheld devices in the fourth quarter of fiscal 2015, consistent with approximately 1.3 million BlackBerry handheld devices recognized in the fourth quarter of fiscal 2014. Approximately 66% of the devices recognized in the fourth quarter of fiscal 2015 were BlackBerry 10 devices. The Company believes that the significant decrease in hardware revenue over the prior fiscal year was primarily attributable to the reduction in the average selling prices of its devices.

For a discussion of the Company's revenue recognition policies and critical accounting estimates, see the section entitled " Accounting Policies and Critical Accounting Estimates - Accounting Policies" and "Accounting Policies and Critical Accounting Estimates - Critical Accounting Estimates - Revenue Recognition."

During the fourth quarter of fiscal 2015, approximately 1.6 million BlackBerry smartphones were sold through to end customers, which included shipments made and recognized prior to the fourth quarter of fiscal 2015 and which reduced the Company's inventory in channel. The number of BlackBerry smartphones that were sold through to end customers was 1.9 million in the third quarter of fiscal 2015 and 3.4 million in the fourth quarter of fiscal 2014.

Service Revenue

Service revenue decreased by $239 million, or 43.6%, to $309 million, or 46.8% of revenue, in the fourth quarter of fiscal 2015, compared to $548 million, or 56.2% of revenue, in the fourth quarter of fiscal 2014. Service revenue in the fourth quarter of fiscal 2015 included approximately $8 million in cash payments received from carrier partners in Argentina for service revenue previously deferred.

The decrease in service revenue is primarily attributable to a lower number of BlackBerry users compared to the fourth quarter of fiscal 2014 and also reflects the Q4 Fiscal 2015 Argentina Service Revenue Deferral, described in the section above entitled "Fiscal 2015 Summary Results of Operations - Financial Highlights - Argentina Service Revenue". The year-over-year decrease also resulted from a continued shift in the mix of the Company's customers from higher-tiered unlimited plans to prepaid and lower-tiered plans as well as pricing reduction programs implemented by the Company to maintain the customer base.

Foreign currency restrictions in Argentina have led to the deterioration of collections from carriers to whom the Company provides services in that country. As a result, the Company recorded the Q4 Fiscal 2015 Argentina Service Revenue Deferral of approximately $9 million in the fourth quarter of fiscal 2015.

Service revenues for the fourth quarter of fiscal 2015 decreased by approximately 16% compared to the third quarter of fiscal 2015.

Software Revenue

Software revenue increased by $11 million, or 19.6%, to $67 million, or 10.2% of revenue, in the fourth quarter of fiscal 2015, compared to $56 million, or 5.7% of revenue, in the fourth quarter of fiscal 2014. This increase was primarily attributable to an increase in client access license fees and revenue from QNX, partially offset by a decrease in technical support revenue. Software revenue for the fourth quarter of fiscal 2015 includes amounts recognized from BES10 and BES12.

Other Revenue

Other revenue decreased by $4 million or 28.6%, to $10 million in the fourth quarter of fiscal 2015 compared to $14 million in the fourth quarter of fiscal 2014. The decrease was primarily attributable to decreases in non-warranty repair and accessory revenues.

Gross Margin

Gross margin decreased by $235 million, or 42.5%, to $318 million, or 48.2% of revenue, in the fourth quarter of fiscal 2015, compared to $553 million, or 56.7% of revenue, in the fourth quarter of fiscal 2014. Excluding the relevant Q4 Fiscal 2015 Non-GAAP Adjustments and Q4 Fiscal 2014 Non-GAAP Adjustments, gross margin decreased by $102 million to $319 million, or 48.3% of revenue.

The $102 million decrease in gross margin was primarily attributable to a reduction in service revenue due to a lower number of BlackBerry users and lower revenue from those users, which was partially offset by an increase in handheld margin. Generally, service revenues earn higher gross margins than sales of handheld devices and hardware revenues have lower gross margins than the Company's overall gross margin.

Operating Expenses

The table below presents a comparison of research and development, selling, marketing and administration, and amortization expenses for the quarter ended February 28, 2015, compared to the quarter ended November 29, 2014 and the quarter ended March 1, 2014. The Company believes that it is meaningful to also provide a comparison between the fourth quarter of fiscal 2015 and the third quarter of fiscal 2015 given that the Company's quarterly operating results vary substantially.

	For the Three Months Ended *(in millions)*					
	February 28, 2015		November 29, 2014		March 1, 2014	
		% of Revenue		% of Revenue		% of Revenue
Revenue	$ 660		$ 793		$ 976	
Operating expenses						
Research and development [(1)(2)(3)]	134	20.3%	154	19.4%	246	25.2%
Selling, marketing and administration [(1)(2)(3)]	172	26.1%	171	21.6%	355	36.4%
Amortization	68	10.3%	74	9.3%	107	11.0%
Debentures fair value adjustment [(1)(2)(3)]	50	7.6%	150	18.9%	382	39.1%
Total	$ 424	64.3%	$ 549	69.2%	$ 1,090	111.7%

(1) See "Non-GAAP Financial Measures" for the impact of the Q4 Fiscal 2015 Non-GAAP Adjustments on operating expenses in the fourth quarter of fiscal 2015.
(2) See "Non-GAAP Financial Measures" for the impact of the Q4 Fiscal 2014 Non-GAAP Adjustments on operating expenses in the fourth quarter of fiscal 2014.
(3) In the third quarter of fiscal 2015, the Company recorded a non-cash charge associated with a change in the fair value of the Debentures of approximately $150 million, as well as CORE program charges of approximately $4 million and $1 million in research and development and selling, marketing and administration expenses, respectively (the "Q3 Fiscal 2015 Non-GAAP Adjustments").

Operating expenses decreased by $125 million, or 22.8%, to $424 million, or 64.3% of revenue, in the fourth quarter of fiscal 2015, compared to $549 million, or 69.2% of revenue, in the third quarter of fiscal 2015. Excluding the impact of the relevant Q4 Fiscal 2015 Non-GAAP Adjustments and Q3 Fiscal 2015 Non-GAAP Adjustments, operating expenses decreased by $77

million, or 19.5%. The decrease was primarily attributable to decreases in salaries and benefit costs due to a reduction in headcount related to the CORE program, as well as marketing and advertising costs and maintenance expense.

Operating expenses decreased by $666 million, or 61.1%, to $424 million, or 64.3% of revenue, in the fourth quarter of fiscal 2015, compared to $1.1 billion or 111.7% of revenue, in the fourth quarter of fiscal 2014. Excluding the impact of the relevant Q4 Fiscal 2015 Non-GAAP Adjustments and Q4 Fiscal 2014 Non-GAAP Adjustments, operating expenses decreased by $260 million, or 45.1%. This decrease was primarily attributable to decreases in salaries and benefits due to a reduction in headcount related to the CORE program, as well as marketing and advertising costs and amortization expense.

Research and Development Expense

Research and development expenses decreased by $112 million, or 45.5% to $134 million in the fourth quarter of fiscal 2015 compared to $246 million in the fourth quarter of fiscal 2014. Excluding the impact of the relevant Q4 Fiscal 2015 Non-GAAP Adjustments and Q4 Fiscal 2014 Non-GAAP Adjustments, research and development expenses decreased by $97 million, or 43.1%. This decrease was primarily attributable to decreases in salaries and benefits costs due to a reduction in headcount related to the CORE program and materials and facilities costs.

Selling, Marketing and Administration Expenses

Selling, marketing and administration expenses decreased by $183 million, or 51.5% to $172 million in the fourth quarter of fiscal 2015 compared to $355 million in the fourth quarter of fiscal 2014. Excluding the impact of the relevant Q4 Fiscal 2015 Non-GAAP Adjustments and Q4 Fiscal 2014 Non-GAAP Adjustments, selling, marketing and administration expenses decreased by $124 million, or 50.6%. This decrease was primarily attributable to decreases in foreign exchange expenses, and marketing and advertising costs, as well as salaries and benefit costs due to a reduction in headcount related to the CORE program.

Amortization Expense

The table below presents a comparison of amortization expense relating to property, plant and equipment and intangible assets recorded as amortization or cost of sales for the quarter ended February 28, 2015 compared to the quarter ended March 1, 2014. Intangible assets are comprised of intellectual property and acquired technology.

	For the Three Months Ended *(in millions)*					
	Included in Amortization			**Included in Cost of sales**		
	February 28, 2015	March 1, 2014	Change	February 28, 2015	March 1, 2014	Change
Property, plant and equipment	$ 23	$ 51	$ (28)	$ 16	$ 16	$ —
Intangible assets	45	56	(11)	78	80	(2)
Total	$ 68	$ 107	$ (39)	$ 94	$ 96	$ (2)

Amortization

Amortization expense relating to certain property, plant and equipment and certain intangible assets decreased by $39 million to $68 million for the fourth quarter of fiscal 2015 compared to $107 million for the fourth quarter of fiscal 2014. The decrease in amortization expense reflects the lower cost base of assets as a result of the Real Estate Sale and additional asset sales, as well as reduced spending on capital and intangible assets, partially offset by certain property, plant and equipment and intangible asset additions in the fourth quarter of fiscal 2015.

Cost of sales

Amortization expense relating to certain property, plant and equipment and certain intangible assets employed in the Company's manufacturing operations and BlackBerry service operations decreased slightly by $2 million to $94 million for the fourth quarter of fiscal 2015 compared to $96 million for the fourth quarter of fiscal 2014.

Investment Income (Loss), Net

Investment income increased by $125 million to $105 million in the fourth quarter of fiscal 2015 from a loss of $20 million in the fourth quarter of fiscal 2014. The increase in investment income is primarily attributable to the Rockstar Sale, gains on the

sale of certain investments, and increases in the Company's average cash and investment balances, which were partially offset by interest costs associated with the Debentures. See "Financial Condition - Liquidity and Capital Resources" below.

Income Taxes

For the fourth quarter of fiscal 2015, the Company's net effective income tax expense rate was approximately 2900%, compared to approximately 24% for the same period in the prior fiscal year. The Company's net effective income tax recovery rate reflects the fact that the Company expects an income tax recovery of its cash tax paid in fiscal 2012 due to an anticipated loss carryback of its fiscal 2015 anticipated tax loss. That current tax recovery will be limited to fiscal 2012 cash tax paid not previously recovered. The Company's income tax recovery rate also reflects the fact that the Company has a significant valuation allowance in place against its deferred tax assets, and in particular, due to this valuation allowance, the significant income statement impact of the Debentures fair value was offset by a corresponding adjustment of the valuation allowance. The Company's net effective income tax recovery rate also reflects the geographic mix of earnings in jurisdictions with different income tax rates. See also "Results of Operations - Fiscal year ended February 28, 2015 compared to fiscal year ended March 1, 2014 - Income Taxes - RSU Trust Share Sale" in this MD&A.

Net Income

The Company's net income for the fourth quarter of fiscal 2015 was $28 million, or $0.05 basic and diluted earnings per share on a GAAP basis, reflecting an increase in net income of $451 million compared to a net loss from continuing operations of $423 million, or $0.80 basic and diluted loss per share, in the fourth quarter of fiscal 2014. Excluding the impact of the relevant Q4 Fiscal 2015 Non-GAAP Adjustments and Q4 Fiscal 2014 Non-GAAP Adjustments, the Company's net income was $20 million compared to a net loss of $42 million, reflecting an increase in net income of $62 million due to a reduction in operating expenditures, which was partially offset by decreases in the recovery of income taxes and the Company's gross margin.

The weighted average number of shares outstanding was 529 million common shares for basic earnings per share and 544 million common shares for diluted earnings per share for the fourth quarter of fiscal 2015. The weighted average number of shares outstanding was 526 million common shares for basic and diluted loss per share for the fourth quarter of fiscal 2014.

Selected Quarterly Financial Data

The following table sets forth the Company's unaudited quarterly consolidated results of operations data for each of the eight most recent quarters, including the quarter ended February 28, 2015. The information in the table below has been derived from the Company'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. The Company'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.

	(in millions, except per share data)							
	Fiscal Year 2015				Fiscal Year 2014			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Revenue	$ 660	$ 793	$ 916	$ 966	$ 976	$ 1,193	$ 1,573	$ 3,071
Gross margin	318	410	425	451	553	(1,264)	(374)	1,042
Operating expenses	424	549	623	431	1,090	3,761	1,058	1,211
Loss before income taxes	(1)	(160)	(218)	(6)	(557)	(5,025)	(1,438)	(164)
Provision for (recovery of) income taxes	(29)	(12)	(11)	(29)	(134)	(624)	(473)	(80)
Net income (loss)	$ 28	$ (148)	$ (207)	$ 23	$ (423)	$ (4,401)	$ (965)	$ (84)
Earnings (loss) per share								
Basic and diluted earnings (loss) per share	$ 0.05	$ (0.28)	$ (0.39)	$ 0.04	$ (0.80)	$ (8.37)	$ (1.84)	$ (0.16)

Research and development	$ 134	$ 154	$ 186	$ 237	$ 246	$ 322	$ 360	$ 358
Selling, marketing and administration	172	171	195	400	355	548	527	673
Amortization	68	74	75	81	107	148	171	180
Impairment of long-lived assets	—	—	—	—	—	2,748	—	—
Debentures fair value adjustment	50	150	167	(287)	382	(5)	—	—
Operating expenses	$ 424	$ 549	$ 623	$ 431	$ 1,090	$ 3,761	$ 1,058	$ 1,211

Financial Condition

Liquidity and Capital Resources

Cash, cash equivalents, and investments increased by $608 million to $3.3 billion as at February 28, 2015 from $2.7 billion as at March 1, 2014, primarily as a result of the receipt of the Company's fiscal 2014 Canadian income tax refund, the Rockstar Sale, the RSU Trust Share Sale, and proceeds from the Real Estate Sale, which were partially offset by net changes in working capital and cash used in investing activities. The majority of the Company's cash, cash equivalents, and investments are denominated in U.S. dollars as at February 28, 2015.

A comparative summary of cash, cash equivalents, and investments is set out below:

	As at *(in millions)*		
	February 28, 2015	March 1, 2014	Change
Cash and cash equivalents	$ 1,233	$ 1,579	$ (346)
Restricted cash	59	—	59
Short-term investments	1,658	950	708
Long-term investments	316	129	187
Cash, cash equivalents, and investments	$ 3,266	$ 2,658	$ 608

The table below summarizes the current assets, current liabilities, and working capital of the Company:

	As at (in millions)		
	February 28, 2015	March 1, 2014	Change
Current assets	$ 4,167	$ 4,848	$ (681)
Current liabilities	1,363	2,268	(905)
Working capital	$ 2,804	$ 2,580	$ 224

Current Assets

The decrease in current assets of $681 million at the end of fiscal 2015 from the end of fiscal 2014 was primarily due to decreases in accounts receivable of $469 million, cash and cash equivalents of $346 million, income taxes receivable of $204 million and other current assets of $130 million, which were partially offset by an increase in short term investments of $708 million.

At February 28, 2015, accounts receivable was $503 million, a decrease of $469 million from March 1, 2014. The decrease reflects the lower revenues recognized during fiscal 2015, as well as a decrease in days sales outstanding to approximately 69 days in the fourth quarter of fiscal 2015 from approximately 111 days at the end of fiscal 2014. Further, the decrease in accounts receivable and days sales outstanding was impacted by favourable collection terms on certain sales contracts, cash collected in relation to the Venezuela Collection Agreement and cash payments received for service revenue previously deferred in relation to the Argentina Settlement Agreements.

At February 28, 2015, income taxes receivable was $169 million, a decrease of $204 million from March 1, 2014. The decrease in income taxes receivable was due to the receipt of the Company's 2014 Canadian income tax refund of $413 million, partially offset by the current income tax recovery recorded.

At February 28, 2015, other current assets was $375 million, a decrease of $130 million from March 1, 2014. The decrease in other current assets was due to the recognition of previously deferred cost of goods sold, upon recognition of the related deferred revenue, partially offset by an increase in the fair value of derivative instruments.

At February 28, 2015, inventories decreased by $122 million to $122 million compared to $244 million as at March 1, 2014, due to devices shipped in fiscal 2015.

Current Liabilities

The decrease in current liabilities of $905 million at the end of fiscal 2015 from the end of fiscal 2014 was primarily due to decreases in accrued liabilities, accounts payable and deferred revenue. As at February 28, 2015, accrued liabilities were $658 million, reflecting a decrease of $556 million compared to March 1, 2014, which was primarily attributable to decreases in vendor liabilities, accrued carrier rebates, warranty liabilities and marketing accruals compared to the fourth quarter of fiscal 2014. Accounts payable was $235 million as at February 28, 2015, reflecting a decrease of $239 million from March 1, 2014, which was primarily attributable to the payment of amounts owing to contract manufacturers for the repurchase of inventory, as well as a reduction in purchase orders and inventory purchases. Deferred revenue was $470 million, which reflects a decrease of $110 million compared to March 1, 2014 due to an increase in the volume of transactions that met the criteria for recognition of revenue as at February 28, 2015.

Cash flows for the fiscal year ended February 28, 2015 compared to the fiscal year ended March 1, 2014 were as follows:

	For the Fiscal Year Ended (in millions)		
	February 28, 2015	March 1, 2014	Change
Net cash flows provided by (used in):			
Operating activities	$ 813	$ (159)	$ 972
Investing activities	(1,173)	(1,040)	(133)
Financing activities	16	1,224	(1,208)
Effect of foreign exchange gain (loss) on cash and cash equivalents	(2)	5	(7)
Net increase (decrease) in cash and cash equivalents	$ (346)	$ 30	$ (376)

Operating Activities

The increase in net cash flows provided by operating activities of $972 million primarily reflects the Company's lower amount of net loss, offset by net changes in working capital.

Investing Activities

During the fiscal year ended February 28, 2015, cash flows used in investing activities were $1.2 billion and included cash flows used in 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 $894 million, intangible asset additions of $421 million, business acquisitions of $119 million, acquisitions of property, plant and equipment of $87 million, partially offset by proceeds on the sale of property, plant and equipment of $348 million. For the same period of the prior fiscal year, cash flows used in investing activities were $1.0 billion and included intangible asset additions of $1.1 billion, property, plant and equipment additions of $283 million and business acquisitions of $7 million, offset by cash flows used in 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 $281 million.

During the fiscal year ended February 28, 2015, the additions to intangible assets primarily consisted of payments relating to amended or renewed licensing agreements, acquired technology and in-process research and development from business acquisitions, as well as agreements with third parties for the use of intellectual property, software, messaging services and other BlackBerry related features. The decrease in property, plant and equipment spending for fiscal 2015 was primarily due to the cost saving initiatives of the CORE program.

Financing Activities

The decrease in cash flows provided by financing activities was $1.2 billion for fiscal 2015 and was primarily attributable to the receipt in fiscal 2014 of $1.25 billion from the issuance of the Debentures and to the restricted cash used to collateralize letters of credit during fiscal 2015 as described in Note 3 to the Consolidated Financial Statements, which was partially offset by an increase in the sale of treasury stock and tax deficiencies related to stock-based compensation.

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 28, 2015:

	(in millions)				
	Total	Less than One Year	One to Three Years	Four to Five Years	Greater than Five Years
Operating lease obligations	$ 179	$ 42	$ 67	$ 44	$ 26
Purchase obligations and commitments	697	634	63	—	—
Long-term debt interest and principal payments	428	75	150	150	53
Total	$ 1,304	$ 751	$ 280	$ 194	$ 79

Aggregate contractual obligations amounted to approximately $1.3 billion as at February 28, 2015, including purchase orders with contract manufacturers in the amount of $394 million. The Company also has commitments on account of capital expenditures of approximately $2 million included in this total, primarily for manufacturing 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, including payments on account of licensing agreements. Total aggregate contractual obligations as at February 28, 2015 decreased by $599 million as compared to the March 1, 2014 balance of approximately $1.9 billion, which was primarily attributable to a decrease in purchase orders with contract manufacturers and payments on account of licensing agreements, as well as a decrease in interest payments on the Debentures, and operating lease commitments.

Debenture Financing and Other Funding Sources

Please see Note 10 to the Consolidated Financial Statements for a description of the Debentures.

The Company has $59 million in collateralized outstanding letters of credit in support of certain leasing arrangements entered into in the ordinary course of business. Please see Note 3 to the Consolidated Financial Statements for further information concerning the Company's restricted cash.

Cash, cash equivalents, and investments were $3.3 billion as at February 28, 2015. The Company's management remains focused on maintaining appropriate cash balances, efficiently managing working capital balances and managing the liquidity needs of the business. In addition, the Company continues to pursue opportunities to attain further cost savings in the coming fiscal quarters. Based on its current financial projections, the Company believes its financial resources, together with expected future operating cash generating and operating expense reduction activities and access to other potential financing arrangements, should be sufficient to meet funding requirements for current financial commitments and future operating expenditures not yet committed, and should provide the necessary financial capacity for the foreseeable future. The Company expects to maintain its strong cash position.

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, as amended, or 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. 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 a potential loss is considered probable and the amount is reasonably estimable, provisions for loss are made based on management's assessment of the likely outcome. Where a range of loss can be reasonably estimated with no best estimate in the range, the Company records the minimum amount in the range. The Company does not provide for claims for which the outcome is not determinable or claims for which the amount of the loss cannot be reasonably estimated. Any settlements or awards under such claims are provided for when reasonably determinable.

As of February 28, 2015, there are no claims outstanding for which the Company has assessed the potential loss as both probable to result and reasonably estimable, therefore no accrual has been made. Please see Note 14 (Commitments and Contingencies) to the Consolidated Financial Statements for a further discussion of the Company's legal matters.

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 2015 were transacted in U.S. dollars. Portions of the revenues were denominated in Canadian dollars, Euros and British Pounds. Purchases of raw materials are primarily transacted in U.S. dollars. Other expenses, consisting mainly of salaries, certain operating costs and manufacturing overhead are incurred primarily in Canadian dollars. At February 28, 2015, approximately 26% of cash and cash equivalents, 30% of accounts receivables and 13% of accounts payable were denominated in foreign currencies (March 1, 2014 – 35%, 26% and 12%, 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. Please see Note 5 to the Consolidated Financial Statements for information concerning the Company's foreign currency hedging activities.

Interest Rate

Cash and cash equivalents and investments are invested in certain instruments of varying maturities. Substantially all of these investments carry fixed interest rates. Consequently, the Company is exposed to interest rate risk as a result of holding investments of varying maturities and fixed interest rates. 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 has also issued the Debentures with a fixed interest rate. Consequently, the Company is exposed to interest rate risk as a result of the long term of the Debentures. The fair value of the Debentures will fluctuate with changes in prevailing interest rates. The Company does not currently utilize interest rate derivative instruments to hedge its investment portfolio.

Credit and Customer Concentration

The Company has historically been dependent on an increasing number of significant telecommunication carriers and distribution partners and on larger more complex contracts with respect to sales of the majority of its products and services. 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 ("AFDA") that corresponds to the specific credit risk of its customers, historical trends and economic circumstances. The AFDA as at February 28, 2015 was $10 million (March 1, 2014 - $17 million). There were no customers that comprised more than 10% of accounts receivable as at

February 28, 2015 (March 1, 2014 – no customers that comprised more than 10%). Additionally, there were no customers that comprised more than 10% of the Company's revenue in fiscal 2015 (fiscal 2014 – no customers that comprised more than 10%; fiscal 2013 – no customers that comprised more than 10%). During fiscal 2015, the percentage of the Company's receivable balance that was past due increased by 8% compared to the fourth quarter of fiscal 2014. Although the Company actively monitors and attempts to collect on its receivables as they become due, the risk of further delays or challenges in obtaining timely payments from its carrier and distributor partners of receivables exists. The occurrence of such delays or challenges in obtaining timely payments could negatively impact the Company's liquidity.

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. The Company did not record any other-than-temporary impairment charges for the fiscal year ended February 28, 2015.

Please see Note 5 to the Consolidated Financial Statements for additional information regarding the Company's credit risk as it pertains to its foreign exchange derivative counterparties.

Disclosure Controls and Procedures and Internal Controls

Disclosure Controls and Procedures

As of February 28, 2015, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer 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 13a-15(e) and 15d-15(e) under the U.S. Exchange Act. Based on that evaluation, the Chief Executive Officer 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 13a-15(f) and 15d-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 Board, 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 effect 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 28, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013). Based on this assessment, management believes that, as of February 28, 2015, 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 28, 2015, 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.

Exhibit 23.1

CONSENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Annual Report [Form 40-F] of **BlackBerry Limited** [the "Company"] for the year ended February 28, 2015 of our reports dated March 27, 2015 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, 333-150470, 333-177149, 333-189880, 333-192986, 333-192987, and 333-197636] pertaining to the Company's stock option plans of our reports dated March 27, 2015 with respect to the consolidated financial statements of the Company included herein, and the effectiveness of internal control over financial reporting.

Kitchener, Canada,
March 27, 2015

/s/ Ernst & Young LLP
Chartered Accountants
Licensed Public Accountants

Exhibit 31.1

Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John Chen, certify that:

1. I have reviewed this annual report on Form 40-F of BlackBerry 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: March 27, 2015

/s/ John Chen
Name: John Chen
Title: Chief Executive Officer

I, James Yersh, certify that:

1. I have reviewed this annual report on Form 40-F of BlackBerry 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: March 27, 2015

/s/ James Yersh

Name: James Yersh

Title: Chief Financial Officer

Exhibit 32.1

Certification of CEO and CFO
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of BlackBerry Limited (the "Registrant") on Form 40-F for the year ended February 28, 2015, as filed with the Commission on the date hereof (the "Report"), John Chen, as Chief Executive Officer of the Registrant, and James Yersh, 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/ John Chen

Name: John Chen

Title: Chief Executive Officer

Date: March 27, 2015

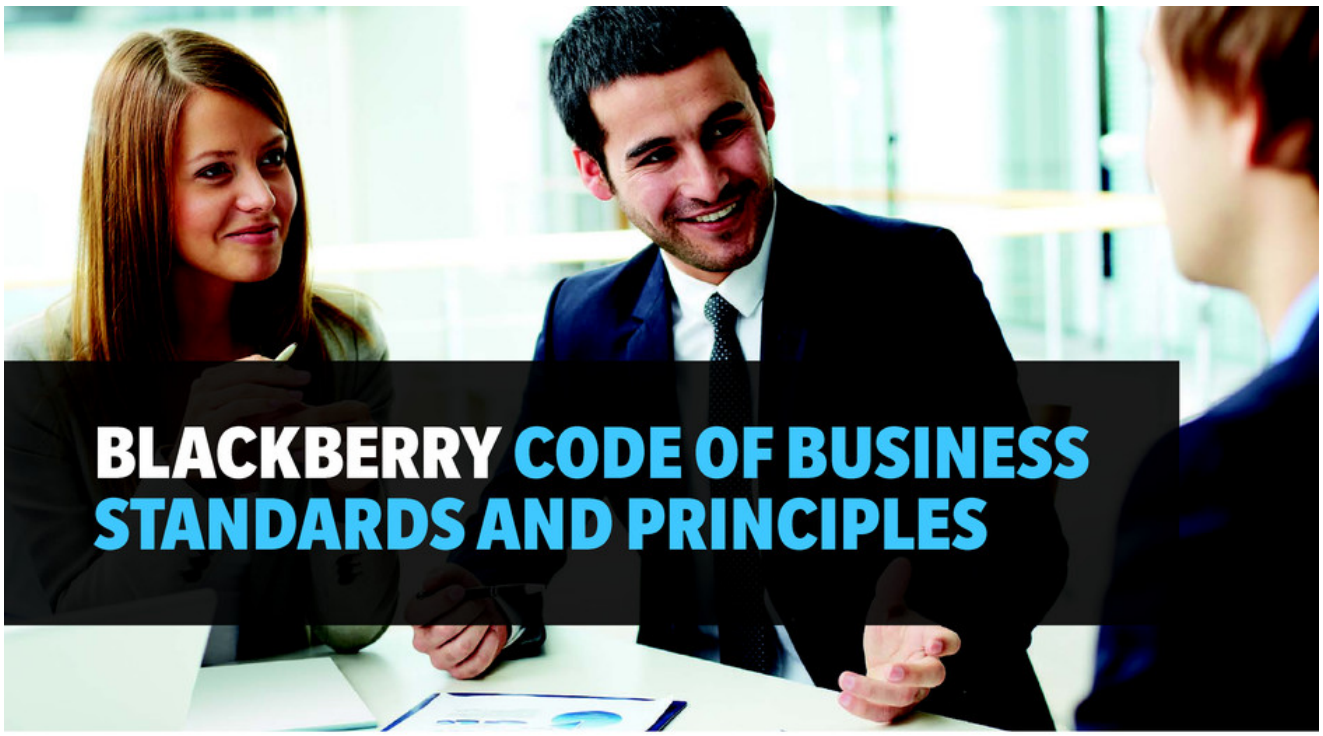
/s/ James Yersh

Name: James Yersh

Title: Chief Financial Officer

Date: March 27, 2015

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.



BLACKBERRY CODE OF BUSINESS STANDARDS AND PRINCIPLES

BlackBerry



An Introduction from John Chen

BlackBerry's business is based on trust. Since the early days of BlackBerry, customers have extended us the highest trust by allowing our solution inside their firewalled networks. They trust us to secure their most valuable information. They trust us to help them meet the range of demanding regulatory, compliance and legal requirements in sectors like finance, health and government. It has taken years to build this legacy of trust. We have earned it by delivering trustworthy products – and by conducting our business ethically and responsibly.

To maintain this trust, everyone at BlackBerry must continually demonstrate that we are an ethical company. We are judged by our collective and individual behavior. Whether our dealings are with government regulators and law enforcement or an increasingly socially conscious buying public – our stakeholders are watching us. That means, every day, we need to show that we are exemplary corporate citizens with a strong commitment to comply with, or exceed, all legal, regulatory, and ethical requirements.

To help every person who conducts business on behalf of BlackBerry understand what's expected of them, we have prepared a Code of Business Standards and Principles (BS&P). The BS&P sets forth the standards by which we conduct our operations. It is important to the long term health of our business. That is why all of us, including members of the Board of Directors, officers, employees and independent contractors who conduct business on behalf of BlackBerry are asked to acknowledge that we have read, understand and will comply with the BS&P.

Ethical behavior is not just a set of dos and don'ts. The BS&P is no substitute for good judgment and cannot cover every situation we may encounter in our daily work. When in doubt, seek guidance from the resources referred to in the BS&P. And when you see something you believe to be in violation of or inconsistent with the BS&P, say something. You are the first line of defense in protecting BlackBerry from misconduct or ethical breakdowns.

I take business ethics very seriously, and that commitment is shared by the Board of Directors. Our standards and principles will be enforced fairly and consistently, keeping in mind that individuals with responsibility are held to higher standards.

The reputation and success of BlackBerry depends on maintaining a very high standard of conduct. Please review our BS&P and, more importantly, make sure they are reflected in your everyday behavior.

John Chen
Executive Chairman and Chief Executive Officer, BlackBerry



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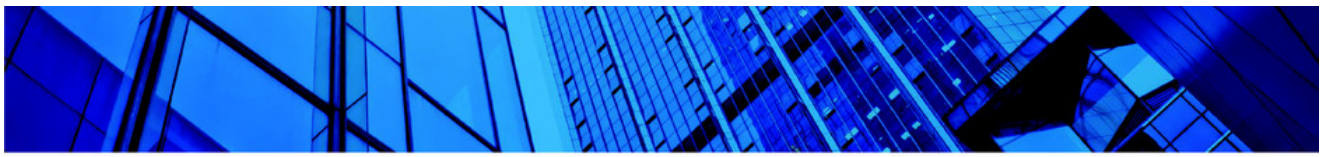
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1 ACTING WITH INTEGRITY: THE PURPOSE BEHIND OUR CODE

BS&P SECTION	CONTACT(S) (Click to view)
Continuing Our Legacy of Trust / Live Our Code	For the info of each team in this chapter • Integrity & Compliance Office

From the start, BlackBerry showed the world that we could safeguard and securely deliver e-mail to our customers, and committed ourselves to conducting business with integrity. As a result, customers know us for secure communication and reliable business dealings marked by honesty and respect. It is why they choose BlackBerry. We do the right thing every day to build this reputation. It is our legacy of trust.

We must all follow our Code of Business Standards and Principles (the "BS&P"). But it is more than just a set of rules and guidelines. It is a reflection of who we are as a company.

Know What Is Expected of You

The BS&P is a statement of principles designed to help us do our jobs in a legal and ethical manner. You can rely on it for guidance about what it means to conduct BlackBerry business with integrity. The BS&P does not address every situation or rule; instead, it outlines expected behaviors and illustrates examples of how you must take personal responsibility.

You must review, understand and comply with the BS&P and all relevant policies and procedures. If you have questions, you must seek clarification.

You will be asked, on an annual basis, to certify that you have read, understand, and will continue to comply with the BS&P. Employees with certain roles and responsibilities must also complete additional certifications and training. Regardless of your certification status, you are always obligated to follow the BS&P, BlackBerry policies and all applicable laws. Following the BS&P and acknowledging that you will follow it is a condition of employment.

You must report observed or suspected violations of the BS&P.

Choose Integrity

Our success depends on your commitment to integrity. Be honest, fair and trustworthy. Select ethical business partners who share our commitment to integrity.

Never compromise on integrity. There is no excuse for cutting corners when it comes to this, no matter what the situation is. If you violate the BS&P or other policies, you are subject to disciplinary action up to and including termination.

By committing to lawfulness and ethics, you contribute to the strength of the BlackBerry brand, protect us against financial loss, and avoid civil and criminal penalties that may result from wrongdoing.

Speak Up and Act

As you weigh decisions day-to-day, consider the ethical dimensions of your options. Where appropriate, speak up and act. BlackBerry supports you, and has access to internal and external professionals trained to assist with legal and ethical issues. Never let your conduct be influenced by rationalizations like "Our competitors do this," "This is the way business is done overseas," and "The Company can easily afford it."

You must promptly report any knowledge of or concerns regarding actual or potential violations of law or policy whether they occur inside BlackBerry or through external dealings. When asked to participate in any review of a compliance matter, you must cooperate.

BlackBerry offers many ways to report such as: BlackBerry EthicsLink (which allows anonymous reporting), your manager, HR Business Partner, Legal, Finance, and the Integrity & Compliance Office.

Take Personal Responsibility

BlackBerry believes that each Board member, officer, manager and employee should take personal responsibility for ensuring that the letter and spirit of the BS&P is followed. No one can make you act unethically, unlawfully, or in a way that contradicts the letter and spirit of the BS&P or our policies.

BlackBerry's high standards apply to its employees and partners. You must report observed or suspected illegalities and violations whether they occur inside BlackBerry or through external dealings.

"Our success depends on your commitment to integrity. Be honest, fair and trustworthy."



Make Decisions with Integrity

It is your responsibility to exercise good judgment and act ethically. The diagram below provides you with guidance on ethical decision-making when you are unsure. If you can answer "no" to all the following questions, then the decision to move forward is probably appropriate. If you answer "yes" to any question or continue to be unsure, then stop and seek appropriate guidance from your manager, Human Resources, Legal, or the Integrity & Compliance Office if you would like to proceed.

Is it illegal?

Does it violate any applicable law or regulation?

Is it unethical or in violation of the BS&P?

Is it dishonest or untrustworthy?

Is it otherwise inconsistent with BlackBerry's values, BS&P or other policies?

Would it be improper for me to act or fail to act?

Could it harm the company or others?

Does it put BlackBerry or me in a compromised position?

Does it create a conflict of interest between BlackBerry and my personal affairs?

Does it jeopardize workplace safety or the environment?

Does it disrespect any work colleague, customer, business partner or community?

Does it misuse or improperly reveal confidential information of BlackBerry or a third party?

Will it make BlackBerry books and records inaccurate, or otherwise adversely affect shareholders?

Would I be concerned if it became a front page headline?

Are any of these close questions?

Comply with Applicable Laws

BlackBerry operates as a global company and does business all over the world. This means we must comply with the laws of many different countries. You are responsible for knowing and following the laws that apply where you work or do business. In addition, because a country's laws may apply outside its boundaries you may need to be familiar with and follow the laws of a country other than the one where you work or do business. You may find your activities are subject to the laws of more than one country at the same time.

If the BS&P or company policies are inconsistent with local law, you must follow local law. If, however, a custom or practice permitted by local law is inconsistent with the BS&P, you must follow the BS&P.

If you are not sure what to do or have any questions or concerns, you should talk to your manager, HR Business Partner, Legal or the Integrity & Compliance Office. This is particularly important if you think your activities are subject to the laws of more than one country and those laws may conflict with each other or with the BS&P.

Be Aware of the Consequences

Violations of law can have serious consequences for BlackBerry and you, including substantial monetary fines, imprisonment or employee discipline up to and including termination.

Waivers Must Be Provided in Writing

If you would like to seek a waiver of the BS&P, you must make full disclosure of your particular circumstances in writing to the Integrity & Compliance Office for approval in advance of any action.

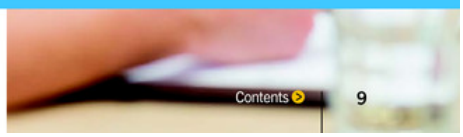
Board members and the BlackBerry CEO must seek such waivers from the Audit and Risk Management Committee of the Board of Directors. BlackBerry will disclose such waivers as required by law or applicable stock exchange rules.



Q: What law or rule should I follow?

A: You should:

- Know and follow the laws of the country (or countries) where you do business.
- Know and follow our BS&P and policies as long as they do not conflict with applicable law.
- When in doubt, ask.



Q: How can I have a say in the Integrity & Compliance program?

A: Here are a few ways that you can provide your ideas and suggestions:

- Discuss them with your manager, Human Resources or the Integrity & Compliance Office.
- Comment on integrity messages posted to BlackBerry Square.
- Submit them on BlackBerry Ideas, a portal for providing ideas about all aspects of BlackBerry (go/ideas).

Q: A vendor just called and claims that under a certain law we are responsible for a problem that must be remedied quickly. What do I do?

A: Legal furnishes advice on all legal issues arising in the course of your BlackBerry work, including advising on legal claims that third-parties make. Information on the various legal teams and contact information can be found at go/legal or by contacting legal@blackberry.com.

Q: Why are certain written disclosures and approvals required?

A: Written disclosure and approval is required for activities that are high risk and can often benefit from the guidance of someone with specialized expertise about the law or application of BlackBerry policies, in addition to a manager's oversight. Disclosures provide documentation that is useful in any internal or external investigation that may occur later. In addition, criminal sentencing guidelines and industry best practices dictate that we document our integrity and compliance activities.

Here are routine activities that require disclosure and proper written approval before they can proceed:

- Engaging in something that poses an actual or perceived conflict of interest, such as starting a business, hiring a family member to do work for BlackBerry, or investing in a supplier BlackBerry uses.
- Giving or receiving anything of value to or from a public official, including giving a device or other BlackBerry product.
- Giving a gift valued at more than $50 ($100 for meals and entertainment).
- Giving a gift of a BlackBerry product to someone who is not a public official as a business courtesy to reflect esteem or gratitude, or as part of promoting, demonstrating, or explaining a BlackBerry product or service.
- Retaining or hiring a third party to represent BlackBerry before any government or to distribute or sell BlackBerry products and services.
- Speaking publicly for BlackBerry is the job of individuals designated in our Corporate Disclosure Policy. You must not respond to questions about BlackBerry, even informally, from the investment community (including financial analysts and investors), regulators and the media, without proper authorization.
- You have an obligation to disclose to BlackBerry in writing any development of IP. This includes any IP that you develop and believe should be considered an "excluded development" that does not belong to BlackBerry.
- Requesting a waiver of BS&P requirements.

Please refer to the BS&P for more information about the requirements for engaging in these activities and others that require disclosures. Disclosures for written approval can be made as directed in the BS&P or at integrity@blackberry.com.

BS&P SECTION	CONTACT(S) (Click to view)
BlackBerry Managers Have Additional Responsibilities	For the info of each team in this chapter • Integrity & Compliance Office

Managers at all levels are expected to lead through example. As a manager, you have a special responsibility to lead with integrity. You must do more than behave legally and ethically yourself. Dedicate yourself to making sure that your team members do as well. This requires affirmative, visible steps on your part.

Lead with Integrity

Show your team lawful behavior. Show them ethics. Act with unyielding commitment to integrity day-in and day-out. Speak truthfully always. Never abandon our standards and principles. Stay faithful to our culture of integrity – our legacy of trust.

Set the right tone from the top. Listen to concerns and respond. Discuss how to make good choices in the face of the challenges your team faces. Instill in your team a belief that conducting business with integrity is our only path to success. Seek opportunities to explain the serious consequences that arise from cutting corners when it comes to integrity.

Make Integrity Central to Your Leadership

Adopt and follow processes and controls within your team that promote integrity and adherence to law. Set goals with integrity in mind.

Make sure your team members are familiar with the BS&P and the laws and policies that apply to your team.

Complete required compliance training, conscientiously and on time, and ensure that your team members do too.

Cultivate Integrity

An important part of maintaining an ethical culture is promoting an environment in which your team members are comfortable asking questions and raising concerns about potentially unethical behavior. Create this environment. Strive to have your team members regularly bring you their concerns. Answer their questions. Remediate or, as necessary, escalate identified issues. Ensure activities and disclosures receive the appropriate review and approvals.

Never retaliate or tolerate retaliation against anyone who in good faith reports a concern or cooperates with a BlackBerry investigation or audit.

Keep ethical behaviors in mind when interviewing candidates. Seek individuals who exhibit a commitment to integrity.



Reward Integrity

Recognize and encourage ethical conduct. Call out situations where integrity won the day – prevented financial loss, protected or built our reputation, or avoided other serious consequences.

Do Not Tolerate Behavior Lacking Integrity

You have a special responsibility to report illegal behavior and violations of the BS&P. You must stop misconduct with quick, appropriate action. You must inform your manager or the appropriate representative of Legal, Human Resources, Finance or the Integrity & Compliance Office of potential breaches that you observe or have reported to you.

Closely Manage Spending

As a manager, you are responsible for the money spent and expenses incurred by your reports, and must carefully review such spend and expenses before approving. If you don't understand what you are approving or do not have complete information, don't approve. Get the information you need or seek help.

Q: We have company-wide policies, so why do I have a managerial responsibility to implement my own processes and controls?

A: The requirement is that you manage the activities of your team to deliver against your team objectives and prevent fraud, corruption and other violations of the BS&P or the law. The BS&P does not cover every situation or spell out each specific process or control your team must follow to promote lawfulness and integrity. Determine the legal and ethical risks your team faces and then develop ways to address them. Here are some ideas to get you started:

- **Budget planning:** establish processes and deadlines for budgeting to ensure that sourcing, purchase order, and contract requests for vendors can be submitted on time.
- **Service-provider guidelines:** provide guidance for how a service provider should perform routine interactions with your team, such as requirements for safeguarding BlackBerry assets and formatting quotes, invoices and proof of activity.
- **Regularly review and discuss challenges:** identify and capture the information and reporting that will allow you to monitor compliance with your requirements, and set aside a regular time to discuss the challenges that your team faces as it conducts business with integrity, perhaps during a monthly team meeting.

Please contact the Integrity & Compliance Office if you would like assistance or suggestions.



2 PARTICIPATING IN AN ETHICAL CULTURE

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Actively Seek Guidance and Report Concerns	For the info of each team in this chapter • Teams identified in this section	• Handling Financial Complaints Guidelines

Integrity Requires Raising Concerns and Asking Questions

You must report suspected ethics and compliance violations immediately so that BlackBerry can address the issue. This includes possible breaches of law, the BS&P or other BlackBerry policy. You must communicate any information that you have regarding the incident or situation.

When in doubt about whether or how applicable law or our standards and principles apply to a given situation, ask questions.

Integrity Requires That You Assist with Investigations

We expect you to assist with BlackBerry investigations and audits, which includes telling the truth. If you do not, it could result in discipline including termination of employment.

We Respect Confidentiality

We will keep your identity confidential if you report a concern, to the extent consistent with law and the need to investigate. BlackBerry takes this very seriously.

Retaliation Is Not Tolerated

Retaliating against anyone who makes a good faith report of suspected unethical or illegal conduct is a violation of the BS&P and will not be tolerated by BlackBerry. The same is true of anyone participating in the investigation of a report. It does not matter whether the specific circumstances reported actually amount to misconduct.

There Are Multiple Ways to Raise Issues and Ask Questions

You can turn to any of the following resources with questions or concerns:

- Your manager/team-lead or senior managers (usually the best place to start)
- Your Human Resources Business Partner
- Legal (**legal@blackberry.com** or refer to go/legal for a resource)
- Finance
- Integrity & Compliance Office (**integrity@blackberry.com**)
- BlackBerry EthicsLink (see next page)

You should take care to not report a violation to someone that you believe may be involved in the matter.

BlackBerry EthicsLink

You can make reports of any type of ethics or compliance concern directly to the Audit Committee of the Board and the Integrity & Compliance Office using BlackBerry EthicsLink.

If you are uncomfortable identifying yourself, you have the option of reporting anonymously, subject to applicable laws. BlackBerry will not attempt to identify you if you choose to remain anonymous. Keep in mind that anonymous reports are more difficult for our Company to investigate, so whenever possible, you are encouraged to share your identity.

We Will Investigate Promptly and Fairly

BlackBerry will investigate all reports promptly, thoroughly and fairly, and will take appropriate action when necessary. BlackBerry strives to respond to policy violations consistently, providing appropriate discipline given the circumstances and the individual's level of responsibility.

Depending on the type of issue, different organizations may be involved such as the Integrity & Compliance Office, Legal or Human Resources. Individuals who are the subject of the report will not be part of the review or investigation team.

When the investigation team completes their review, it reaches a conclusion and makes recommendations on how to fix any problems identified. A summary of the case is provided to senior managers – who are independent from any misconduct – for review and action as required. For EthicsLink cases, we post an update to EthicsLink so the reporter can confirm that the matter has been addressed.

Using EthicsLink

BlackBerry EthicsLink is available 24 hours a day, seven days a week. BlackBerry has contracted with a leading international compliance and ethics company to run a reporting online web portal and call center, giving you multiple ways to provide any concerns:

Online

Concerns can be logged at **www.BlackBerryEthicsLink.com**. A team will conduct an investigation, using the portal to provide the reporter with updates on the case and to ask for further information. The reporter can access the case details at any time accessing **www.BlackBerryEthicsLink.com** and selecting "Follow-up on a report".

Phone

Call **1 (877) 281-5509** if you prefer phone. This is a toll free number for Canada and the United States. For other countries, visit **www.BlackBerryEthicsLink.com** for toll free dialing instructions in your region. Translators are also available, when needed.

Regular mail

You can also send anonymous concerns addressed as follows:

Chief Compliance Officer
2200 University Avenue East
Waterloo, ON, Canada N2K 0A7

Since it does not use the interactive functionality of the online web portal, an anonymous letter will not allow you to receive updates and follow-up information requests.

Q: How can I learn more about the results of investigations?

A: Follow messaging on BlackBerry Square about integrity and policies. Many of these messages are the result of investigation findings and recommendations. If you make a report and use BlackBerry EthicsLink, you will receive update information from the investigation team.

Q: Confidentiality is protected "to the extent consistent with law and the need to investigate." What does that mean to me if I make a report?

A: We will rigorously protect your confidentiality, only disclosing a reporter's identity when absolutely necessary, such as if we are compelled by law.

Q: How do I know when something needs to be reported?

A: The BS&P outlines expected behavior and you must report suspected violations immediately. The Q&As, hypothetical scenarios and red flags throughout the BS&P suggest items to look out for. You can work with your manager, Integrity & Compliance or Legal to identify red flags and items of concern that relate directly to the particular day-to-day work you do. And when it doubt, ask for guidance.

Q: I have loyalty to my team. Won't making a report disrupt our work?

A: You should not factor potential disruption into your decision of whether to report. Ask yourself whether a wrongdoer deserves that you turn a blind eye, sacrificing your and the Company's integrity. The financial losses, reputation damage, and serious legal consequences of ongoing wrongful behavior would be vastly more disruptive to BlackBerry and your team than a report and subsequent efforts to address ethical concerns and gaps in our procedures.

Q: How can I find someone to help me with an issue I've never encountered before?

A: The *BS&P Resource Guide* identifies internal stakeholders and experts in particular areas, as well as places to find procedure and policy information. But don't worry so much about finding the right person on your own; any of the resources identified here can help send you in the right direction, whether it is your manager, Human Resources, Legal, Finance or Integrity & Compliance.




"BlackBerry will investigate all reports promptly, thoroughly and fairly, and will take appropriate action when necessary"

3 PERFORMING WITH INTEGRITY FOR BLACKBERRY

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Protect BlackBerry's Assets and Information	For the info of each team in this chapter • Security • Privacy	• BlackBerry Corporate Security Policy • Acceptable Use of BlackBerry Systems and Data Directive

Make Appropriate Use of BlackBerry Assets

BlackBerry assets and information are valuable resources intended to make our performance more efficient. It is important that we protect these assets and never allow our personal use of them to interfere with our job responsibilities. BlackBerry assets include valuable information, such as:

- Intellectual property.
- Confidential and proprietary information, including personal information or data of customers that was provided to BlackBerry in confidence.
- Sales, marketing and other business strategies and plans.
- Financial data.
- Technology and software.
- Other trade secrets.

Our assets also include physical property, like:

- Cash.
- Equipment.
- Facilities.
- Supplies.
- Product inventory.

Protecting BlackBerry assets and information is critical to our business and overall success. Improper handling, waste or misuse of our assets can hinder our business and, in some cases, pose serious security risks for our Company and our fellow employees and lead to employee discipline including termination.

Only Legitimate Business Use Is Permitted

BlackBerry assets and information should only be used for legitimate business purposes. At times, limited personal use of assets such as BlackBerry® smartphones, company e-mail or Internet connections, may be permitted. However, you must limit such personal use, and cannot allow it to interfere with your work or overburden BlackBerry systems. This includes a prohibition on using BlackBerry assets in support of outside business, political or charitable interests. You must never use BlackBerry assets to access, use or share information deemed inappropriate for a workplace setting. This includes content of a sexual nature, inappropriate or derogatory humor, or discriminating or harassing comments. You must also never use BlackBerry assets in connection with any illegality.

Expect Monitoring of BlackBerry Assets and Systems

When using BlackBerry assets such as telephones, fax machines, desktop or laptop computers or BlackBerry® smartphones, you should not expect that any of the information you send or receive is private. Where allowed by local law, our Company may monitor your use of any BlackBerry assets to ensure it is in line with the principles set forth in the BS&P.

As a group of companies with an international presence, personal information may be collected, used, processed, transferred or stored by or on behalf of BlackBerry in multiple locations where we or our service providers have offices and facilities including Canada, the United States, the European Economic Area, Singapore and other locations that may be outside the country in which you are situated.

Protect Against Misappropriation and Fraud

BlackBerry does not tolerate misappropriation of Company assets or fraud. It is wrong for employees or others to misuse, abuse, steal or waste any BlackBerry asset – including employees' time during the work day – in order to obtain a personal financial gain or other benefit. Misrepresentation or deception can occur through words, through conduct or by concealing facts and actions from the Company. Whether it is stealing product samples, inflating overtime hours, falsifying an expense report or embezzling from the company, all are dishonest, disallowed and could result in significant adverse consequences both to BlackBerry's reputation and brand, and to your continuing employment.

You can do your part to protect against misappropriation and fraud by following security procedures, and maintaining vigilance for indications of misuse, theft or waste of Company assets.

General Guideline for Use of Assets

Approved Uses of BlackBerry Assets:

- Legitimate business use.
- Limited personal use, so long as it does not interfere with your work or overburden BlackBerry systems.

Prohibited Uses of BlackBerry Assets (Absent Authorization):

- Non-BlackBerry purposes, including for an outside business.
- In a manner reflecting negatively on our Company.
- Unlawful or offensive activities.
- In support of political activities. (Please see the more complete discussion at Participate in the Political Process Responsibly).



Q: My sales team is short of a quarterly sales goal that will impact our bonuses. A customer has told me that it intends to place a large order at the beginning of the next quarter, which is just a few days away. Is it permissible for me to falsify a sales report so that the order appears to make up the shortfall?

A: No. Falsifying company records is wrong and prohibited, regardless of whether it would have a financial impact to the Company or an employee. The fact that the misrepresentation would result in an undeserved financial benefit makes it fraudulent. Laws also require that books and records be complete and accurate, so any misrepresentation in our books and records – whether fraudulent or intended to benefit the Company or not – may be a violation of law.



Q: Why does BlackBerry monitor telephones, fax machines, desktop or laptop computers or BlackBerry® smartphones?

A: Laws or legal processes may require BlackBerry to preserve, search or access information from BlackBerry systems in connection with threatened or pending litigation or to meet legal or regulatory requirements (for example, to conduct compliance investigations, to address misconduct or misuse of BlackBerry systems, or to respond to court orders, warrants or other lawful requests or legal processes). BlackBerry systems may also be subject to ongoing maintenance and scanning to ensure they are operating properly, to promote safety and protect the integrity and security of the information, and to ensure continuity of business operations.

⚠ Red Flags

The following "red flags" will help you identify possible instances of fraud and misuse of assets. Remember that red flags do not always indicate impropriety but rather provide possible warning signs of fraud, misuse of assets or other misconduct.

1. Any financial transaction that does not make either common or business sense, such as transactions or events occurring at odd times, amounts that are too large or small, unusual deal structure, margins or discounts that are unusually high, cash payments or excessive upfront payments (e.g., Company assets sold under market value or in a manner that excludes other potential buyers from bidding).
2. Transactions with questionable government connections, involving people closely connected to a public official, political contributions or payments to a public official, use of a specific consultant or other business partner at the request of a public official, or requests for increased commission during a negotiation with a public official.
3. Service contracts that result in no apparent product or service, including payments to agents or other individuals where it is not clear what service or benefit they have provided.
4. Inconsistent or misleading statements regarding transactions or relationships.
5. Rumors, media or other reports of unethical or suspicious conduct, such as a conflict of interest.
6. Information (whether or not involving BlackBerry) that comes to light regarding a bribe or misconduct by a party with whom an employee, agent or contractor has a relationship.
7. A suggestion that no one needs to know "specifics" or "details" about how a transaction will be completed or an objective attained.
8. Reluctance to provide information to managers, auditors, legal, investigators or others who should have access.
9. Irregular, missing or questionable documents.
10. Efforts to document a transaction in a way that is inaccurate or incomplete, or that otherwise falsifies the transaction or supporting documentation
11. Invoices that contain suspicious or unexplained items such as "miscellaneous payments," "business facilitation expenses" or "unforeseen expenses."
12. Lack of segregation of duties in vulnerable areas, such that decisions can be dominated by an individual or small group, particularly where there is little or no oversight.
13. Refusal to take vacation and/or sick leave (if other red flags are present).
14. Involvement in a transaction of people who aren't normally involved, aren't qualified, are referred to cryptically or are not identified by name.
15. Suggestion that an undisclosed person must be "kept happy" or words to that effect.
16. Any payment required to "get the business" or where there is a suggestion that an unusual payment is being dictated by an outside party.
17. Extravagant gifts or unexplained benefits such as expensive cars, jewelry, clothes or travel.
18. High employee turnover, especially in those areas that are more vulnerable to fraud.
19. Frequent changes in corporate bank accounts including unexpected overdrafts or declines in cash balances, inability to explain variances in invoices or account balances.
20. Frequent exceptions and overrides of corporate policies, procedures and controls.

If you see red flags or you have some other basis for suspecting fraud or misuse, you are obligated to raise your questions or concerns. Your best guide is often a feeling that something is wrong.

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Do Not Disclose BlackBerry Confidential Information	For the info of each team in this chapter • Security • Non-Disclosure Agreement Team	• BlackBerry Employee/Consultant Confidentiality and Intellectual Property Agreement • BlackBerry Information Classification Policy

It is vital that you think of and protect information just like you would any other BlackBerry asset. Much of the information available to you as a BlackBerry employee is confidential or proprietary. This is information not generally available to the public, which includes BlackBerry technical information, business and marketing data and plans, financial data, internal e-mail communications, information about customers including personal information or data, existing and future product information and any other information generally considered confidential in our industry. If you fail to properly protect and secure BlackBerry confidential or proprietary information, you could be subject to discipline up to and including termination. If you have any questions on whether information is confidential or proprietary, or how to protect it, you should consult your manager or Corporate Security.

Avoid Inadvertent Disclosure

You must be extremely careful to avoid disclosure of BlackBerry's confidential or proprietary information. You should not discuss such information in public places where others may overhear you, or on blogs or social media networks. You must never leave it unattended.

Intentional Disclosure Must Be Authorized

You must exercise extreme caution before intentionally disclosing any confidential or proprietary information. When disclosing such information within BlackBerry, you should be sure you are authorized to do so and then only share it with colleagues who truly need to know the information to do their jobs.

You should not disclose confidential or proprietary information to anyone outside of BlackBerry unless all of the following are met:

- You have obtained your manager's approval or already have the authority to do so.
- The disclosure is limited only to such information as is necessary to fulfill BlackBerry's particular business purpose.
- There is a signed and valid non-disclosure agreement in place (be sure to follow the instructions on go/nda for completing and then submitting the original signed copy of the agreement to the NDA Mailbox).
- You have marked the documents disclosed as "BlackBerry Confidential".

Report "Leaks" Immediately

You must immediately report any unauthorized disclosure of BlackBerry confidential or proprietary information – even inadvertent – and other security incidents to Corporate Security, as well as your manager.

This Is a Lasting Obligation

Your obligation to safeguard BlackBerry confidential or proprietary information continues after you are no longer a BlackBerry employee. You may never disclose BlackBerry confidential or proprietary information after you leave, unless you have BlackBerry's consent to do so.

Q: I travel frequently for my job. While at the airport awaiting a flight, I check my e-mail and return phone calls on my pre-released BlackBerry smartphone. My conversations are usually brief, but sometimes turn to detailed discussions of confidential BlackBerry protocols. Such in-depth calls are rare, and I believe that no one is listening to my conversations in the noisy terminal. As long as I limit the frequency of these calls, is it okay for me to discuss confidential matters in a public place?

A: No. You have no way of confirming whether anyone is listening to your conversations, and whether you are compromising confidential BlackBerry information. You must not discuss confidential or proprietary information in such situations, and doing so could result in discipline, up to termination. Additionally, while it is acceptable for you to respond to e-mails on your Company-issued BlackBerry smartphone, you must be cautious when viewing sensitive materials – especially on a pre-released device. Even though it may seem that others around us are not paying attention to your work, you never know who may be looking or listening. In particular, pre-release devices not yet available to the public must always be used with discretion and kept out of plain view, unless proper authorization has been received to display it in public for business purposes.



Q: Where can inadvertent disclosure occur?

A: Public places where others may overhear you include places such as airports and airplanes, train stations, coffee shops, hotel lobbies or while attending conferences or other industry events. Since there is no way of knowing who may be listening or watching, you must be sensitive to your environment. Never take any risks that could jeopardize the security of BlackBerry's confidential or proprietary information.

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Protect and Respect Intellectual Property Rights and Open Source Software	For the info of each team in this chapter • Integrity & Compliance Office (for excluded development disclosures) • Your Human Resources Business Partner • Open Source Team	• BlackBerry Employee/Consultant Confidentiality and Intellectual Property Agreement • BlackBerry Open Source Software Policy

Understand the Implications of Intellectual Property Rights and Developments

Among our most valuable assets is our intellectual property ("IP") – inventions, patents, trade secrets, trademarks, copyrights, design rights, know-how and other proprietary information. You are accountable to establish, protect, maintain and defend BlackBerry's rights in all commercially significant intellectual property and original works of authorship (including, but not limited to, computer programs, equipment manuals and databases) and to use those rights in responsible ways.

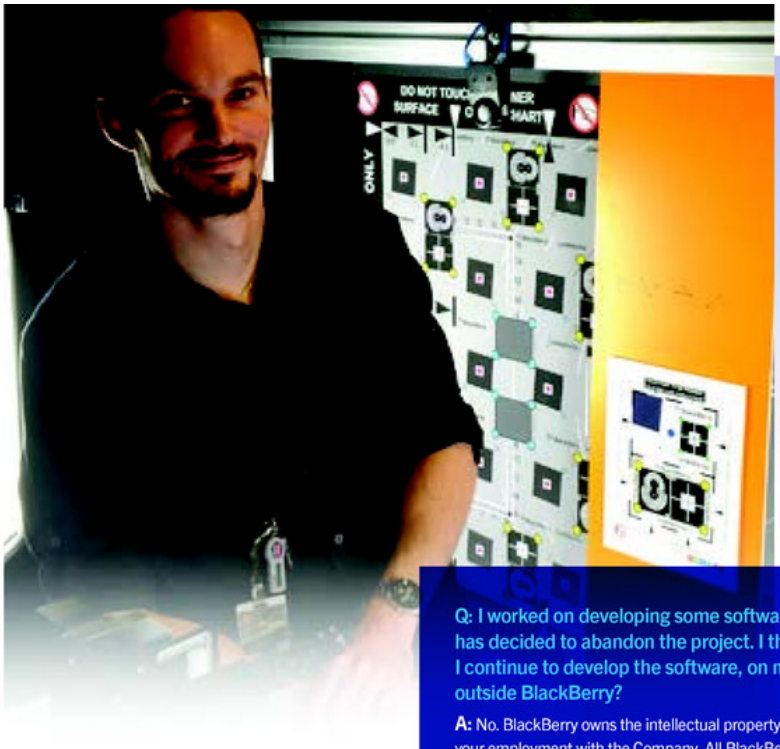
You must likewise respect the valid, exclusive IP rights or copyrighted materials of third parties.

As part of the **BlackBerry Employee/Consultant Confidentiality and Intellectual Property Agreement** you previously signed or acknowledged, virtually all IP developed in the course of your employment belongs to BlackBerry. You also have an obligation to disclose to BlackBerry in writing any development of IP. This includes any IP that you develop and believe should be considered an "excluded development" that does not belong to BlackBerry. If you would like to make a written disclosure, have any questions about the use and disclosure of BlackBerry's and third parties' IP or have questions relating to "excluded developments", contact the Integrity & Compliance Office.

Be Compliant in Open Source Development

Open source software is free of charge and made available as source code, but under licenses that impose certain legal obligations. Non-compliant use of open source software can have significant consequences for BlackBerry, our suppliers, our distributors and even our customers. Prior to using, modifying or distributing open source software, you must obtain approval in accordance with the BlackBerry Open Source Software Policy.





Q: I am a BlackBerry developer, and am thinking about developing a smartphone application in my spare time. I have an innovative idea that I think could be very profitable. I would like to begin work right away. Is there anything I should do before starting development?

A: Yes. While it is tempting to begin work right away, you should disclose your intention to develop the application, **in writing**, before you start development, so that it can be discussed in light of your **BlackBerry Employee/Consultant Confidentiality and Intellectual Property Agreement**, and the BS&P. BlackBerry may even have an application development program that you can take advantage of. Contact the Integrity & Compliance Office to make a disclosure or ask questions.

Q: I worked on developing some software for BlackBerry, but the Company has decided to abandon the project. I think the software has potential. May I continue to develop the software, on my own time, and sell it to businesses outside BlackBerry?

A: No. BlackBerry owns the intellectual property rights in any software you worked to develop during your employment with the Company. All BlackBerry IP is the property of the Company as a whole, and ultimate responsibility for its management resides with BlackBerry.

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Avoid Conflict of Interest Situations	For the info of each team in this chapter • Integrity & Compliance Office (for conflict of interest disclosures) • Your Human Resources Business Partner	• Giving and Receiving Gifts, Entertainment or Other Business Courtesies Policy • Corporate Procurement Manual & Policy • Travel and Expense Policy and Guidelines

Performing with integrity for BlackBerry means acting in BlackBerry's best interests and avoiding any situation where you could be said to have divided loyalty or to be using your position at BlackBerry to obtain favorable treatment for yourself or someone close to you. Such "conflicts of interest" can make it difficult for you to perform your work objectively and efficiently, and can negatively affect your and BlackBerry's overall success.

You need to avoid any situation that creates even the appearance of a conflict of interest, unless and until you have made full written disclosure of all facts and circumstances, and obtained the written approval described below.

The following sections outline some of the more common situations where a conflict may arise, how to determine whether you need to disclose a potential conflict, and how to make a written disclosure. When in doubt, ask for guidance.

Outside Activities Cannot Compete or Interfere with Your Work

It is important that you not allow outside activities to interfere with the work you do for BlackBerry. This could include participating on a board of directors or advisory board, conducting an outside business or engaging in part-time employment while working in your current position at BlackBerry.

You may not work or engage in business for a different company or entity – with or without compensation – unless you receive a properly authorized exception in writing as described below. This is particularly important for those at a manager-level or above, who have additional job responsibilities within BlackBerry.

A volunteer role for a charitable organization only needs to be disclosed and approved as described below if the activity will infringe on company time or pose any other conflict of interest (such as accepting a duty of loyalty to a board of directors for a non-profit organization).

In addition, even if you have disclosed the outside activity and received approval to proceed, you may not:

- Use BlackBerry assets, facilities, services or resources, including BlackBerry IP, confidential or proprietary information or your time during the work day, on your outside activities.
- Use your position at BlackBerry to gain an advantage in your outside activities.
- Place yourself in a position where your outside interests could place you or a product, service or business on which you are working in competition with BlackBerry.

Do Not Take Personal Advantage of Corporate Opportunities

You must never take personal advantage of a business or investment opportunity that you become aware of that could benefit BlackBerry. You must obtain written approval as described below before acting on such an

opportunity yourself. Unless and until BlackBerry has been able to evaluate such an opportunity and has chosen not to pursue it, you must avoid it.

Avoid Doing Business with Friends and Family

From time to time, your actions as a BlackBerry employee may directly or indirectly affect the interests of family members and friends. Such a situation can arise, for example, when a family member or friend becomes an employee of, or significant investor in, a supplier or customer you conduct business with on behalf of BlackBerry. Although not every such situation will be a conflict of interest, you must not conduct such business without making full disclosure of these relationships and obtaining written approval as described below whenever such a situation arises. Even where such activities are approved, you must not allow your personal relationships to influence, or appear to influence, your ability to act in BlackBerry's best interest.

In addition, you should never act as a supervisor over any BlackBerry employee or outside contractor who is a family member or other person with whom you have a significant personal relationship. This includes situations where you might have direct or indirect reporting relationships with such persons or influence over that person's employment, performance review, salary administration, promotion, demotion, assignment of work, lay-off, termination, transfer, or other employment-related decisions. You must avoid even indirect reporting relationships with such persons that could appear to result in preferential treatment, retaliation, or favoritism. You must make full disclosure of these relationships and obtain written approval as described below whenever such a situation arises.

Outside Financial Interests Can Create Conflicts

BlackBerry respects your right to manage your personal finances. However, some outside financial interests may actually influence or may be perceived by others to improperly influence your performance of your job at BlackBerry. This influence may arise, for example, because of the amount of your investment or the particular organization in which you invested, such as a BlackBerry competitor, customer, supplier or other business partner. It is not typically a conflict of interest to make investments in BlackBerry competitors, customers, suppliers or other business partners so long as:

- The total value of the investment is less than 1% of the outstanding stock of the company; and
- The amount of the investment is not so significant to you that it would affect your business judgment on behalf of BlackBerry.

If you or a member of your immediate family who resides with you owns or seeks to own any such financial interest, promptly disclose the matter and obtain written approval as described below.





Giving and Receiving Gifts, Entertainment and Other Business Courtesies

Business gifts and entertainment can be lawful and appropriate courtesies that build a strong business relationship between BlackBerry and those with whom we do business, but we must be cautious and moderate in their use. A conflict of interest can easily arise if business courtesies suggest that favorable treatment was given, received or is expected, or was otherwise used to improperly influence a business decision. For this reason, giving or receiving gifts, entertainment or other business courtesies should be reserved for situations where business norms and standards would typically expect them as a modest token of respect and courtesy.

For more detailed guidance regarding the giving and receiving of gifts, entertainment and business courtesies, including applicable internal guidelines, value thresholds and approval protocols, see the Gifts, Entertainment & Business Courtesies Appendix.

Disclose Actual or Potential Conflicts and Obtain Approval in Writing

Simply having a conflict of interest is not a violation of the BS&P, but failure to disclose and obtain the appropriate approvals for the conflict is. If you have any questions about whether something may be a conflict of interest, raise it with your manager, Human Resources Business Partner or the Integrity & Compliance Office.

To determine if a conflict of interest exists or would appear to exist, you should consider:

- The nature of your responsibilities at BlackBerry and your ability to affect the outcome of a transaction or business arrangement;
- The interests of others who are or appear to be closely tied to you, such as family members and personal friends; and
- How the circumstances might appear to others within and outside BlackBerry absent full disclosure and approval to move forward.

If you are aware of a possible conflict of interest, you must: (a) immediately disclose all facts and circumstances in writing to your manager, Human Resources Business Partner or the Legal Department, and (b) obtain formal written approval through the Integrity & Compliance Office before proceeding. In addition, members of the board of directors and officers must obtain formal written approval from the Audit and Risk Management Committee of the board of directors.

Q: I am a BlackBerry employee, and recently started a sideline business outside the company. From time to time during the work day, I take calls or send or receive e-mails relating to the business, do research related to it, or work on "side of the desk" projects in support of it. Is this permissible?

A: It is perfectly reasonable for employees to handle personal calls or e-mails from time to time during the work day, or to work on outside interests during breaks. However, it is unreasonable and a violation of the BS&P for such outside activities to encroach upon your day-to-day work, or for BlackBerry assets including BlackBerry e-mail to be used in support of outside business activities. We owe BlackBerry a duty to focus on our BlackBerry work obligations during the work day, and to use BlackBerry assets for BlackBerry business only. When outside interests interfere with those duties, there is an impermissible conflict of interest. Further, unless you have disclosed your outside business and received approval to pursue it, you are in violation of the BS&P and could face disciplinary action.

You also need to be mindful of that fact that you may need to disclose any IP you are developing in connection with this business, to ensure that it is an "excluded development" not subject to BlackBerry ownership.

Q: I have worked for BlackBerry for many years in its procurement department. My wife and I have an investment in a company that is less than 1% of its outstanding stock, but that used up much of our savings. I am in charge of a project on which this company intends to bid for a role as a BlackBerry supplier. Do I have a responsibility to disclose this information to BlackBerry?

A: Yes. Your substantial investment in a would-be supplier with which you could work creates a potential conflict of interest. BlackBerry employees cannot work on transactions or with companies where they or a family member have a substantial financial interest.



"You need to avoid any situation that creates even the appearance of a conflict of interest"

4 TREATING OUR CUSTOMERS AND BUSINESS PARTNERS WITH INTEGRITY

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Do Not Allow Bribes or Other Improper Payments	For the info of each team in this chapter • Integrity & Compliance Office	• Handling Financial Complaints Guidelines • Prevention of Improper Payments Policy • Giving and Receiving Gifts, Entertainment or Other Business Courtesies Policy • Providing BlackBerry Products to Public Officials Policy (covers device and software seeding) • Providing BlackBerry Products to a Third-Party Who is Not a Public Official Policy (covers device and software seeding)

BlackBerry competes in the marketplace through the quality of our products, the skills of our people and our ability to provide goods and services at competitive prices. You must comply with all applicable anticorruption laws. You may never make, promise, offer, fund or authorize a bribe, kickback, facilitation payment or other improper payment in connection with BlackBerry's business with a public official, government entity or any other third-party.

A "public official" is interpreted broadly and includes anyone serving in or employed by a national, state, provincial or local government body or agency, such as elected officials, appointed officials and civil servants—for more information, and examples, refer to the Prevention of Improper Payments Policy.

Our retention and use of third parties who represent us or perform services on our behalf creates significant anticorruption risk, especially where interactions involve public officials. You must seek guidance and obtain written approval from the Integrity & Compliance Office before retaining or hiring a third-party to represent BlackBerry before any government or to distribute or sell BlackBerry products or services.

BlackBerry is required by relevant anticorruption laws to maintain accurate books and records, as well as a system of internal controls designed to detect and prevent improper payments.

For more detailed information about BlackBerry's policy regarding anticorruption compliance, please refer to the Prevention of Improper Payments Policy.

BS&P SECTION	CONTACT(S) (Click ➔ to view)
Adhere to Competition Laws	For the info of each team in this chapter ➔ • Integrity & Compliance Office

BlackBerry competes vigorously in the marketplace, but does so honestly, fairly and in accordance with all applicable competition laws (sometimes called "antitrust", "anti-monopoly" or "cartel" laws). These laws are aimed at prohibiting agreements or practices that restrict free trading and competition between businesses.

Certain conduct is absolutely prohibited under these laws, and could result in your imprisonment, not to mention severe penalties for BlackBerry. To comply with these laws, you should not:

- Agree with competitors or exchange information with competitors regarding prices, price-related information or any other aspect of competitive strategy with competitors. This includes information about promotional spending or terms, costs, product supply, marketing, territories or other sensitive marketing information.
- Agree or discuss with a competitor the allocation of markets or customers, or not to serve certain markets, market segments or customers.
- Violate fair bidding practices by engaging in bid-rigging or other improper or collusive tendering or procurement practices.



- Conduct yourself in any way that could be viewed as an attempt to exclude present or potential competitors or control markets.

You should also not seek to enter into agreements that unreasonably limit the freedom of a reseller, customer or supplier to sell a product, service or technology however it sees fit, including establishing the resale price of a product or service, or improperly conditioning the sale of products, technologies or services on an agreement to buy other or solely BlackBerry products and services.

Although the principles of these laws are straightforward, their application to particular situations can be quite complex. If any BlackBerry competitor or business partner discusses any of these topics – even indirectly or casually – stop the conversation immediately, and seek guidance from the Legal Department.

Be particularly careful when attending industry conferences or trade shows to avoid even the appearance that your business decisions reflect an improper influence or involve unfair business practices. If you find yourself involved in a conversation that turns to the sharing of business practices, even remotely, you should terminate the conversation.

Any personnel found to have violated BlackBerry's antitrust policies will be subject to discipline, up to and including termination of employment. If you suspect that anyone at the company is violating the competition laws, notify the Legal Department or the Integrity & Compliance Office immediately.

Q: I am attending an industry conference on behalf of BlackBerry, and have met up with an old college friend who now works for a major competitor. My friend has told me that if BlackBerry charges a certain price for the newest BlackBerry smartphone model, she will ensure her company charges the same price for its competing smartphone. I know I can't agree to this, but I am not sure what I should do in this situation. What actions should I take?

A: First, you must make it very clear to your friend that you will have nothing to do with this discussion. Price-fixing is an anti-competitive topic, even the discussion of which could lead to serious consequences for you and BlackBerry – as well as for your friend and her company. Then, you must promptly report the incident to the Legal Department or Integrity & Compliance Office.



BS&P SECTION	CONTACT(S) (Click to view)
Participate in the Larger Telecommunications Community	For the info of each team in this chapter • Integrity & Compliance Office

As a leader in wireless telecommunications and technologies, BlackBerry possesses a unique perspective and valuable expertise. We exchange ideas and knowledge with our stakeholders and other industry participants, where appropriate. This includes actively engaging with regulatory bodies and participating in industry associations and technology standards bodies that seek to drive innovation and promote access to our technologies for people across the globe. In doing so, we abide by competition laws. See Adhere to Competition Laws section.

BS&P SECTION	CONTACT(S) (Click to view)
Market Our Products with Integrity	For the info of each team in this chapter • Marketing

You must promote our products in ways that are consistent with BlackBerry's reputation for integrity, reliability and craftsmanship. This means you must market our products and services based on their unique characteristics, innovation and quality. This also means you may not engage in any false or misleading advertising, or otherwise misrepresent our products and services. Likewise, you must adhere to applicable laws and regulations regarding the use and disclosure of customer information in the marketing of our products and services.



BS&P SECTION	CONTACT(S) (Click to view)
Comply with International Trade Control Laws and Regulations	For the info of each team in this chapter • International Trade Controls

BlackBerry is a global company with operations around the world that engage in a wide variety of activities including sales, marketing, research and development, and manufacturing. We deliver hardware, software, services and technology to business partners and customers in dozens of countries. As a result of this global presence, our Company is subject to and abides by numerous trade control laws and regulations governing the export and import of hardware, software, services and technology, as well as trade embargos and other sanctions and restrictions.

If your work involves transactions or business activities that cross borders or involve foreign parties, you need to understand how these laws, rules and regulations might apply.

Export and Import Activities

An "export" can occur through physical delivery, e-mail, download or other transmission of a product, software or technology from one country to another. It may also be considered an export when you disclose or provide software, services or technology to a citizen of another country, regardless of where the person is located. Such "deemed exports" can occur via written, oral or visual means, including activities such as site visits, in-person meetings or even telephone calls. In some instances, BlackBerry must obtain a license or a permit or other export authorization before it can export certain items or information to certain countries or recipients.

An "import" is the transfer of goods into a country through physical or intangible means from a foreign or external source, which can include another BlackBerry location. Imports may require the payment of duties and taxes, as well as the submission of certain filings and receipt of import authorizations such as a license, permit or other approval.

Before engaging in an export or import activity, you must verify the eligibility of both the location of delivery and the recipient, ensure that all required licenses, permits or authorizations are in place, and ensure that all necessary submissions have been completed. You must understand which party to the transaction is responsible for the accuracy, completion and submission of relevant documentation, and the securing or relevant licenses, permits or other authorizations. Ensure that all documents or submissions for which BlackBerry or its agents are responsible are accurate and complete, and that all information provided by BlackBerry to other responsible parties is similarly accurate and complete.

Sanctions, Embargoes, Anti-Boycott and Other Trade Restrictions

From time to time, governments use economic sanctions and trade embargoes to further various foreign policy and national security objectives. In order to ensure BlackBerry's compliance with any applicable restrictions, you must ensure that all international transactions are screened against involvement of countries, persons or entities subject to applicable sanction, embargo or other trade restriction. You must also refuse to cooperate with restrictive trade practices or boycotts prohibited under U.S. anti-boycott law, and alert your manager or the Legal Department to any boycott-related requests.

At times, the trade control laws of multiple countries or regions may be implicated by a transaction and may be in conflict with one another in whole or part. In the event such a conflict arises, consult with your manager or the Legal Department.

Q: I work in logistics, and have been asked by a BlackBerry sales manager to alter the product descriptions and valuations being entered into the documentation for a shipment of products to another country. It was explained that this will expedite customs clearance and result in a more favorable duty rate. Can I alter the documentation?

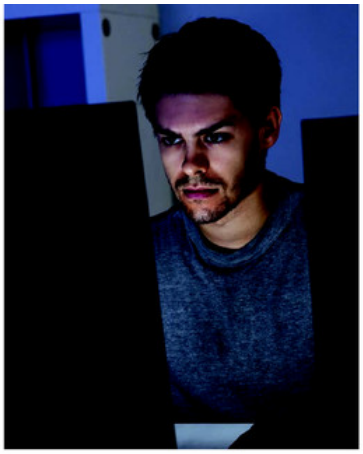
A: No. All documentation surrounding any shipment of BlackBerry products must be accurate and complete. It is never appropriate or justified to misclassify or mischaracterize products or transaction values, or to otherwise falsify documentation, which could result in violations of law and significant penalties for the Company and the individuals involved. You should contact BlackBerry's International Trade Controls and Compliance group of the Legal Department by sending an email to ExportControls@blackberry.com.

Q: I work in product development and need to ship several pre-release BlackBerry smartphones outside of North America for testing purposes. Can the smartphones be shipped without first obtaining an export permit or license?

A: It depends. BlackBerry's International Trade Controls and Compliance group of the Legal Department needs to be consulted by sending an email to ExportControls@blackberry.com. You will be advised on the proper procedure to export the devices and whether any export permits or licenses are required before shipping the BlackBerry smartphones.



BS&P SECTION	CONTACT(S) (Click to view)
Work to Prevent Money Laundering or Terrorist Financing	For the info of each team in this chapter • Integrity & Compliance Office



BlackBerry only does business with reputable customers and vendors, and will not tolerate criminal organizations seeking to leverage our Company improperly. This includes maintaining vigilance against money laundering, a process whereby transactions with a legitimate business are used to conceal funds generated by illegal activities to make them appear to be legitimate. BlackBerry similarly does not engage in financing or other business with organizations known or suspected to be involved with terrorists or other illegal conspiracies.

Our Company is similarly proactive in seeking out potential use of our technology for illicit or illegal purposes, and works with local and international authorities whenever possible to eliminate these activities.

⚠ Red Flags

You have an obligation to report unusual or suspicious activities or transactions that could indicate improper conduct. Be on the lookout for the following, which could indicate a potential trade control, money laundering or improper financing issue:

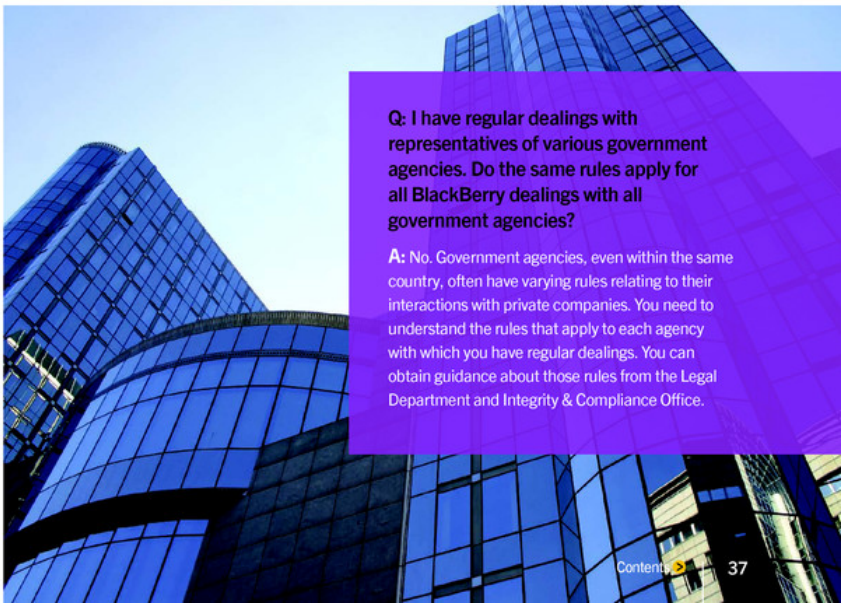
- A customer or vendor seeking to make an abnormal payment such as a large payment in cash, through someone outside the transaction or via unusual accounts or sources of financing.
- A new customer with questionable characteristics for the proposed transaction.
- Unusual transaction structure, including overly complex or unnecessary routing.
- Requests that an inaccurate monetary value or product description be applied to a shipment or provision of goods or services.
- Reluctance or refusal to respond to reasonable requests for information about end customers, end users, intermediate consignees or delivery locations.
- Requests for atypical packaging or marking of goods without a reasonable business justification.
- Questionable requests surrounding documentation.
- Requests for information about or certifications regarding sourcing from, involvement of or routing through certain countries.
- Involvement of unnamed parties or undisclosed locations.
- Resistance to correcting inaccurate or incomplete documentation.

Seek guidance from the Legal Department or the Integrity & Compliance Office if you encounter such "red flags."

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Comply with All Government Contracting Requirements	For the info of each team in this chapter • Integrity & Compliance Office	• Prevention of Improper Payments Policy • Providing BlackBerry Products to Public Officials Policy • Giving and Receiving Gifts, Entertainment or Other Business Courtesies Policy

BlackBerry regularly sells products and services to government entities throughout the world. Sales and other dealings with government entities as customers, or otherwise involving the expenditure of public funds, are heavily regulated and subject us to additional laws, regulations and procedures to which we must all strictly adhere in the pursuit and performance of our government contracts. These additional requirements often involve disclosures and certifications relating to matters such as pricing and product quality, limitations on provision of gifts and entertainment, and strict regulation of bidding and vendor selection processes.

If you are involved in government-related sales or service activities, including submission of bids or tenders, or the negotiation, administration or fulfillment of government contracts, you must understand and adhere to the additional rules and requirements applicable to those activities.



Q: I have regular dealings with representatives of various government agencies. Do the same rules apply for all BlackBerry dealings with all government agencies?

A: No. Government agencies, even within the same country, often have varying rules relating to their interactions with private companies. You need to understand the rules that apply to each agency with which you have regular dealings. You can obtain guidance about those rules from the Legal Department and Integrity & Compliance Office.

Q: During a recent meeting with my contact at a government customer, the agency representative offered to disclose information about a competitor's bid on an active procurement. Can I obtain that information and use it to improve BlackBerry's bid on the same procurement?

A: No. We cannot seek confidential, sensitive or otherwise proprietary information about a government procurement – or any other procurement for that matter – in circumstances where we know or have reason to believe disclosure of the information is not authorized. This includes information internal to the government or relating to a competitor such as bid, proposal or pricing information. You must contact the Legal Department, the Integrity & Compliance Office or Government Sales in circumstances where such an offer to disclose information is made to you, or where such information is inadvertently disclosed to you, whether the offer or disclosure is made by the government, a competitor or some other third party.

Q: BlackBerry recently submitted a bid on a procurement by a government agency. Would it be permissible for the sales representative primarily responsible for the account to pay for a lunch with his counterpart at the agency?

A: The rules applicable to the bidding and vendor selection process may limit the type or amount of contact BlackBerry can have with agency representatives during the active procurement process. Depending on the rules applicable to the agency, it may or may not be permissible for BlackBerry to pay for even a modest meal, regardless of whether it occurs during an active procurement process. The fact that BlackBerry does have a bid pending with the agency heightens the risk that its provision of a thing of value such as a meal to an agency official could be construed as an effort to improperly influence the bidding process. The sales representative must obtain advance approval from the Integrity & Compliance Office before paying for any meal of, or providing any other thing of value such as a gift or entertainment to, any government official. It is never appropriate for such a benefit to be offered or conferred in order to improperly influence a government official.



BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Obtain and Use Third-Party Information Appropriately	For the info of each team in this chapter • Integrity & Compliance Office • Privacy • Non-Disclosure Agreement Team	• Privacy Policy

Just as we expect others to respect our IP and confidential information, we have a similar obligation to respect the IP and confidential information of our customers, competitors, vendors, suppliers or any other third party. This means you should not accept such information unless you are sure the person providing it is authorized to do so. When you receive third-party IP or confidential information, you are responsible for determining if the information is subject to a non-disclosure agreement and, if it is, for knowing its requirements and complying with them. You must use such information only for the purpose it was provided, and limit any disclosure to others who have a need to know and are authorized to receive the information. Failure to protect third-party information could not only damage our relationships and harm our reputation, but it could also expose you and BlackBerry to potential liability.

Further, you may never use illegal or unethical methods to obtain any third party's IP or confidential information. Nor should you encourage or permit someone else to do so, whether they represent BlackBerry or not. For example, we recognize and respect the obligations team members who have previously worked for a competitor have not to disclose the confidential Information of their former employer to BlackBerry. If you obtain third-party IP or confidential information by accident, or if you are not sure if a disclosure is authorized, you should contact the Legal Department for guidance before you use the information or share it with anyone else.

Protect the Privacy of Personal Information

Protecting information is at the core of what we do. We earn our customers' and other third-parties' trust by keeping their personal information secure. The same applies to confidential information concerning BlackBerry employees. In addition, many of the countries where we do business have strict laws governing the collection, storage, use, disclosure and destruction of personal information. Although the definition of personal information can vary, it generally includes any information that can identify or is identifiable to an individual.

Because we take our obligation to protect the privacy of personal information seriously, this information must be appropriately and securely handled. You must never access anyone's personal information without a proper business reason. You should also be sure to keep the information safe and secure, store it in secure locations and systems only, and comply with the data protection and privacy laws of the country (or countries) where you work or do business.

Understand the Consequences of Violations of the Law

Violations of the laws and legal restrictions discussed above can have severe consequences, both for BlackBerry and for you individually. They can include monetary penalties and fines, loss of certain legal privileges, or even imprisonment of individuals. Employees who violate the foregoing policies will be subject to discipline, up to and including termination of employment. If you suspect that anyone at the Company or any third party is violating the foregoing policies or laws or legal restrictions discussed therein, or if you have questions regarding how they apply to a proposed activity or transaction, contact the Legal Department or Integrity & Compliance Office immediately.

5 RESPECTING OUR COLLEAUGES

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Create and Maintain a Positive Environment	For the info of each team in this chapter • Human Resources	• Diversity Policy • Anti-Discrimination and Anti-Harassment Policy

Respect and Foster Diversity

BlackBerry's success in capturing and maintaining a competitive global market share depends on our ability to understand and anticipate the needs of our existing and potential customers, consumers, partners, investors and suppliers. Our customers – as well as our own high standards – require that we have the best talent working together to innovate, make the right decisions, and deliver superior products and services.

At BlackBerry, we recognize that the ever-changing requirements of a diverse market and customer base require us to cultivate an agile, inclusive culture where we can share a broad spectrum of perspectives and ideas. This environment enables a high level of employee engagement and satisfaction. Our inclusive culture also helps us attract and retain a workforce that understands the diverse range of customers we serve and communities where we work and live. By fully utilizing the rich experience and skills of our diverse workforce, we deliver results for our diverse global customers.

Do Not Tolerate Discrimination or Harassment

Part of respecting our colleagues means refusing to discriminate against others. This means that you may never make any employment-related decisions based upon a person's race, color, gender, national origin, age, religion, citizenship, disability, medical condition, sexual orientation, gender identity, gender expression, marital status or any other basis protected by law.

You must also help ensure that our workplace is free from harassment. While the definition of harassment varies by location, at BlackBerry it includes any unwelcome conduct that has the purpose (or can be reasonably construed to have the effect) of creating an intimidating, offensive or hostile work environment. Unwelcome conduct can take the form of physical, written or spoken remarks, videos or pictures. Sexual harassment can include such acts as unwelcome sexual advances, requests for sexual favors or other physical or verbal conduct of a sexual nature. No matter what form the harassment takes, it negatively affects work performance and morale, and is a violation of the BS&P.

If you experience or become aware of any act of discrimination or harassment, you must report it so that BlackBerry may address it. Rest assured that as long as your report is made in good faith, you will not face any retaliation.

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Value Workplace Health and Safety	For the info of each team in this chapter • Global Environment, Health & Safety	• Global Environment Health and Safety Policy • Anti-Bullying and Anti-Violence Policy



We are committed to maintaining an environment that is healthy and safe for everyone. Therefore, you must make every effort to comply with the occupational health and safety laws that apply to BlackBerry. You must work diligently to follow BlackBerry operational health and safety policies and procedures that apply to your work, which have been designed to prevent injuries and illnesses.

BlackBerry implemented the Global Environment Health and Safety Policy to reflect our commitment to environmental protection and the health and safety of our people and communities. Know and adhere to this policy, as it forms the foundation of our Company's proactive approach to reducing injury and illness in the workplace, with the goal of optimizing employee health and safety.

Do Not Tolerate Bullying or Violence

None of us should ever feel threatened by anyone, regardless of our tenure or position within BlackBerry. BlackBerry makes every effort to foster an environment of responsible, respectful communication. We strive to create a workplace in which all team members have the opportunity to actively encourage and contribute new ideas by empowering each other to think, share and discuss our visions in an appropriate manner. With this in mind, it is never acceptable to belittle a BlackBerry colleague because of their ideas, beliefs or appearance or for any other reason. Our Company maintains a strict zero-tolerance policy in respect of any verbal or nonverbal attacks, intimidation or threats of violence.

If you feel that someone is acting in a threatening manner, you are strongly encouraged to bring all relevant information to the attention of your manager or your Human Resources Business Partner.

Q: I recently received a long-awaited promotion to a management position. My team members have been supportive through my transition; however, one of my colleagues has been treating me coldly since the promotion. I have even overheard him saying, "I know why she got promoted. It's only because she is a woman." What should I do?

A: If you feel comfortable approaching your colleague, you should firmly tell him that his comments and behavior are making it difficult to do your job. If you do not feel comfortable addressing the issue yourself, or if her colleague's discriminatory behavior doesn't change, you are encouraged to report the issue to your Human Resources Business Partner. None of us deserve to work in an environment that includes harassment of this nature.

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Safeguard Each Other's Personal Information	For the info of each team in this chapter • Privacy	• Privacy Policy

As part of our employment, we provide confidential information about ourselves to BlackBerry. Our Company is committed to protecting this information in accordance with relevant privacy laws. Additionally, if you obtain any personal information about a colleague as part of your work for BlackBerry, you must take special care to safeguard this information. Only use such information if necessary for your job responsibilities.

Report Your Concerns

If you experience, become aware of or have questions or concerns regarding actual or potential violations of the foregoing policies, you must report them so that BlackBerry can address them.


"We are committed to maintaining
an environment that is healthy
and safe for everyone"

6 ACTING WITH HONESTY AND TRANSPARENCY FOR OUR INVESTORS

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Make Accurate and Timely Disclosures	For the info of each team in this chapter • Corporate Secretary • Investor Relations	• Actively Seek Guidance and Report Concerns • Handling Financial Complaints Guidelines

As a publicly-traded company, we are required to make accurate and timely disclosures of information. The integrity of our financial reports and other public filings is critical to the successful operation of our business and to maintaining the confidence and trust of our shareholders, customers, business partners and other stakeholders.

It is BlackBerry's policy to make full, fair, accurate, timely and understandable disclosure in its public filings with securities regulators and its communications with its shareholders. While BlackBerry's management has the general responsibility for preparing these filings and communications, we each have a role to play and must provide all necessary information to management.

Report Concerns

If you become aware that information in any public filing or communication with shareholders was untrue or misleading at the time the filing or communication was made, inform management immediately, either by e-mailing Investor Relations or using EthicsLink. The same is true if you become aware of a material change in the business or affairs of BlackBerry, including any change that would reasonably be expected to have a significant effect on the market price or value of BlackBerry securities or that a reasonable investor would consider important in making a decision to buy, sell or hold BlackBerry securities.



BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Keep Accurate Financial Records and Support Robust Controls	For the info of each team in this chapter • Integrity & Compliance Office • Finance	• Actively Seek Guidance and Report Concerns • Handling Financial Complaints Guidelines

We rely on our accounting records for many reasons, including producing reports for management, shareholders, creditors, governmental agencies and others. Financial statements, and the books and records upon which they are based, must be accurate and complete, and must comply with applicable accounting principles and legal requirements. This includes the BlackBerry system of internal controls.

If you are involved in BlackBerry's financial reporting process, make sure that all transactions and balances are timely and accurately recorded, classified and summarized in accordance with BlackBerry's financial and accounting practices. Even if you are not in a finance or accounting role, be mindful that everyday transactions such as recording expense reports and preparing sales invoices must be accurate and complete.

Adhere to Our Processes and Controls

You must follow all processes and controls designed to ensure the accuracy of BlackBerry's assessment and reporting of financial results. No one should ever override internal controls or procedures directly or indirectly related to financial reporting. If you believe that you need to deviate from these controls or procedures for legitimate reasons, you must first communicate the circumstances in writing to the Finance Department and obtain approval. Be sure to retain, protect and dispose of company financial records in accordance with applicable legal requirements and BlackBerry record retention policies.

Always Be Cooperative, Forthcoming and Transparent

Always cooperate and communicate truthfully with members of BlackBerry's internal audit, accounting, ethics and compliance, and legal teams, as well as with BlackBerry's independent auditors, outside counsel and government investigators or regulators with respect to BlackBerry's accounting practices or financial statements. As part of our commitment to the accuracy of our publicly disclosed financial information, we must make sure that relevant information regarding the financial condition of BlackBerry and our internal controls is available to the Audit and Risk Management Committee of the Board of Directors.





Q: What is an "internal control"? When would I be overriding or deviating from one?

A: While you may think of internal controls as being primarily finance-related, the internal control environment is much broader and can include nearly any tool used to mitigate business and compliance risks, such as:

- The messaging, guidance and oversight from the leadership team – a.k.a., the "Tone From The Top."
- Written policies and procedures.
- Risk assessments.
- Management oversight of key risk areas.
- Training.
- Internal reporting.
- Enforcement and disciplinary systems.
- Third-party due diligence.
- M&A due diligence.
- Payment controls.
- Limitations on access to cash and checks.
- Monetary approval limits.
- Contract provisions, and contract review and approval.
- Guidelines on key compliance risk areas such as gifts, travel and entertainment, and charitable or political giving.
- IT system constraints.
- Accounting and finance controls, internal audits and reconciliations.
- Documentation requirements.

Activities such as preapproving spending, splitting invoices, keeping a credit or account with a vendor or other third-party, operating via "side letters" outside the formal contracting process, improperly overriding Company product pricing policies, procedures or decisions, or ignoring signing authority requirements are all examples of activities that deviate from or undermine our controls, and are therefore prohibited.



Q: The procedures for commitments require that I obtain "all appropriate approvals in advance." What are appropriate approvals?

A: This depends on the type of commitment. Here are approval procedures for some common ones:

- Sales deals
- Purchase Orders
- NDA form contract

If you are unsure or have questions please contact Business Support, Sourcing & Procurement or the Integrity & Compliance Office.

Q: An enterprise partner asked me to verbally agree over a handshake that BlackBerry will sponsor its annual conference, in exchange for a purchase order for a large number of BlackBerry devices. May I make this agreement?

A: No, this is a prohibited verbal side deal. BlackBerry may want to support the annual conference and our customer may want to purchase devices, but any related agreements need full business review and approval, and proper Legal Department-approved documentation. Be explicit in discussions with partners about when you are socializing a proposed deal and when you are extending an offer capable of acceptance.

Expense Claims Must Be Valid

BlackBerry requires that you submit only claims for reasonable expense costs, directly related to company business, and supported by appropriate documentation. Your claim must record the business purpose, full names and titles of everyone who participated, and comply with other submission requirements.

Adhere to the Management Approval Process (MAP)

To illustrate exactly what approvals are needed for various activities and expenditure levels, BlackBerry has compiled a list of mandatory guidelines known as the Management Approval Process (MAP) defining the approvals necessary for all transactions at BlackBerry globally. You must adhere to MAP requirements, which are consistent with how BlackBerry has delegated authority to its managers.

Q: My team requires additional equipment to complete a high priority project. The equipment cost exceeds the approval limit of my manager. He thinks that waiting for approval from his higher-level manager will take too long. He has instructed me to acquire the equipment by submitting two purchase order requests that split the order. This way, he can approve the purchase on his own. How should I proceed?

A: Submit a purchase order request for the full amount that represents the complete transaction so that a manager with the right spending authority can approve. In addition, use an appropriate reporting channel to make a report describing the improper suggestion to split the purchase order.

Cutting corners with procurement and other finance procedures to save time can have serious consequences for you and your manager. In this case, the purchase order splitting scheme hides the true nature of the transaction from a higher-level manager, is against policy, and can lead to you and your manager being disciplined, up to and including termination from BlackBerry.

BS&P SECTION	CONTACT(S) (Click ➔ to view)
Cooperate with Internal and External Audits, Investigations and Inquiries	For the info of each team in this chapter ➔ • Integrity & Compliance Office

You have an obligation to cooperate with any internal or external audits, investigations and inquiries. You must always provide truthful and accurate information to BlackBerry personnel conducting an investigation, as well as to government regulators and external auditors. It is important that you take special care to retain all documents that relate to any imminent or ongoing investigation, lawsuit, audit or examination involving BlackBerry. This means that you must never conceal, alter or destroy any documents or records related to any such inquiries. It also means you must follow any specific instructions from the Legal Department to retain and preserve particular information. Failing to do so may expose BlackBerry and the individuals involved to criminal liability.

If a government regulator contacts you in connection with a standard inspection or routine audit, please notify your manager and follow established procedures. If a government investigator contacts you for any other matter, you must notify the Legal Department immediately.



BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Avoid Insider Trading and Tipping	For the info of each team in this chapter • Corporate Secretary	• Insider Trading Policy

BlackBerry's directors, officers and employees are insiders of the Company. Consultants, contractors and even students may become insiders as well. Applicable laws and BlackBerry policy prohibit insiders from trading in BlackBerry securities while possessing material information that has not been made generally available to the public – a practice referred to as "insider trading". Non-public information about the business or affairs of BlackBerry is material if it would reasonably be expected to have a significant effect on the market price or value of BlackBerry securities or if a reasonable investor would consider it important in making a decision to buy, sell or hold BlackBerry securities. Passing along material non-public information to friends or families – a practice known as "tipping" – is considered a form of insider trading and is also prohibited by securities laws and BlackBerry policy.

In addition, a BlackBerry insider may not buy or sell securities of another public company while in possession of material non-public information regarding that company, if the information was learned in the course of the insider's work at, or via their affiliation with, BlackBerry.

Honor Blackout Periods

Some BlackBerry employees, because of their position in the Company and the potential access they have to material non-public information, may be advised from time to time that they are also not allowed to trade during specified "blackout periods." If you are one of these employees, you must ensure that you comply with applicable blackout and pre-clearance requirements and take necessary precautions to ensure that material non-public information is not made available to others, including fellow BlackBerry employees who do not require access to the information.

Insider trading and tipping can result in civil or criminal penalties, and/or disciplinary actions including termination. If you have any doubt about a potential securities transaction or the use of certain non-public information, seek guidance from the Chief Financial Officer or Chief Legal Officer or their designates.

"Insider trading and tipping can result in civil or criminal penalties"



Q: I went out to lunch with my colleague and her son. We casually conversed during the first half of their meal, but later, the discussion turned to business. Although her son is not a BlackBerry employee, he is interested in smart investment opportunities, and pressed his mother for more information about important product developments. She knew she couldn't delve into specifics, but told us, "Let's just say that now would be a good time to invest in BlackBerry." Has she done anything wrong?

A: Yes. Your colleague may have the best of intentions, but encouraging her son and a coworker to purchase BlackBerry stock while in possession of such key information is "tipping." Tipping is a violation of insider trading laws, and can pose serious consequences for all three of you and for BlackBerry. You may not share confidential information with those outside our Company, including family members, or even with colleagues who do not have a business reason to know it. In addition, you have an obligation to report and should provide information about these circumstances via an appropriate reporting channel.

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Remember that We Speak with One Clear Voice	For the info of each team in this chapter • Public Relations & Social Media • Investor Relations	• Corporate Disclosure Policy • Social Media Policy

BlackBerry strives to provide clear and accurate information to both internal and external stakeholders. In addition to complying with important legal and regulatory requirements, this helps us maintain integrity in our relationships with the public and investors, which in turn strengthens our corporate reputation. Because this is so important, BlackBerry has designated specific functions and individuals with responsibility for communicating with the investment community, regulators and the media. The primary spokespersons for our Company are the Chief Executive Officer and other BlackBerry personnel designated in our Corporate Disclosure Policy. From time to time, these individuals may designate others to serve as authorized spokespersons.

If you have not been designated as an authorized spokesperson, you must not respond to questions about BlackBerry from the investment community (including financial analysts and investors), regulators and the media, even informally. This includes discussing BlackBerry business in a social setting, or social media or otherwise. You must similarly refrain from participating in groups often referred to as "expert networks" to consult on matters relating to BlackBerry or the wireless communications industry, absent advance approval to do so.

Refer inquiries received from the media to the Public Relations Department. Refer inquiries received from a financial analyst or investors to the Investor Relations Department. Refer inquiries received from regulators to Legal or the Integrity & Compliance Office. If you otherwise have questions about whether it would be appropriate for you to speak publicly about BlackBerry or BlackBerry business, seek guidance.

In short, we must never give the appearance of speaking or acting on BlackBerry's behalf unless we are authorized to do so.



7 COMMITTING TO SOCIAL RESPONSIBILITY FOR OUR WORLD

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Uphold Human Rights	For the info of each team in this chapter • Corporate Responsibility	• Corporate Responsibility Report
Protect Our Environment	For the info of each team in this chapter • Global Environment, Health & Safety • Environmental Programs	• Corporate Responsibility Report • Environmental Policy

As a progressive and socially responsible company, BlackBerry seeks to abide by international laws governing employment and labor standards. We do not employ child or forced labor in any of our operations, and do not allow physical punishment or abuse of anyone under our employment. In fact, we will not condone such practices among our customers, suppliers and other business partners, and expect that they will uphold these same standards. Failure to comply could result in the termination of that business relationship.

We also endeavor to comply with laws to accommodate the needs of each person at our Company – including religious and cultural requirements – and offer acceptance and respect to all backgrounds and lifestyles. For more information, seek guidance from your Human Resources Business Partner or the Legal Department.

BlackBerry supports inclusive and environmentally conscious product development through sustainable business operations and efforts to reduce the environmental impact of our business activities. BlackBerry supports protecting the environment within its internal operations and supply chain. You must comply with all applicable environmental laws and regulations as well as our voluntary commitments to sustainable practices and environmental protection.

We strive to reduce the environmental impact of our business activities, and also to deliver environmentally conscious products and services. Day-to-day operations have a number of direct and indirect impacts on the environment. BlackBerry has taken steps to mitigate these impacts by adopting policies, procedures and processes that address these matters.

Recycling and Resource Conservation

We are committed to a supportive work environment, where employees practice recycling as available and take action to reduce consumption of water, energy and other resources. You must properly dispose of all electronic products and components including internal equipment, returned customer units or other inventory in compliance with applicable legal requirements and BlackBerry policies.

Take Care when Handling Materials that Can Hurt the Environment

Many materials can have adverse environmental impacts if mishandled. If your job involves contact with any regulated materials or requires that you make decisions about how any materials are used, stored, transported or disposed of, you need to understand how they should be legally, responsibly and safely handled. This will prevent any releases as part of wastewater, air emissions or uncontained spills.

If you believe that an environmental hazard exists, that there has been a release of any hazardous substance or that environmental policies, procedures or processes are not being followed, you must immediately report the situation to your manager or Environmental Management.

Q: What else can I do to help protect the environment?

A: Our environmental management system offers an opportunity to create enduring benefits for our shareholders, customers and employees. You are encouraged to bring any suggestions you have to improve BlackBerry's overall environmental footprint to the attention of your manager or any other resource listed in the BS&P or to corporateresponsibility@blackberry.com.

In order to seek continual improvement, we must each endeavor to implement environmentally sound practices in our work and reduce our environmental impact. We need to continue to assess the environmental effects of our products and operations and work actively to reduce BlackBerry's overall environmental footprint. Our environmental management system offers an opportunity to create enduring benefits for our shareholders, customers and employees.



Donating BlackBerry Products & Services

Donation of BlackBerry products and services is known as an "in-kind" donation. While this may seem like an easy donation to make, there are many questions that must be considered. Accordingly, the Corporate Citizenship team makes in-kind investments based on a broader relationship with a non-profit or charity. As with the other types of donations, proper advance written pre-approval is required.

Donating BlackBerry Corporate Assets

Corporate assets can be defined as anything purchased or owned by BlackBerry. This includes all IT assets (monitors, keyboards, laptops, printers, scanners, etc.), facilities assets (desks, office furnishings, office supplies, building space, etc.), and excess inventory (BlackBerry-branded promotional material, batteries, smartphone cases, etc.).

All corporate assets must first be evaluated for potential sale or other cost-recovery before an in-kind donation proposal can be submitted to the Corporate Citizenship team and Integrity & Compliance Office for written approval.

Q: I am a loyal supporter of several charitable causes. One such cause is not one that BlackBerry officially supports. Since BlackBerry is committed to giving back to the communities we serve, is it okay for me to use company time, and donate BlackBerry Smartphones and corporate resources in my efforts for this organization?

A: While BlackBerry encourages you to support the charities of your choice, BlackBerry charitable donations are facilitated with approved budget by the Corporate Citizenship team. In addition, you may not use company time, assets and resources to further your personal interests without prior written approval from your manager, Corporate Citizenship, and the Integrity & Compliance Office. You should continue supporting the charities of your choice regardless of whether they are sponsored by BlackBerry, but on your own time and with your own funds. Our Company provides opportunities for us to actively support charitable endeavors through the Proud2Be program, and encourages us to participate in these endeavors.

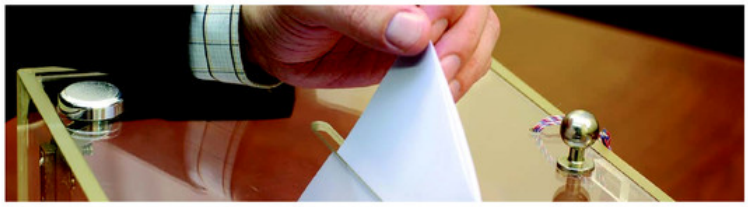


BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Participate in the Political Process Responsibly	For the info of each team in this chapter • Integrity & Compliance Office • Government Relations	• Prevention of Improper Payments Policy

BlackBerry encourages you to participate in political activities, and support candidates and issues of your choice. However, you may not use BlackBerry property, equipment, personnel or other resources for political activities or endorsements. You should never include political contributions or expenses on expense reports or otherwise seek reimbursement from BlackBerry for political contributions or expenses.

If you do engage in political activities, you must do so as a private citizen, on your own time and at your own expense. You should take care to make sure you do not give the impression that BlackBerry supports any candidate or issue you are involved with as a private citizen.

There are strict laws in most countries governing political contributions or activities by corporations. BlackBerry does not make political contributions. The Government Relations team is responsible for coordinating our activities with government officials and policy makers. You should not communicate with public officials or policy makers on behalf of BlackBerry except as directed by the Government Relations team.



Q: My next door neighbor is running for the local town council and has asked for my help. Can I be listed as one of his supporters? What about making phone calls from the office during my lunch break or using the copy machine to print up flyers?

A: It is okay for you to be listed as a supporter as long as you are not identified as a BlackBerry employee. It is not okay for you to make phone calls from the office, even on your break time, or use the office copy machine because these activities would involve the use of BlackBerry equipment and facilities in support of political activities.

BS&P SECTION	CONTACT(S) (Click to view)	POLICY OR PROCEDURE (Click to view)
Chose Responsible Suppliers and Service Providers	For the info of each team in this chapter • Supply Chain Social Responsibility	• BlackBerry Supplier Diversity Policy • BlackBerry Supplier Code of Conduct • BlackBerry Responsible Minerals Policy

We seek out suppliers (including service providers) who share our vision of doing business the right way, and hold them to the same standards to which we hold ourselves. We will not tolerate those whose actions might damage our reputation or brand. This means we expect our suppliers to fully comply with the applicable laws, rules and regulations of the countries in which they operate.

We also expect our employees to deal with suppliers fairly, and to select them based on the quality, reliability, capability and competitiveness of their products and services, their commitment to ethical business practices, and the value they can provide to BlackBerry. We work to create BlackBerry business relationship opportunities for small suppliers and suppliers owned by veterans, minorities or women.

Our suppliers must conduct their operations in an ethically, socially and environmentally responsible manner consistent with the BlackBerry Supplier Code of Conduct (which closely mirrors the Electronic Industry Citizenship Coalition® (EICC®) Code of Conduct) and the BlackBerry Responsible Minerals Policy. If a supplier is unwilling or unable to make such a commitment, or fails to improve unacceptable performance, we may suspend or terminate the relationship.

Q: What is the EICC®?

A: The Electronic Industry Citizenship Coalition® (EICC®) is a voluntary non-profit electronics industry coalition focused on responsible sourcing. BlackBerry is an EICC® member, and is committed to its goal of supporting the rights and well-being of workers and communities around the world that are impacted by the global electronics supply chain. This includes a commitment to a common code of conduct that serves as the basis for BlackBerry's Supplier Code of Conduct. The code's provisions address Labor, Health & Safety, Environment and Ethics.



Scenario:

An international non-governmental organization (NGO) actively working to improve worker rights by supporting the organization of labor, has sent a letter to BlackBerry's CEO alleging a number of labor violations occurring at a BlackBerry supplier. The allegations include: paying workers below the minimum wage, excessive working hours, discouraging workers from reporting accidents and the targeting of union organizers during a period of heavy layoffs. The letter is forwarded to BlackBerry's Corporate Responsibility team.

What should they do?

A: Nothing. This is probably an NGO with an agenda.

Incorrect. Regardless of the possible motives of the NGO, you must assume there could be substance behind the allegations. The fact that the NGO is targeting a specific supplier is enough on its own to warrant some level of investigation to better understand the situation and possible supplier risk, whether it is social responsibility-related or otherwise.

B: Contact BlackBerry's procurement organization to cancel all orders from this supplier.

Incorrect. Termination of a supplier relationship is the last resort, reserved for confirmed situations which are either so severe that the relationship is irredeemable or for which remediation efforts have failed.

C: Reach out to the appropriate commodity manager in procurement and engage the supplier to investigate the NGO's claims.

Correct! Supplier relationships are important to BlackBerry. All parties are best served by conducting an investigation into the issues, and working with the supplier to correct any verified deficiencies.



Glossary of Defined Terms

- **Anti-boycott laws.** Laws that prohibit U.S. persons and companies from furthering or supporting boycotts that are not sanctioned by the United States government (currently limited to the boycott of Israel sponsored by the Arab League, and certain other countries).
- **Anticorruption laws.** Laws designed to prohibit the use of corrupt payments or other improper inducements in order to gain or maintain business or some other competitive advantage. Anticorruption laws may target official bribery (i.e., the bribery of government officials), commercial bribery (i.e., the bribery of non-governmental commercial parties) or both. They may also target the maintenance of accurate books and records, and of effective internal control environments.
- **Anything of value.** Nearly any form of benefit, including but not limited to:
  - cash or cash equivalents, loans, gifts or prizes
  - employment offers or promises of future employment (to an individual or any of their relatives)
  - favorable terms on a product or service or product discounts
  - entertainment or hospitality (payment of travel, hotel or restaurant bills, living expenses or costs of trips or resort stays)
  - use of vehicles or vacation homes
  - discounted or free tickets to events
  - services, personal favors or home improvements
  - political or charitable contributions
- **BlackBerry assets.** In addition to tangible assets such as cash, equipment, facilities, inventory and supplies, this includes intangible assets such as intellectual property, business strategies and plans, financial data, technology, other trade secrets and other forms of confidential and proprietary information. *See also* Confidential and proprietary information.
- **Bribe.** Promising, offering or giving anything of value to any person, where it is intended to improperly influence the recipient to misuse their position or to otherwise obtain an improper business advantage. *See also* Improper payment.
- **Business courtesy.** Gifts, travel, meals or other forms of entertainment provided or received in the course of business activities to or from a business partner or counterparty. So long as reasonable in nature, supported by a bona fide business purpose, consistent with relevant business customs and cultural traditions, and consistent with the BS&P and other BlackBerry policies and procedures, these are usually acceptable. *See also* Bribe; gifts or entertainment.
- **Business partner.** Any number of third parties with which BlackBerry might work, including but not limited to agents, alliance partners, consortium partners, consultants, contractors, dealers, distributors, joint venture partners, promoters, resellers, retailers, sales representatives, service providers, subcontractors, suppliers or vendors. *See also* Third party.
- **Cash and cash equivalents.** In addition to cash, this includes anything that can be readily converted to or used in the same manner as cash, including money orders, traveler's checks, paper checks, investment securities, negotiable instruments, loans, stocks or stock options, and stored value products such as debit cards, gift certificates and gift cards.
- **Competition laws.** Laws designed to prohibit agreements or practices that restrict free trade and competition between businesses. Also known as antitrust, anti-monopoly or cartel laws, these often target practices such as price fixing, bid-rigging or other collusive tendering or procurement activities, market allocation, exclusion of competitors from markets or other efforts to control, monopolize or improperly divide markets.
- **Confidential and proprietary information.** Non-public information that is not approved for dissemination outside BlackBerry (other than pursuant to a duly executed non-disclosure agreement). See also BlackBerry assets.
- **Conflict of interest.** A situation where an individual's personal, financial or other interests or relationships might reasonably be seen as interfering with an obligation the individual owes to act in the best interest of another, such as their employer.
- **Corporate opportunity.** A business or investment opportunity that could benefit BlackBerry.

- **Discrimination.** Making employment-related decisions based upon a person's race, color, gender, national origin, age, religion, citizenship, disability, medical condition, sexual orientation, gender identity, gender expression, marital status, veteran status or other status protected by law.
- **Economic sanction.** Penalties applied by a country or group of countries on another country, individual or entity, typically in an effort to force political or policy changes by causing negative economic impacts. Economic sanctions often take the form of embargoes or other trade barriers, restrictions on financial transactions, isolation from key markets or of key industries, asset freezes and travel restrictions. *See also* Trade control laws; trade embargo or restriction.
- **Export.** Movement of a product, software or technology from one country to another, either through physical shipment, electronic transmission (e.g., via e-mail or download), or visual or oral disclosure (e.g., via telephone or an in-person meeting), either to a recipient located in another country or to a citizen of another country regardless of where they are located.
- **Facilitation payment.** Payments made to a government official to secure or expedite the performance of a routine governmental action that involves nondiscretionary acts (i.e., acts one would be entitled to have performed in the due course absent the payment). Such actions may include obtaining permits, licenses or other official documents such as visas and work orders. These payments are also sometimes referred to as "grease" payments, and are illegal in all countries in which they are made. Legitimate expediting or other handling fees provided for under applicable local law, rule or regulation that are paid to a government entity rather than a government official are not considered facilitation payments.
- **Family member.** A spouse, domestic partner (opposite or same sex), child, stepchild, adopted child or other child who lives with an individual in a regular parent-child relationship, parent, stepparent or relative who has filled the role of parent of the individual or individual's spouse or domestic partner, mother-in-law, father-in-law, brother, sister, grandparent or grandchild, niece, nephew, aunt and uncle, or any other family member who lives with an individual or who is otherwise financially dependent on the individual, or on whom the individual is financially dependent.
- **Gifts or entertainment.** Nearly anything of value provided to or received from a third party other than a payment for goods or services duly received, or that is otherwise provided for as a matter of contract or of law, could be considered a gift or entertainment. This could include meals, travel, lodging, tickets to sporting or other events, reimbursements for the same, discounts or other similar benefits, prizes, loans, services, use of vehicles or vacation homes, or favorable terms on a product or service.
- **Good faith.** A sincere, honest intention or belief, regardless of the outcome of an action.
- **Government official.** *See* Public official.
- **Harassment.** Any unwelcome conduct that has the purpose (or can be reasonably construed to have the effect) of creating an intimidating, offensive or hostile work environment. This can include physical, written or spoken remarks, videos or pictures, or other unwelcome conduct that unreasonably interferes with an individual's work performance.
- **Import.** The transfer of goods into a country through physical or intangible means from a foreign or external source.
- **Improper payment.** Any payment made with corrupt intent, in an effort to obtain or retain business or some competitive advantage. "Payment" in this context should be construed broadly to include provision or offer to provide, or the funding, facilitation, approval of or acquiescence in any provision or offer to provide anything of value to a recipient. Such payments can take the form of cash or cash equivalents; reimbursements of expenses; gifts, entertainment or travel; charitable or political donations; and other tangible and intangible benefits. See *also* Bribe.
- **Inside information.** Material non-public information about BlackBerry or another company about which you become aware through your work at BlackBerry, that would be likely to affect an investor's decision to buy, sell or hold securities. *See also* Insider trading; tipping.

include firing, demoting or reassigning someone, or refusing to provide them promotions, favorable work assignments or benefits to which they would typically be entitled in the due course.

- **Side agreement or side letter.** An agreement or addendum to an agreement that is outside a related contract or other agreement, or that has been negotiated and executed outside BlackBerry's formal contracting process.
- **Signing authority.** Thresholds defining the monetary limits below which BlackBerry employees have authority to execute an agreement on BlackBerry's behalf and bind the Company thereby as an authorized signatory, and above which they must have an employee with a higher level of approval authority execute the agreement. *See also* Monetary approval authority.
- **Third party.** Any person who is not a BlackBerry employee and any entity that is not a BlackBerry business. Examples include consultants, outside lawyers, customs brokers, sales representatives, brokers, distributors, agents, suppliers and vendors. *See also* Business partner.
- **Third-party information.** Non-public information provided or made available to BlackBerry by third parties, typically pursuant to a non-disclosure agreement or other means whereby BlackBerry has an obligation to maintain the confidentiality of the information. Confidential information about third parties that is known or made available to BlackBerry other than through a non-disclosure agreement or similar means (e.g., via a BlackBerry employee who previously worked for a third party) could also be considered third party information for which BlackBerry or the individual in possession of the information has an obligation to maintain confidentiality.
- **Tipping.** Informing others of inside information. *See also* Inside information; insider trading.
- **Trade control laws.** Laws, rules or regulations governing foreign trade activities, including import and export control laws, anti-boycott laws, trade embargoes or trade restrictions. *See also* Economic sanctions; export; import; trade embargo or trade restriction.
- **Trade embargo or trade restriction.** *See* Economic sanctions; see also trade control laws.

No Rights Created

The BS&P is a statement of BlackBerry's fundamental business standards, principles, policies and procedures. It seeks to help us understand the ethical behavior expected of all of us. However, the BS&P is not intended to, and does not, create any rights for any employee, customer, supplier, competitor, shareholder or any other person or any entity other than BlackBerry.

The BS&P is subject to change. Changes can occur with or without prior notice.

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