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 March 3, 2012 **Commission File Number 0-29898**

Research In Motion Limited

(Exact name of Registrant as specified in its charter)

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

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

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

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

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

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

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

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 524,159,844 Common Shares outstanding as at March 3, 2012

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 March 3, 2012, 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 March 3, 2012, included in Exhibit No. 1.3 to this Annual Report, under the heading "Disclosure Controls and Procedures and Internal Controls – Management's Report on Internal Control Over Financial Reporting".

C. Attestation Report of the Registered Public Accounting Firm

The attestation report of Ernst & Young LLP ("EY") is included in EY's report, dated April 9, 2012, to the shareholders of the Registrant, which accompanies the Registrant's audited consolidated financial statements for the fiscal year ended March 3, 2012, 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 March 3, 2012, 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 March 3, 2012.

F. Audit Committee Financial Expert

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

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

G. Code of Ethics

The Registrant's Board of Directors has adopted a code of ethics (the "Code") that applies to all directors, officers and employees. On March 24, 2011, the Registrant's Board of Directors amended the Code to combine the Code with certain other policies of the Registrant that were previously separate policies under the Registrant's Business Standards and Principles. The new "RIM Code of Business Standards and Principles" addresses the items required to be included in a "code of ethics" as set forth in paragraph 9(b) of General Instruction B of Form 40-F, as well as various other topics, and is presented in a "plain English" format to make the document more accessible to the Registrant's employees in various jurisdictions.

A copy of the RIM Code of Business Standards and Principles may be obtained at www.rim.com and has been filed as Exhibit 99.1 to this Annual Report on Form 40-F. The Registrant will provide a copy of the RIM Code of Business Standards and Principles 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 March 3, 2012 and February 26, 2011, 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 $3,331,000 and $2,811,000, respectively.

Audit-Related Fees

The aggregate fees billed by EY for the fiscal years ended March 3, 2012 and February 26, 2011, respectively, for assurance and related services rendered by EY that are reasonably related to the performance of the audit review of the Company's financial statements and are not reported above as audit fees were $195,000 and $65,000. 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 March 3, 2012 and February 26, 2011, respectively, for professional services rendered by EY for tax compliance, tax advice, tax planning and other services were $Nil and $6,700 respectively. Tax services provided included international tax compliance engagements.

All Other Fees

There were no fees billed by EY for the fiscal years ended March 3, 2012 and February 26, 2011, 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 March 3, 2012, included in Exhibit No. 1.3 to this Annual Report, under the heading "Financial Condition — Aggregate Contractual Obligations".

K. Identification of Audit Committee

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

L. Critical Accounting Policies

A discussion of the Registrant's critical accounting policies can be found in its Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended March 3, 2012, included in Exhibit No. 1.3 to this Annual Report, under the heading "Critical Accounting Policies and Estimates".

M. Nasdaq Exemptions

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

N. Interactive Data File

The Registrant has submitted to the Commission, included in Exhibit 101 to this Annual Report, an Interactive Data File.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking

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

B. Consent to Service of Process

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

SIGNATURE

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

RESEARCH IN MOTION LIMITED

Date: April 9, 2011

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

EXHIBIT INDEX

Exhibit No.	Document
1.1	Annual Information Form for the fiscal year ended March 3, 2012, dated April 9, 2012.
1.2	Audited Consolidated Financial Statements for the fiscal year ended March 3, 2012, 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 March 3, 2012.
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	RIM Code of Business Standards and Principles.
101	Interactive Data File.

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RESEARCH IN MOTION LIMITED

295 Phillip Street
Waterloo, Ontario
Canada
N2L 3W8

Annual Information Form

For the fiscal year ended
March 3, 2012

Date: April 9, 2012

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ANNUAL INFORMATION FORM

CERTAIN INTERPRETATION MATTERS

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

BlackBerry®, RIM®, Research In Motion®, and related trademarks, names and logos are the property of Research In Motion 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 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, and the anticipated opportunities and challenges in the coming quarters and fiscal 2013;
- competition and changes in the competitive landscape;
- the Company's expectations regarding new product introductions and timing, including the Company's expectations relating to the next generation of BlackBerry® 10 smartphones;
- business trends and uncertainties;
- the Company's expectations with respect to the demand for wireless devices and services;
- the Company's expectations with respect to factors influencing the commercial success in the wireless solutions and services market;
- the Company's intentions with respect to its business strategy;
- the Company's management and protection of intellectual property and other proprietary rights;
- the Company's plans to streamline its operations and accelerate new product introductions, and its expectations relating to the benefits of its cost optimization program (the "Cost Optimization Program") and Cost Optimization and Resource Efficiency ("CORE") program;
- the Company's estimates of purchase obligations and other contractual commitments;
- potential legal proceedings and the Company's potential liability under current legal proceedings; and
- the Company's dividend policy and sufficiency of its financial resources.

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

- RIM’s ability to enhance current products and services, or develop new products and services in a timely manner at competitive prices;
- intense competition within RIM’s industry, including the possibility that strategic transactions by RIM’s competitors or carrier partners could weaken RIM’s competitive position or require RIM to reduce its prices to compete effectively;
- RIM’s ability to establish new, and to build on existing relationships with its network carrier partners and distributors;
- the efficient and uninterrupted operation of RIM’s network operations center and the networks of its carrier partners, and the risk of other business interruptions, including costs, potential liabilities, lost revenues and reputational damage associated with service interruptions;
- RIM’s ability to manage inventory and asset risk;
- risks related to RIM’s ability to implement and to realize the anticipated benefits of its Cost Optimization Program and CORE program;
- risks related to RIM’s ability to maintain or increase its cash balance;
- the occurrence or perception of a breach of RIM’s security measures, or an inappropriate disclosure of confidential or personal information;
- potential liabilities or costs related to the collection, storage, transmission, use and disclosure of user and personal information;
- dependence on key personnel and RIM’s ability to attract and retain key personnel;
- RIM’s ability to adapt to recent management changes and fill vacant key management positions;
- RIM’s reliance on its suppliers for functional components, including the suppliers RIM has selected for its BlackBerry 10 smartphones, and the risk that suppliers will not be able to supply components on a timely basis or in sufficient quantities;
- RIM’s ability to successfully maintain and enhance its brand;
- risks associated with RIM’s expanding foreign operations;
- restrictions on import and use of RIM’s products and services in certain countries due to encryption of the products and services;
- reliance on strategic alliances and relationships with third-party network infrastructure developers, software platform vendors and service platform vendors, including RIM’s ability to promote and advance the development of an ecosystem of applications and services for the BlackBerry 10 smartphones and the BlackBerry PlayBook tablets;
- RIM’s ability to expand and enhance BlackBerry ® App World™;
- RIM’s reliance on third-party manufacturers for certain products and its ability to manage its production process;
- the continued quality and reliability of RIM’s products and services and the potential effect of defects in products and services;
- general commercial litigation, class action and other litigation claims, including purported class action claims relating to RIM’s operations;

- risks associated with litigation claims against the Company arising from the Company's practice of providing forward-looking guidance to its shareholders with respect to certain financial metrics, including the Company's practice of updating previous guidance where circumstances warrant;
- effective management of the Company's past growth and its ongoing development of service and support operations;
- potential charges relating to the impairment of goodwill or other long-lived assets recorded on RIM's balance sheet;
- risks as a result of actions of activist shareholders;
- government regulation of wireless spectrum and radio frequencies;
- reduced spending by customers due to the uncertainty of economic and geopolitical conditions;
- risks associated with acquisitions, investments and other business initiatives;
- foreign exchange risks as the Company transacts globally in currencies other than the U.S. dollar;
- regulation, certification and health risks, and risks relating to the misuse of RIM's products;
- tax liabilities, resulting from changes in tax laws or otherwise, associated with RIM's worldwide operations;
- changes in interest rates affecting RIM's investment portfolio and its revolving credit facility and the creditworthiness of its investment portfolio;
- proposed regulations relating to conflict minerals;
- 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;
- third-party claims for infringement of intellectual property rights by RIM and the outcome of any litigation with respect thereto;
- RIM's ability to successfully obtain patent or other proprietary or statutory protection for its technologies and products;
- RIM's ability to obtain rights to use software or components supplied by third parties; and
- the potential impact of copyright levies in numerous countries.

In the past, the Company has followed the practice of providing specific quantitative forward-looking guidance to its shareholders with respect to certain financial metrics for the subsequent fiscal quarter in its quarterly earnings press releases. On March 29, 2012, the Company announced that it will no longer provide specific quantitative guidance. However, the Company is committed to providing a high level of disclosure and transparency and will continue to provide commentary that highlights the trends and uncertainties that RIM anticipates. Such statements relating to, among other metrics, RIM's revenue, gross margin and earnings expectations, are forward-looking statements that are intended to enable RIM's shareholders to view the anticipated financial 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. They are made by RIM in light of its experience, its perception of historical and anticipated business trends, current conditions in the business and anticipated future developments, including competition and new product initiatives and timing, as well as RIM's current assessments of the various risk factors identified above. As noted above and in the press releases containing such guidance, these forward-looking statements are subject to the inherent risk of difficulties in forecasting RIM's financial results for future periods, particularly over longer periods, given the rapid technological changes, evolving industry standards, intense competition and short product life cycles that characterize the wireless communications industry.

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

CORPORATE STRUCTURE

The Company

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

Inter-corporate Relationships

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

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

GENERAL DEVELOPMENT OF THE BUSINESS

RIM, a global leader in wireless innovation, revolutionized the mobile industry with the introduction of the BlackBerry ® solution in 1999. BlackBerry products and services are currently used by millions of customers around the world.

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 2012:

- Introduced the BlackBerry 7 portfolio, a new line up of smartphones running the powerful BlackBerry 7 Operating System;
- Introduced Near Field Communications ("NFC") technology to several models of BlackBerry smartphones, enabling BlackBerry smartphones to receive information and link to other NFC-enabled devices or BlackBerry Authentic Accessories;

- Introduced the Cost Optimization Program designed to eliminate redundancies and reallocate resources to focus on areas that offer the highest growth opportunities and alignment with RIM's strategic objectives;
- Commenced the CORE program, which is expected to drive significant improvements and efficiencies across all functions in RIM's organization;
- Successfully bid for the patent portfolio of Nortel Networks Corporation ("Nortel") as a part of a consortium of companies. This strategic investment of which RIM's portion was approximately $779 million, is expected to significantly strengthen the Company's technology platform;
- Grew the BlackBerry subscriber base to approximately 77 million users by the end of fiscal 2012. RIM remains a leader in the rapidly growing smartphone market and BlackBerry holds either leading brand, leading device and leading brand on prepay positions in the United Kingdom, Netherlands, Spain, Saudi Arabia, UAE, South Africa, Nigeria, Indonesia and Latin America (Source: GfK December 2011);
- Enhanced the BlackBerry developer platform, and exceeded two billion BlackBerry App World™ application downloads, with approximately six million downloads occurring each day on BlackBerry App World;
- BlackBerry® Messenger (BBM™) and social applications gained traction around the world, with approximately 55 million active BBM users as of March 3, 2012. There are now more than 325 socially connected BlackBerry applications that have already been downloaded close to 60 million times. RIM also launched BBM™ Music, a new social music sharing and discovery service;
- Launched the BlackBerry® PlayBook™ tablet and, later in fiscal 2012, launched BlackBerry ® PlayBook™ OS 2.0, a free software upgrade for BlackBerry PlayBook™ tablet users that includes new features to enhance productivity and communications, including built-in email, calendar and contacts intended to deliver a socially connected BlackBerry experience;
- Announced BlackBerry® Mobile Fusion, the next generation enterprise mobile device management solution for BlackBerry, Android and iOS smartphones and tablets. BlackBerry Mobile Fusion, which was launched after the Company's fiscal year end, allows organizations to efficiently manage existing BlackBerry smartphones and BlackBerry PlayBook tablets, anticipated BlackBerry 10 devices as well as devices running the Google® Android® and Apple® iOS® operating systems;
- Introduced BlackBerry® Balance™ technology with BlackBerry Mobile Fusion, BlackBerry ® Enterprise Server and BlackBerry Enterprise Server Express. BlackBerry Balance allows enterprise users to carry one device and view both work and personal information in an integrated way while keeping the content separate and secure;
- Launched new cloud services for small businesses with the BlackBerry Management Centre and enterprises with the BlackBerry Business Cloud Services for Microsoft Office 365;
- RIM's Board of Directors appointed Thorsten Heins as President and Chief Executive Officer of the Company, and appointed Barbara Stymiest as the independent Chair of the Board as part of governance changes implemented in the fourth quarter of fiscal 2012; and
- Certain additional changes to the Board and management occurred following the fiscal year end, including the resignations of Jim Balsillie from the Board and Jim Rowan, Chief Operating Officer for Global Operations, as well as the retirement of David Yach, Chief Technology Officer, Software.

Fiscal 2011

- Introduced BlackBerry® 6, a new operating system for BlackBerry smartphones that retains the trusted features that distinguish the BlackBerry brand while delivering a powerful and simplified user experience;
- Announced several new developer tools to make it easier for applications developers to create and monetize feature-rich applications on the BlackBerry platform including the BlackBerry® Enterprise Application Development Platform; the next generation BlackBerry® Web Application Platform; BlackBerry® WebWorks Platform for the BlackBerry® PlayBook™ Tablet and BlackBerry® smartphones; and BlackBerry® Payment Service, BlackBerry® Push Service, BlackBerry® Advertising Service and BBM Social Platform Software Developer Kits (SDKs);
- Launched a number of new smartphones including the BlackBerry® Bold™ 9650, BlackBerry® Bold™ 9780, BlackBerry® Curve™ 3G, BlackBerry® Pearl™ 3G, BlackBerry® Torch™, and the BlackBerry® Style™;
- Announced the BlackBerry® PlayBook™ tablet, RIM's first professional-grade tablet, based on the BlackBerry® Tablet OS;
- Introduced a number of new services, including BlackBerry® Enterprise Server Express, BlackBerry® Mobile Voice System 5 with Voice over Wi-Fi® calling, BlackBerry® Balance, and the BBM™ Mobile Gifting Platform;
- Made a number of acquisitions including QNX® Software Systems which provides the technology behind the BlackBerry PlayBook OS 2.0 and the anticipated QNX BlackBerry 10 OS;
- Strong growth in international markets with approximately 54.6% of the BlackBerry users coming from outside of North America; and
- Saw ongoing strong adoption of BlackBerry service in prepaid markets around the world and BlackBerry smartphone becoming the number one selling smartphone brand in the United States, Canada, Latin America Source: IDC Worldwide Mobile Phones Quarterly Tracker – Final Data – Q4 2010) and the United Kingdom (Source: GfK RT, Smartphones, Volume Sales , 2010 and Q4 2010) for calendar 2010.

Fiscal 2010

- The BlackBerry subscriber base increased to over 41 million users from approximately 25 million in the previous fiscal year;
- Launched a number of new devices, including the BlackBerry® Bold™ 9700, BlackBerry® Storm2™ 9520 and 9550, BlackBerry® Tour™, and the BlackBerry® Curve™ 8520 and 8530;
- Introduced BlackBerry Enterprise Server 5.0 and BlackBerry Device Software 5.0 which offer extended capabilities to both end users and IT professionals;
- Added over 75 new carrier and distribution channel relationships for a total of approximately 550 carriers and distribution channels in 175 countries;

- Announced BlackBerry® Enterprise Server Express which offers basic BlackBerry Enterprise Server features free of cost to most Microsoft Exchange users; and
- BlackBerry® Internet Service customers exceeded BlackBerry Enterprise Server as a percentage of the subscriber base for the first time.

NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

RIM, a global leader in wireless innovation, revolutionized the mobile industry with the introduction of the BlackBerry ® solution in 1999. BlackBerry products and services are currently used by over 77 million customers around the world. Founded in 1984 and based in Waterloo, Ontario, RIM operates offices in North America, Europe, Asia Pacific and Latin America. RIM's common shares are listed on the NASDAQ Global Select Market (NASDAQ: RIMM) and the Toronto Stock Exchange (TSX: RIM).

With the BlackBerry platform, RIM believes it offers a market-leading wireless 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.

RIM believes the global smartphone and tablet markets are still in their infancy. BlackBerry is the leading smartphone in several markets around the world. The primary regions contributing to the Company's recent growth are Latin America, Africa, Indonesia and parts of the Middle East and Western Europe. Some of RIM's main competitors include Apple Inc, Google Inc, HTC Corporation, Huawei Technologies Co., Ltd, Microsoft Corporation, Nokia Corporation, Samsung Electronics Co., Ltd, LG Electronics Mobile Communications Company, Motorola Mobility Holdings, Inc. and ZTE Corporation.

RIM continues to focus on providing manageability and scalability solutions to BlackBerry users. With BlackBerry Balance, personal and work data are managed on a single device allowing work life balance management and information protection. BlackBerry Mobile Fusion gives information technology ("IT") departments the ability to manage BlackBerry devices and other platforms through a single interface that provides a unified view for managing all mobile devices.

RIM maintains a strong balance sheet with negligible debt and approximately $2.1 billion in cash, cash equivalents and investments as of March 3, 2012. In fiscal 2012, RIM had annual sales of $18.4 billion. Net income was $1.2 billion, or $2.22 per share.

RIM made a number of strategic acquisitions in recent years including Torch Mobile, The Astonishing Tribe, New Bay, Gist and Tungle that are intended to accelerate RIM's ability to innovate and deliver compelling products to market. In June 2011, RIM also participated in a successful bid for the Nortel patent portfolio as a part of a consortium of companies.

Industry Background

The Wireless Communications Industry

The wireless communications industry involves the provisioning of wireless voice and data services using radio frequency technologies (RF) on a variety of competing wireless networks. These networks are typically comprised of a distinct voice layer upon which data transmission layers have been subsequently installed. The most widely deployed wireless voice and data networks include GSM/GPRS/EDGE/HSPA 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. The rollout of these technologies is well underway and commercially available in many markets around the world.

Fiscal 2011 saw the first commercial introduction of next generation networks, including HSPA+, WiMax and LTE. These networks offer a number of improvements over the previous generations, with improved download and upload speeds being the most widely promoted. Wireless carriers in the United States have been aggressively deploying and marketing these “4G” networks. Deployment of these networks remains limited globally, but wireless operators in many international markets are expected to move to these new networks in the coming years.

In addition to voice and data communications, the convergence of computing and personal entertainment capabilities is also occurring on wireless communications devices across the industry. Most BlackBerry smartphones in the market today incorporate multimedia capabilities that include music, video recording and playback, camera, and access to games, content and other applications.

Wireless Communications Industry Markets and Segments

Historically, the wireless communications market has been highly segmented. Where previously the market was segmented into distinct enterprise and consumer/prosumer segments, the market has evolved in recent years and there is now significant overlap between the 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 “Bring Your Own Device” (“BYOD”). These consumer devices are supported in a corporate environment by IT departments for access to corporate messaging and data applications. The Company has encountered challenges adapting to the BYOD movement as some 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. To address this evolution of the market, RIM recently introduced products to take advantage of this market shift including BlackBerry Enterprise Server Express, BlackBerry Mobile Fusion and BlackBerry Balance, which give IT departments the ability to securely monitor multiple OS platforms as well as 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 a behind-the-firewall messaging server. Consumer market offerings are chosen by the individual user and carrier 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 to manage the messaging and security of enterprise data access.

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

- integrated hardware, software and services platform;
- intuitive interface and ease of use;
- access to third party applications and content;
- rich and efficient web-browsing experience;
- extensive geographic coverage;
- competitive pricing;
- attractive industrial design;
- trusted brand;
- small size and light weight converged devices;
- reasonable battery life;
- multi-network support;
- efficient bandwidth use;
- end-to-end security;
- push-based outbound port architecture;
- extensive customer care capabilities;
- connectivity to personal messaging, social networking, multimedia and other applications; and
- connectivity to enterprise email and applications.

RIM believes that the barriers to entry to the wireless device and services market include the following:

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

Success Factors

Through development of an integrated hardware, software and service platform that support multiple wireless network standards, RIM provides end-to-end wireless solutions for seamless access to information, including email, voice, instant messaging, short message service (“SMS”), Internet and intranet-based browsing, multimedia content and features, and consumer and business applications. RIM’s integration and focus of research and development in radio frequency, hardware and software design, OS development, antenna design, circuit board design, integrated circuit design, power management, industrial design, and manufacturing engineering result in cost-effective solutions that offer the ability to multi-task applications, a strong web browsing experience, a compelling platform for third party application development, ease of use, small size and attractive design, efficient bandwidth use, lengthy battery life, robust security and a significant return on investment to customers.

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

- ***BlackBerry Cloud Infrastructure.*** The BlackBerry wireless solution uses a push-based architecture where the device is in constant connection with the network. BlackBerry users are provided with immediate message delivery, which has become the established industry benchmark and has propelled BBM to become a leading mobile instant communications platform. In addition, this push-based data delivery has been extended beyond email to other applications, so that the mobile application development community can take advantage of the push-based architecture inherent in the BlackBerry platform. Other features of the BlackBerry wireless solution include over-the-air distribution of applications, over-the-air calendar synchronization, over-the-air software updates, over-the-air folder management, wireless synchronization of deleted messages, enhanced IT manageability and personal organizer features such as contacts, tasks and memos. RIM also provides a robust corporate applications platform that masks the complexities of wireless application development by providing an integrated framework using web-services and object oriented programming tools that provide preconfigured support for end-to-end security and multiple data transport methods.
- ***Balancing IT and Consumer Demands.*** RIM has consistently developed products that balance end users' demand for features with the demands of IT managers for security and manageability. RIM's focus on business-grade solutions has won RIM a market-leading role in the enterprise market, while at the same time, BlackBerry continues to be widely embraced by consumers looking for robust smartphone features including instant messaging, email multimedia, web browsing and enhanced voice features. RIM also intends to grow its leadership position by offering IT departments tools that support the growing trend of BYOD to the corporate environment. To capitalize on this market, RIM has introduced products such as BlackBerry Mobile Fusion and BlackBerry Balance, which give IT departments the ability to securely monitor multiple OS platforms using the existing RIM infrastructure, as well as securely protect corporate data on an employee's personal smartphone or tablet.
- ***Intellectual Property Rights.*** RIM has sought to protect the technology that it has developed through a combination of patent, copyright and trade secret protection as well as through contractual arrangements.
- ***Strength of the BlackBerry Brand and Market Awareness.*** BlackBerry is a globally recognized, trusted smartphone brand and continues to rank among the most valuable brands worldwide. In certain markets, brand alone is a strong influence on purchase decision.

- ***Support for Multiple Carriers, Geographies and Network Protocols.*** The BlackBerry solution offers choice and manageability for global customers. Through relationships with 650 wireless carriers and distribution partners in over 175 countries around the world, RIM is able to offer customers their choice of carrier depending on their needs in a particular geography. In addition, BlackBerry smartphones support many network protocols, including GSM/GPRS/EDGE/UMTS/HSPA, HSPA+, CDMA/1xRTT/Ev-DO and iDEN, offering customers the best choice of carriers and network technologies for their particular region without changing the underlying BlackBerry infrastructure. RIM will continue to launch new products for next generation networks, such as 4G and LTE, as the deployment scale and the economies around these networks are established.
- ***Growth of the BlackBerry App Ecosystem and Developer Community.*** An application-rich ecosystem is critical to succeeding in the mobile smartphone and tablet marketplace, and RIM continues to build a large network of thousands of commercial, independent and corporate software developers focused on developing consumer and enterprise level applications for BlackBerry smartphones and BlackBerry PlayBook tablets. The Company also expanded its developer base and application catalogue through the development of BlackBerry tools for Android Apps. Through the Company's Android Player, Android developers can easily port Android applications to BlackBerry App World. BlackBerry App World provides BlackBerry smartphone users with a comprehensive electronic catalogue that aids in the discovery and download/purchase of applications directly from their BlackBerry smartphone. Users can purchase applications using their personal PayPal® account, credit card and through carrier billing. With 40 carriers around the world, users are able to purchase applications and have the charge applied directly to their wireless carrier bill. RIM is continuing to expand the reach and availability of its carrier billing service to more carriers and customers around the world.

  The Company is continuing to grow and support its developer community through its annual developer conferences hosted in North America, EMEA, and APAC. These conferences are held by RIM to bring developers together for a series of keynotes, lectures and workshops.
- ***The BlackBerry Tablet OS, BlackBerry PlayBook Tablet, and QNX-based OS .*** RIM launched the BlackBerry PlayBook tablet based on the BlackBerry Tablet OS in April 2011, which supports symmetric multiprocessing and is built upon the QNX Neutrino® microkernel architecture. In February 2012, RIM launched BlackBerry PlayBook OS 2.0, a free software upgrade for BlackBerry PlayBook tablet users. Together, the abundant processing power and highly sophisticated operating system enables the BlackBerry PlayBook tablet to provide users with true multitasking and a highly-responsive and fluid touch screen experience for applications and content services.

  The QNX operating system will become the basis for BlackBerry 10 smartphones currently expected to launch in the latter part of calendar 2012. RIM believes the BlackBerry 10 platform will combine the best aspects of the QNX and BlackBerry platforms, along with those from RIM acquisitions such as, The Astonishing Tribe, New Bay, Torch Mobile, Gist and Tungle.

- ***Access to Key Corporate Data Stores.*** BlackBerry Enterprise Server provides IT departments with the means to provide wireless access to all four main corporate data stores from a single integrated platform. The BlackBerry wireless platform is one of the only platforms in the market that provides access to corporate email and PIM, corporate voice PBX and hybrid IP/PBX stores, real-time computing and corporate IM such as IBM SameTime and Microsoft Live Communications Server, Microsoft Office Communications Server and enterprise applications such as customer relationship management ("CRM"), and enterprise social networking and collaboration applications such as IBM Lotus Connections and IBM Lotus Quickr. Additionally, the deployment of over 250,000 BlackBerry Enterprise Servers around the world makes it more difficult for a new solution to gain a market foothold.
- ***Security.*** The BlackBerry platform was designed as an end-to-end solution with comprehensive security specifically for enterprise access to email, PIM and other corporate information from a single wireless device. Through integration with Microsoft Exchange, IBM Lotus Domino and Novell GroupWise, the BlackBerry wireless solution provides corporate users with secure wireless access to their own corporate email rather than having to establish an additional email account. RIM's security solution for enterprise customers includes end-to-end data encryption for confidentiality, robust remote IT management and full application controls to allow customers to address mobile malware. Inherent in the core platform is support for various Internet security standards such as SSL and IPSec, multiple user authentication schemes, a secure boot ROM, signed API access and an embedded firewall. In addition to the security built into the BlackBerry Enterprise Solution, RIM has developed a BlackBerry Smart Card Reader which further enhances BlackBerry device security for a wide range of government users. BlackBerry Enterprise Server Express has also been launched to provide enterprise grade security to the SME user free of charge. The BlackBerry Enterprise Solution has passed rigorous security assessments by many of the leading security institutions around the world, including Common Criteria EAL 4+ certification for BlackBerry Enterprise Server 5.0 and BlackBerry OS 5.0. BlackBerry was the first mobile platform to achieve Common Criteria EAL 4+ certification. The BlackBerry Enterprise Solution has been certified by Fraunhofer Institute SIT, and has been approved for use under the CAPS program in the United Kingdom. The solution has also had several FIPS-140 validations for its embedded encryption module, including the latest encryption module that is part of the BlackBerry 6, BlackBerry 7.1, and PlayBook operating systems.
- ***Spectral Efficiency.*** RIM has built a wireless infrastructure utilizing highly optimized wireless specific protocols and different methods of compression and rendering to efficiently send various types of data over the wireless carrier networks. In a limited bandwidth and capacity environment like that of wireless data, carriers benefit from spectral efficiencies including capital expenditures on wireless infrastructure, increased customer satisfaction and better capacity utilization. For the end customer, spectral efficiencies result in reduced latency, better battery life and the potential to take advantage of lower cost data plans where they are offered by the wireless carrier.

- ***ROI.*** The return on investment for the BlackBerry solution provides customers with rapid payback for their purchase. The primary benefits include personal productivity and team workflow enhancements. RIM continues to launch new IT administrator and end user features designed to lower the cost of buying, deploying and managing the BlackBerry solution. The network efficiency of the BlackBerry solution may also lead to lower data roaming charges for customers.
- ***BlackBerry Outbound Port Architecture.*** The BlackBerry wireless solution uses a secure infrastructure that does not require IT managers to compromise firewall security through the opening of an inbound firewall port. The BlackBerry infrastructure offers a number of efficiency and security benefits to carriers and end-users. These benefits are outlined in detail under "Competition."

Strategy

RIM's long-term and near-term strategy is based on four major principles focused on:

- ensuring a successful launch of the BlackBerry 10 platform and the timely launch of the first BlackBerry 10 products;
- leveraging the BlackBerry platform, brand and other assets to drive global subscriber growth and create value for RIM's stakeholders;
- implementation of broad efficiency programs across all functions in the organization; and
- a realignment of the Company's organization to reduce complexity and increase accountability.

The success of this strategy will be driven by:

- **Successfully transitioning to BlackBerry 10, the Company's next generation BlackBerry platform.** The Company is focused on launching its BlackBerry 10 smartphones. RIM expects the next generation BlackBerry 10 OS will power future BlackBerry smartphones, tablets and embedded solutions such as those found in advanced automotive electronics, including entertainment, communications and navigation applications. RIM believes BlackBerry 10 will combine the best aspects of the BlackBerry and QNX Neutrino platforms to provide exceptional performance, high scalability and support for industry standard tools that are already familiar to hundreds of thousands of developers. BlackBerry 10 will also integrate features and functionalities that stem from the Company's other recent acquisitions such as, The Astonishing Tribe, NewBay, Torch Mobile and Tungle. RIM believes the BlackBerry 10 mobile platform is optimized to connect people, devices, content and services. BlackBerry 10 will also integrate the Company's other recent acquisitions such as The Astonishing Tribe and Torch Mobile. The Company currently expects to launch the first BlackBerry 10 smartphones in the latter part of calendar 2012.

- **Leveraging the BlackBerry PlayBook to grow in targeted tablet markets.** The BlackBerry PlayBook, based on the Company's high performance QNX Neutrino microkernel architecture, represents RIM's initial entrance into the emerging tablet market. With its slim and lightweight form factor, combined with its powerful multitasking, strong web browsing, HD video capability and secure microkernel architecture, the Blackberry Playbook is designed to meet the needs of a wide variety of users from high performance gaming enthusiasts, to security focused enterprises and government agencies. QNX provides the powerful software foundation that RIM believes gives the BlackBerry PlayBook the ability to redefine the limits of mobile computing with exceptional performance, high scalability and support for industry standard tools that are already familiar to hundreds of thousands of developers. In conjunction with the launch of BlackBerry 10 smartphones, the Company plans to focus on targeting and growing its tablet presence in key enterprise and consumer markets with future generation tablets.
- **Leveraging and capitalizing on the embedded market.** Over the past 30 years, QNX software has become a big part of everyday life, with people encountering QNX-controlled systems while driving, shopping, watching television, using the Internet, or even turning on a light. With its reliable characteristics, QNX software has been a preferred choice for life-critical systems such as air traffic control systems, surgical equipment, and nuclear power plants. The QNX powerful multimedia features can be found in a variety of products from in-dash radios and infotainment systems to casino gaming terminals. With mobile computing continuing to rapidly integrate with embedded operating systems, the Company plans to leverage its powerful mobility and embedded technologies to provide even higher-performance applications for markets such as telecommunications, automotive, medical instrumentation, automation and security.
- **Seek strategic alliances and relationships.** RIM intends to broaden the scope of and continue to strengthen and develop its strategic alliances. The Company may also consider new types of partnerships and relationships which could involve closer collaboration with other technology leaders to affirm and enhance the Company's competitive position as a primary mobile device and solutions provider. 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, microchip and other manufacturers, and global systems integrators.
- **Grow the BlackBerry App Ecosystem and developer community.** An application-rich ecosystem is critical to succeeding in the mobile smartphone and tablet marketplace, and RIM intends to continue to invest in its network of thousands of commercial, independent and corporate software developers focussed on developing consumer and enterprise level applications for BlackBerry smartphones and BlackBerry PlayBook tablets. BlackBerry App World™, the online applications storefront accessible through a BlackBerry device, is now available to customers in more than 148 countries. More than two billion applications have been downloaded to date through BlackBerry App World, with approximately six million downloads occurring daily. The Company also expanded its developer base and application catalogue through the development of BlackBerry tools for Android Apps. Through the Company's Android Player, Android developers can easily port Android applications to BlackBerry App World for BlackBerry PlayBook users, and for future BlackBerry 10 devices. The Company plans to continue to invest in this critical ecosystem to ensure developers are able to successfully monetize their efforts of creating consumer and enterprise applications that give BlackBerry users exciting and productive ways to use their BlackBerry smartphones and BlackBerry PlayBook tablets.

- **Continue leveraging the BlackBerry brand internationally.** With a global subscriber base of more than 77 million users as of the end of fiscal 2012, BlackBerry is the number-one smartphone in many markets. With the popularity of services such as BBM, the Company's leading mobile social platform with more than 55 million active BBM customers around the world, BlackBerry smartphones are embraced internationally for both their user experience and cost effectiveness for both carriers and customers. As smartphones still have a low penetration rate in many international markets, the Company plans to continue to invest to leverage its capabilities and strong brand recognition in these markets, and will implement strategies that allow it to aggressively pursue subscriber growth and further solidify RIM's positioning in these key market segments.
- **Grow BlackBerry services capability.** RIM intends to grow its capabilities to expand its services beyond its current offerings which include real-time data push services such as BBM, market-leading security and backend integration with carrier systems.
- **Maintain market leadership in the enterprise market and expand RIM's customer base.** RIM intends to maintain its position as a market leader in the enterprise market through a variety of strategies including focused sales and marketing efforts, the continued use of strategic alliances and relationships to promote the sale of its products and services, as well as utilizing indirect sales and marketing teams. RIM intends to expand its leadership through providing enterprise customers with new tools such as BlackBerry Mobile Fusion and BlackBerry Balance. These tools allow 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.
- **Achieve best in class operational metrics.** RIM intends to 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. Through the Company's CORE program, the Company is targeting areas such as product lifecycle management, supply chain management and business support services to achieve best in class operational metrics.
- **Continue to invest in highly qualified personnel.** RIM believes that the quality and skills of its employees have been key factors in its success to date. RIM intends to continue its recruiting strategies and operations worldwide to support its product development and growth strategies. RIM intends to retain, attract and develop personnel to drive organizational performance and foster an environment of innovation, learning and development for the Company's talented workforce. In order to fully realize the potential of the Company's personnel, the Company is also focused on realigning its organizational structure to reduce complexity and increase accountability to create a more effective work environment for its personnel.

- **Targeted acquisition and investment strategy.** RIM continues to evaluate and purchase 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 purchase intellectual property ("IP") in various forms and technologies when appropriate opportunities arise.

Products and Services

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

Other revenue includes accessories, non-warranty repairs, BlackBerry App World and gains and losses on revenue hedge contracts.

The Company's revenue mix for fiscal years 2012 and 2011 is as follows:

Revenue (U.S. millions)	March 3, 2012		February 26, 2011	
Devices	$13,794	74.8%	$15,956	80.2%
Service	4,086	22.2%	3,197	16.1%
Software	318	1.7%	294	1.5%
Other	237	1.3%	460	2.2%
	$18,435	100%	19,907	100%

BlackBerry Smartphones and Tablets

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

During fiscal 2012, RIM introduced 10 new smartphones and launched substantial software updates to both its smartphone and tablet platforms. BlackBerry OS 7 added major performance enhancements with accelerated liquid graphics, improved media capture, faster web browsing and integrated communications capabilities. These improvements were further enhanced with the introduction of BlackBerry OS 7.1, which allows for new sharing experiences using NFC technology and the ability for the BlackBerry 7 smartphone to act as a Mobile Hot Spot and offer wireless internet connection through a cellular network for up to five Wi-Fi-enabled devices, including laptops and tablets. During fiscal 2012, RIM began to take steps to position itself as an industry leader in NFC and implemented this technology in a variety of its smartphone models. NFC implementation resulted in a number of certifications and recognition from industry agencies and major financial service providers.

BlackBerry PlayBook OS 2.0, released in February 2012, provided an important and innovative upgrade for the BlackBerry PlayBook tablet platform. This major software upgrade included native email, advanced calendar, and highly integrated social networking functionality and was free to all BlackBerry PlayBook users.

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.

RIM's BlackBerry smartphone and tablet portfolio for fiscal 2012 included:

BlackBerry Bold series

BlackBerry Bold 9900 and 9930

The thinnest BlackBerry smartphones to date and the first to offer the union of a high performance keyboard and touch display integrated within the iconic BlackBerry Bold design. Certain notable features include:

- BlackBerry 7 OS
- BlackBerry QWERTY keyboard
- Thinnest BlackBerry to-date, 10.5mm
- Premium materials and finishes such as brushed stainless steel and aerospace composite backing
- 1.2GHz Processor
- Liquid Graphics™
- High productivity, pre loaded collaboration software (BlackBerry Balance, BlackBerry Protect, Docs to Go Premium)
- Integrated GPS including BlackBerry maps
- 5 MP camera and HD video recording (720 p)
- High resolution touch display
- NFC technology

BlackBerry Bold 9790

Full featured smartphone with touch display and keyboard built with premium materials and finishes, but in a more compact form factor than the BlackBerry Bold 9900 and 9930 series. Certain notable features include:

- BlackBerry 7 OS
- High-resolution and highly responsive touch display with a highly tactile keyboard
- Powerful 1GHz processor
- GPS and Wi-Fi support
- 5 MP camera with flash and video recording

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BlackBerry Torch series

BlackBerry Torch 9810

A new and higher performance version of the BlackBerry Torch 9800, running BlackBerry 7 OS. Certain notable features include:

- BlackBerry QWERTY keyboard
- 3.2”, high resolution touch display
- 1.2 GHz processor
- Liquid Graphics
- HD video recording
- High productivity, pre-loaded collaboration software (BlackBerry Balance, BlackBerry Protect, Docs to Go Premium)
- 8GB of built in storage

All-Touch BlackBerry Torch 9850 and 9860

The BlackBerry Torch 9850 and 9860 new all-touch design, running BlackBerry 7 OS. Certain notable features include:

- 3.7” display – the largest to-date on a BlackBerry smartphone
- Optimized for viewing multimedia
- Fast and fluid browsing
- Optimized for social application and gaming
- High productivity, pre-loaded collaboration software (BlackBerry Balance, BlackBerry Protect, Docs-to-Go Premium)
- HD video recording
- 1.2GHz Processor

BlackBerry Curve series

BlackBerry Curve 9350/9360/9370

Designed to address a large segment of the global mobile phone market by providing customers with an affordable, easy-to-use, full-featured and socially-connected smartphone. Certain notable features include:

- BlackBerry 7 OS
- Comfortable keyboard for fast and accurate typing
- GPS and Wi-Fi support
- 5MP camera with flash and video recording
- NFC technology

All-Touch BlackBerry Curve 9380 Smartphone

The first all-touch smartphone in the BlackBerry Curve family. Certain notable features include:

- BlackBerry 7 OS
- 3.2” high resolution display
- GPS and Wi-Fi support
- 5MP camera with flash and video recording
- NFC technology

The BlackBerry PlayBook tablet

The BlackBerry PlayBook tablet features the new BlackBerry PlayBook OS 2.0 based on technology resulting from the Company's acquisition of QNX in fiscal 2011. The BlackBerry PlayBook offers a 7-inch high definition display, a dual core 1GHZ processor, dual high definition cameras, true multitasking and a powerful and fast web browsing experience that supports Adobe Flash.

New Features of PlayBook OS 2.0 include:

- Integrated messaging client with a powerful unified inbox
- Calendar and contacts applications with social integration
- Updated bridge applications that enhance functionality between your BlackBerry smartphone and BlackBerry PlayBook. Improved mobile productivity (updated document editing capabilities, new Print To Go application and functionality that enables your BlackBerry handheld to act as a remote control keyboard and mouse)
- New applications and content (including thousands of new applications, a new video store and enhanced web browsing)

BlackBerry Enterprise Solution

- ***BlackBerry Enterprise Server*** – BlackBerry Enterprise Server is robust software that acts as the centralized link between BlackBerry smartphones, enterprise systems, business applications and wireless networks. BlackBerry Enterprise Server integrates with enterprise messaging systems including Microsoft Exchange, IBM Lotus Domino and Novell GroupWise to wirelessly and securely synchronize with BlackBerry smartphones to provide mobile users with secure, push-based wireless access to email, calendar, contacts, notes and tasks. It also provides access to business applications and enterprise systems behind the firewall. Additionally it provides advanced security features and offers administrative tools that simplify management and centralize control. BlackBerry Enterprise Server is required for certain other enterprise solutions such as BlackBerry® Mobile Voice System (for bringing desk phone functionality to BlackBerry smartphones); BlackBerry® Clients for Microsoft® Office Communications Server, IBM® Lotus® Sametime® and Novell® GroupWise® Messenger (for enterprise instant messaging); IBM Lotus Connections (for enterprise social networking); IBM Lotus Quickr™ (for document sharing and collaboration); and Chalk® Pushcast Software (for corporate podcasting).
- ***BlackBerry Mobile Fusion and BlackBerry Balance*** – The Company also recently announced new services which allow corporate IT professionals to securely manage smartphones and tablets from multiple vendors. BlackBerry Mobile Fusion, which was launched after the Company's fiscal year end, provides a web-based interface that allows enterprises to provision, audit, and protect mobile devices including BlackBerry smartphones, BlackBerry PlayBook tablets, and devices that use iOS® and Android™. BlackBerry Balance helps enterprises support the BYOD trend. With BlackBerry Balance, the enterprise allows its users to enjoy the personal functionality of applications on a smartphone while retaining full control over business data security

- ***BlackBerry Enterprise Server Express*** – BlackBerry Enterprise Server Express is free server software that wirelessly and securely synchronizes BlackBerry smartphones with Microsoft® Exchange or Microsoft® Windows® Small Business Server. BlackBerry Enterprise Server Express works with Microsoft Exchange 2010, 2007 and 2003 and Microsoft Windows Small Business Server 2008 and 2003 to provide users with secure, push-based, wireless access to email, calendar, contacts, notes and tasks, as well as other business applications and enterprise systems behind the firewall. Importantly, the server software utilizes the same robust security architecture found in BlackBerry Enterprise Server. The software offers economical advantages to small and medium -sized enterprises ("SMEs") that desire some of the enterprise-grade security and manageability options of BlackBerry Enterprise Server but do not require all of its advanced features. BlackBerry Enterprise Server Express software also provides a cost-effective solution that enables IT departments to meet the growing demand from employees to be able to connect their personal BlackBerry smartphones to their work email.

  BlackBerry Mobile Voice System (BlackBerry MVS) – BlackBerry MVS allows organizations to converge office desk phones and BlackBerry smartphones, so users can access standard enterprise voice features whether at their desks or on the go. BlackBerry MVS is comprised of three components: BlackBerry® MVS Client, BlackBerry® MVS Services, and BlackBerry® MVS Server. It unifies fixed and mobile voice communications so users can be reached at a single business phone number and access enterprise voice features with an intuitive and integrated approach. BlackBerry MVS offers advanced security features and system management functionality that permits organizations to route mobile calls through the PBX, automatically authenticating BlackBerry smartphone users and enabling phone calls to be logged or recorded for corporate or regulatory requirements.

- ***Hosted BlackBerry services*** – Hosted BlackBerry services bring the trusted BlackBerry ® Enterprise Server features, functionality, and advanced security capabilities in a package that is managed for end users. Hosted BlackBerry services are conveniently handled and supported by a BlackBerry certified partner from the BlackBerry® Alliance Program, giving SME enterprises the support and convenience they need.

Service

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

Software

Revenue from licensed software is recognized at the inception of the license term and in accordance with industry-specific software revenue recognition 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.

BlackBerry Technical Support Services

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

Non-Warranty Repairs

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

Third Party Software Developers

RIM provides a feature rich open standards-based development platform which allows third party commercial and enterprise software developers to build and deploy custom applications to run on BlackBerry smartphones. To facilitate this, RIM provides a number of products and technologies to third party developers, wireless carriers and enterprise customers to enable them to develop distribute and manage these applications. For application development, RIM provides a suite of software development tools for both BlackBerry smartphones and the BlackBerry PlayBook tablet enabling applications to be developed using technologies such as Java, HTML5, Javascript®, Native C/C++ with OpenGL® ES support, Adobe® Flash® and Adobe® AIR®. BlackBerry PlayBook OS 2.0 will run most Android 2.3 applications without any code changes. RIM expects to release BlackBerry 10 SDKs in fiscal 2013 building on open standards and open source wherever possible in order to provide developers with a rich User Interface (UI) framework. RIM 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, Advertising Service, Location Service, Analytics Service and Scoreloop. 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, application usage information, and social gaming features.

RIM embraces open standards and open source, supporting Lua, OpenAL, cocos2d-x, Box2D, jQuery, Sencha, Dojo, and has an open source repository that can be accessed at github.com/blackberry.

For distribution and management of enterprise applications, RIM provides a suite of tools and technologies within the BlackBerry Enterprise Server to enable secure and managed provisioning of applications to enterprise employees. BlackBerry Enterprise App World allows organizations to offer employees easy access to a catalogue of trusted applications.

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

BlackBerry App World is an application storefront managed by RIM that enables developers to reach BlackBerry subscribers around the world. Since launching on April 1, 2009, BlackBerry App World is now available in over 164 markets and supports 26 currencies and 13 languages. Over 6 million applications are downloaded daily with an aggregate of over 2 billion downloads to-date. With the launch of BlackBerry PlayBook OS 2.0 there are over 15,000 applications available for BlackBerry PlayBook tablet and over 70,000 applications in total. BlackBerry App World provides BlackBerry smartphone and BlackBerry PlayBook users with a way to discover and download/purchase of applications directly from their BlackBerry smartphone or BlackBerry PlayBook. Users can purchase applications using their personal PayPal® account, credit card and through carrier billing. With 40 carriers around the world, users are able to purchase applications and have the charge applied directly to their wireless carrier bill. RIM is continuing to expand the reach and availability of its carrier billing service to many more carriers and customers around the world.

Industry Associations

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

- 4G Americas
- Alliance for Telecommunications Industry Solutions (ATIS)
- American National Standards Institute
- Bluetooth SIG
- CDMA Development Group
- Consumer Electronics Association
- European Telecom Standards Institute
- GlobalPlatform
- GSM Association
- IEEE (Professional Support Services for P1725)
- International Imaging Industry Association (I3A)
- International Telecommunication Union (ITU)

- JEDEC
- MIDI
- MIPI: Mobile Industry Processor Interface
- NGMN (Germany)
- Open Mobile Alliance
- Telecommunications Industry Association (TIA)
- TIA 3rd Generation Partnership Project 2
- UPnP Forum (Universal Plug and Play
- Wholesale Applications Community (WAC)
- Wi-Fi – Alliance
- WiMAX Forum
- Wireless World Research Forum
- World Wide Web Consortium

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

Sales, Marketing and Distribution

RIM markets and sells its BlackBerry wireless solution primarily through global wireless communications carriers (carrier partners) as well as through third party distribution channels which distribute the solution to end users. RIM has a number of carrier-focused business units that support the sales and marketing efforts of RIM's carrier partners through training, technical account management and sales and marketing support. As of March 3, 2012, RIM's marketing, sales and business development, BlackBerry operations, customer support and technical support teams consisted of approximately 4,800 full time employees.

Customers

RIM is dependent on a number of significant global carrier partner customers with respect to the sales of its products both in terms of the numbers of devices sold and the aggregate value of its sales.

While the Company sells to a variety of customers, one customer comprised 13% of accounts receivable as at March 3, 2012 (February 26, 2011 – one customer comprised 15%). There are no customers that comprise more than 10% of the Company's fiscal 2012 revenue (fiscal 2011 revenue – two customers comprised 11% each).

The primary direct customers for the BlackBerry wireless solution are wireless carriers.

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

Sales outside the United States, the United Kingdom and Canada comprised approximately 60% of the total consolidated revenue during fiscal 2012. Sales in the United States represented approximately 23% of total consolidated revenue during the year. Sales in the United Kingdom represented approximately 10% of total consolidated revenue and sales in Canada represented the remainder.

Competition

The Company is engaged in an industry that is highly competitive and rapidly evolving and, to date, no technology has been exclusively or commercially adopted as the industry standard for wireless data communication. Accordingly, both the nature of competition and the scope of the business opportunities afforded by this market are currently evolving, uncertain and highly competitive.

While RIM has recently enjoyed rapid growth in many international markets such as Thailand, Indonesia, Spain, Latin America, and others, particularly in the consumer segment, the Company has seen its global market share decline over the past several years relative to companies such as Apple and its iOS ecosystem, and companies that build smartphones based on the Android ecosystem, such as Samsung. In the United States, the Company has experienced a substantial decline in its largest market and experienced a net decrease in its subscriber base. 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 environments. Market share has also been impacted by the significant number of new Android-based competitors that have entered the market, and a growing trend in enterprises to support multiple devices. In addition, the increased desire by carriers to sell devices that operate on the new, faster LTE networks being built has also impacted the Company's market share, as these networks feature faster download speeds and allow carriers to offer higher-value data plans. RIM's first LTE devices are scheduled to be launched with the Company's first BlackBerry 10 smartphones, currently expected in the latter part of calendar 2012.

Despite increased competitive pressures in consumer segments, RIM remains a leader in enterprise mobility, with deployments in over 90% of the Fortune 500 companies. BlackBerry smartphones in combination with the BlackBerry Enterprise Server set the standard in mobile enterprise for secure, reliable and manageable mobile access to enterprise resources and applications. However, trends towards BYOD deployments, wherein some companies are allowing employees to connect their own smartphones to corporate networks, have increased competitive pressure on RIM in the enterprise market. New products and services such as BlackBerry Balance, which allows for the secure co-existence of enterprise and corporate data on BlackBerry devices, and Mobile Fusion, RIM's next generation BES that will extend Mobile Device Management (MDM) services for iOS and Android based devices through a unified BlackBerry administration console, demonstrate RIM's continued innovation and leadership and are intended to further solidify RIM's position in the enterprise market. RIM's new Mobile Fusion platform also includes support for the BlackBerry PlayBook, as well as future BlackBerry 10 devices, which the Company expects to reinforce RIM's reputation in enterprise mobility.

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 of which are current or potential competitors of RIM. It is unclear to what extent network infrastructure developers, enterprise software vendors, PC or PDA vendors, key network operators or content providers and others will seek to provide integrated wireless solutions, including access devices developed internally or through captive suppliers.

Providers of mobile operating system platforms that compete with RIM's BlackBerry platform include Apple Inc. (iOS), Google Inc. (Android), Microsoft Inc. (Windows Phone), and Nokia Corporation (Symbian). In the wireless data communications access market, the Company is aware of a number of suppliers of access devices for public wireless data networks, including: Apple Inc.; Dell, Inc.; Fujitsu Limited; General Dynamics Corporation; Hitachi America, Ltd.; HTC Corporation; Huawei Technologies Co. Ltd.; LG Electronics Mobile Communications Company; Mitsubishi Corporation; Motorola Mobility Holdings, Inc.; NEC Corporation; Nokia Corporation; Samsung Electronics Co., Ltd.; Sharp Corporation; Sony Corporation; and ZTE Corporation. In addition, the Company faces competition from companies focused on providing middleware to facilitate end-to-end wireless messaging solutions. Companies in this category include IBM Corporation; Microsoft Corporation; Notify Technology Corporation; Openwave Systems Inc.; Seven Networks, Inc.; Sybase, Inc., and Good Technologies. 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.

A variety of approaches are being pursued as diverse handset and handheld vendors attempt to provide mobile access to corporate data. These approaches include smartphones, superphones, other mobile data devices such as tablets and netbooks, a variety of middleware offerings and other end-to-end integrated wireless solutions.

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

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

PRODUCT DESIGN, ENGINEERING AND RESEARCH & DEVELOPMENT

The Company's research and development ("R&D") strategy seeks to provide broad market applications for products derived from its technology base. As of March 3, 2012, RIM's research and development team consisted of approximately 6,100 full time employees. Research and development expense was approximately $1.6 billion in fiscal 2012, compared to $1.4 billion in fiscal 2011.

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

RIM has developed its own radio code stack and incorporates this radio code stack into the processors that are deployed in BlackBerry smartphones. Additionally, QNX, a subsidiary of RIM, has developed a mobile computing platform utilizing the unique micro kernel POSIX certified tablet OS. This OS supports the first generation of professional grade BlackBerry PlayBook tablets, and will become the basis for BlackBerry 10 smartphones, which are currently expected to launch in the latter part of calendar 2012.

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

Key Area of Expertise	Design and User Benefits
Application & User Interface Technologies	Fluid, user-friendly applications with hardware acceleration for maximum performance; deep integration into core experience Rich tooling enabling rapid development and superior user experience
Integrated Communication Application	Intuitive next generation inbox merging email and social communication
Power Management	Low power requirements – efficient battery consumption
Firmware	Integration, customization – low cost, small size, efficient battery consumption
Software Tools	Software development kits – more applications available
Testing Software	Fast and thorough test/debug – low cost, better quality, improved service/support
Operating System Technologies	High performance, scalable and secure platform spanning handsets, mobile computing, automotive and embedded Richer user experiences, common application ecosystem, embracing of open standards Multi-tasking and rich developer environment
Product Design	Award winning products / outstanding customer experience through software and user interfaces
RF Engineering	High performance radio – low cost, small size, efficient battery consumption, better coverage
Display	High resolution bright displays with improved power characteristics
Audio	Improved audio quality in all environments through hardware and signal processing design. Excellent multi-media capability
Intelligent Antennas	Effective radiated power – better coverage and efficient battery consumption
Analog RF & Digital ASIC	Integration – low cost, small size

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

- developing new devices for current and emerging wireless network technologies and market segments;
- revolutionizing smartphones and tablets through the development of the BlackBerry 10 OS built upon the QNX-based platform;
- developing core technology and platforms for next generation air interfaces and networks, including evolution of 3G and 4G wireless networks;
- evolving the functionality, security and performance of its BlackBerry wireless solution and BlackBerry smartphones and tablets;
- 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 to be used with BlackBerry smartphones and tablets.

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 dedicates a major portion of its R&D investments to software for the BlackBerry wireless solution. This includes device and platform software as well as device applications, server software and infrastructure with an emphasis on satisfying the needs of both corporate IT departments and individual customers.

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

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

The second agreement with TPC is for a development project (TPC-2) under which total contributions from TPC have been $23.3 million. The Company had fulfilled all prerequisite funding conditions and recorded all of the contributions as at February 28, 2004. This contribution is repayable to TPC in the form of a royalty of 2.2% on gross business revenues, subject to the Company maintaining a minimum number of Canadian employees and to certain annual maximum amounts through fiscal 2015, not exceeding $45 million. The Company has recorded $4.9 million (CAD) on account of TPC royalty repayment expense with respect to TPC-2 obligation during fiscal 2012.

The Company also qualifies for investment tax credits ("ITC") on eligible expenditures on account of Canadian scientific research and experimental development. In fiscal 2012 the Company recognized the benefits of its ITCs in its consolidated statements of operations as a reduction in income tax expense.

Intellectual Property

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

RIM protects its technology through a combination of patents, designs, copyrights, trade secrets, confidentiality procedures and contractual arrangements. RIM seeks to patent key concepts, components, protocols, processes and other inventions that it considers to have commercial value or that will likely give RIM a technological advantage. Although RIM applies for patent protection primarily in Canada, Europe and the United States, the Company has filed, and will continue to file, patent applications in other countries where there exists a strategic technological or business reason to do so. During fiscal 2012, RIM was part of a consortium of companies that successfully bid for the Nortel patent portfolio. This resulted in a strategic investment on the part of the Company of $780 million, which is expected to significantly strengthen the Company's technology platform, as the Company prepares to deliver next generation platforms and smartphone technologies. To broadly protect RIM's inventions, the Company has a team of in-house patent attorneys and also consults with outside patent attorneys who interact with employees, review invention disclosures and prepare patent applications on a broad array of core technologies and competencies. As a result, RIM owns rights to an array of patented and patent pending technologies relating to wireless communication technology.

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

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

Production

RIM outsources the majority of its manufacturing to specialized global Electronic Manufacturing Services ("EMS") companies who are positioned to meet the volumes, scale, cost and quality requirements of the Company. RIM 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. Access to each manufacturing facility is available upon RIM's demand, and these facilities are regularly audited by RIM personnel trained in this function. RIM also operates a facility in Waterloo, Ontario that is approximately 242,000 square feet and is primarily focused on New Product Introduction ("NPI") and research and development related activities.

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

RIM generally controls sourcing decisions for materials and services that are incorporated into RIM products. Outsourced manufacturing partners are responsible for transacting business on behalf of RIM with component suppliers, but RIM generally negotiates pricing of these materials and services. Depending on market conditions, RIM may order more or less of a particular material or service and 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 result in increased costs that could make its products less competitive”.

Regulatory Matters

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

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

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

At the present time, RIM has the required regulatory certifications for its testing facilities which allow the Company to perform all the testing required by the FCC, Industry Canada, and the EC. In addition, RIM can also perform some of the testing which is required by other international regulatory authorities in some of the countries where the Company’s products are commercially available.

Corporate Responsibility

RIM is committed to operating in a sustainable way that respects the environment, RIM employees, the communities in which the Company operates and RIM’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. Additionally, RIM has formalized a number of policies to reflect the Company’s commitment to responsible business practices and issues a Corporate Responsibility (“CR”) report annually. The CR report as well as other documents and policies relating to RIM’s efforts in this area can be viewed on RIM’s website.

Environmental Regulations and Costs

Some of the Company's operations are subject to regulation under various provincial, federal, state 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 RIM's business and may require the Company to incur substantial compliance costs.

Employees

As of March 3, 2012, RIM had approximately 16,500 full-time employees: approximately 6,100 in the product development area; approximately 1,500 in sales and marketing; approximately 1,300 in customer care and technical support; approximately 1,950 in manufacturing and supply chain; and approximately 5,650 in administration and business professional functions, which includes information technology, BlackBerry network operations and service development, finance, legal, facilities and corporate administration.

Facilities

Waterloo, Ontario, Canada

The Company's corporate headquarters and new product introduction manufacturing facilities are based in Waterloo. RIM's operations are housed primarily in two campus-style developments; the facilities include 25 buildings, 17 of which are owned for a total square footage of 1,787,170 and eight of which are leased, for a total square footage of 413,439. The central Waterloo campus houses engineering, manufacturing as well as research and development groups. RIM's corporate, administration and finance operations are based out of the Company's campus in north Waterloo, consisting of four newly constructed buildings. Two owned facilities based in nearby Cambridge totaling 736,853 square feet are used for various global logistics and repair services groups.

Canada – Other

RIM owns and occupies a 158,000 square foot facility outside Ottawa, Ontario. Engineering and research and development operations are the focus of this centre. Leased space has grown substantially to an estimated 265,000 square feet, including the sub-lease of a large 147,000 square foot facility. In addition to two owned buildings which total 318,936 square feet, Mississauga, Ontario is home to two leased facilities totaling 70,109 square feet. RIM owns and occupies a 160,000 square foot customer service operations center located in the greater Halifax, Nova Scotia area, as well as leasing two sites in Fredericton, New Brunswick for a total square footage of 42,867. RIM also leases approximately 7,000 square feet in Vancouver, British Columbia supporting administrative functions. In total, RIM occupies 1,009,424 square feet in Canada, outside the Waterloo-Cambridge, Ontario area.

USA & Latin America

The U.S. headquarters of RIM are composed of a campus-style complex of five buildings totaling 242,582 square feet outside Dallas, Texas, housing certain sales, marketing, legal, research and development, customer service operations and administrative activities. Operations in Raleigh, North Carolina have increased to a total of 94,354 mainly located within the CentreGreen campus. RIM leases an additional 571,519 square feet throughout the United States, primarily for research and development. Sales and marketing and distribution activities in Latin and South America are supported by approximately 34,000 square feet with locations in Uruguay, Brazil and Mexico.

EMEA – Europe, Middle East & Africa

RIM operations in Europe are headquartered out of two locations in Slough, England comprising of 153,000 square feet in total. Operations in Germany are comprised of four leased facilities totaling 111,863 square feet used for research & development and sales. A number of other small offices are leased throughout Europe, totaling 99,000 square feet, which are used primarily for sales and marketing activities.

Asia-Pacific

RIM has continued to expand operations in the Asia Pacific region. In China alone, RIM leases approximately 81,000 square feet, including space for research and development in Beijing. A number of small sales-based offices are also located throughout China. As a whole, RIM operates out of Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore and South Korea, with a total space of 205,680 square feet for sales and marketing activities and customer operations support.

Globally, RIM operates a number of leased and owned datacenters totaling approximately 89,096 square feet of space.

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 these 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 – Risks Related to Intellectual Property" and "Risk Factors - Risks Related to the Company's Business and its Industry - *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 RIM's Annual Information Form for the fiscal year ended March 3, 2012, which is included in RIM's Annual Report on Form 40-F.

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

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

On May 13, 2010, FlashPoint filed a complaint with the U.S. International Trade Commission ("ITC") against the Company, as well as three other defendants, alleging infringement of U.S. Patent Nos. 6,134,606; 6,163,816; and 6,262,769. These patents are generally directed to digital camera and imaging technologies. The ITC set the trial for April 7-13, 2011. The initial determination was scheduled to be provided on July 13, 2011 and the target date for completion of the investigation was November 14, 2011. The Company and FlashPoint settled all outstanding litigation on March 30, 2011 for an amount immaterial to the Consolidated Financial Statements.

On June 20, 2008, St. Clair Intellectual Property Consultants, Inc. ("St. Clair") filed a patent infringement lawsuit against the Company and other defendants in the U.S. District Court for the District of Delaware. The patents in suit include U.S. Patent Nos. 5,138,459; 6,094,219; 6,233,010 and 6,323,899. These patents are generally directed to image processing in digital cameras. On October 31, 2011, the Court held a hearing to address summary judgment motions filed by both sides. Proceedings are ongoing.

On November 16, 2010, St. Clair filed a second complaint against the Company and other defendants in the District of Delaware. The patents in suit include U.S. Patent Nos. 5,630,163; 5,710,929; 5,758,175; 5,892,959; 6,079,025 and 5,822,610. These patents are generally directed to power management. The complaint seeks an injunction and money damages. The claim construction hearing was held on December 16, 2011, and the trial will begin sometime after November 9, 2012. Proceedings are ongoing.

On October 31, 2008, Mformation Technologies, Inc. filed a patent infringement lawsuit against the Company in the U.S. District Court for the Northern District of California. The patents-in-suit include U.S. Patent Nos. 6,970,917 and 7,343,408. These patents are generally directed to remote device management functionality. A claim construction hearing was held on November 20, 2009. On February 26, 2010, the Court issued a claim construction order. A trial date was set for September 2011, but then later vacated. On August 31, 2011, the Court requested additional claim construction briefings. The Court held a hearing on September 26, 2011 for oral argument on the additional claim construction as well as motions for summary judgment and then took the issues under advisement. On December 19, 2011, the Court issued an order on the parties' summary judgment motions and the additional claim construction. Jury selection is set for June 14, 2012, with trial to begin on June 19, 2012. Proceedings are ongoing.

On November 17, 2008, Spansion, Inc. and Spansion LLC ("Spansion") filed a complaint with the ITC against Samsung Electronics Co., Ltd. and other related Samsung companies (collectively "Samsung") and other proposed respondents, including the Company, who purchase flash memory chips from Samsung, alleging infringement of U.S. Patent Nos. 6,380,029 ("the '029 Patent"); 6,080,639 ("the '639 Patent"); 6,376,877 ("the '877 Patent") and 5,715,194 ("the '194 Patent"). The patents relate generally to flash memory chips. The complaint did not seek monetary damages, but requests that the ITC issue orders prohibiting RIM products containing certain flash memory chips made by Samsung from being imported into the U.S. and sold in the U.S. On March 16, 2010 and April 7, 2010, the administrative law judge ("ALJ") presiding over the case granted consent motions from Spansion to terminate the ITC investigation in part as to the '029 Patent and the '639 Patent, respectively, thereby leaving only two patents remaining in the case. From May 3, 2010 to May 14, 2010, a trial was held regarding the '877 Patent and the '194 Patent. On October 22, 2010, the ALJ issued his initial determination finding no violation. On December 23, 2010, the ITC decided not to review the ALJ's initial determination, thereby letting stand the ALJ's finding of no violation. The investigation has been terminated.

On August 6, 2010, Spansion LLC filed a second complaint with the ITC against Samsung and other respondents, including the Company, which use Samsung flash memory, alleging infringement of U.S. Patent Nos. 7,018,922; 6,900,124; 6,369,416; and 6,459,625. All the patents-at-issue are generally directed to flash memory chips. The complaint did not seek monetary damages, but requested that the ITC issue orders prohibiting certain RIM products containing Samsung flash memory chips from being imported into the U.S. and sold in the U.S. The ALJ had set a trial date of June 20, 2011 and a target date for completion of the investigation of January 12, 2012. Samsung and Spansion settled all outstanding litigation around June 16, 2011, resulting in the dismissal of all outstanding litigation against the Company.

On November 20, 2008, the Company filed a lawsuit for declaratory judgment of non-infringement, invalidity and unenforceability against four Eastman Kodak ("Kodak") patents in the U.S. District Court for the Northern District of Texas (Dallas Division). The patents-in-suit include U.S. Patent Nos. 5,493,335, 6,292,218 ("the '218 Patent") and 6,600,510 ("the '510 Patent") which are generally directed to digital camera technologies and U.S. Patent No. 5,226,161 which is directed to data sharing in applications. Kodak counterclaimed for infringement of these same patents seeking an injunction and monetary damages. The claim construction hearing was held on March 23, 2010. On July 23, 2010, Kodak dismissed the '510 Patent from the case without prejudice. The Court set an initial trial date in December 2010. The Court also ordered mediation to seek to settle the case. Mediation was unsuccessful and on November 29, 2010 the Court reset the trial date for August 1, 2011. On July 20, 2011, the Court again reset the trial date for the three-week docket beginning on March 5, 2012. On January 19, 2012, following federal rules, Judge Kinkeade stayed the proceedings because Kodak declared bankruptcy. The Company filed an unopposed motion with the bankruptcy court to lift the stay. On March 9, 2012, the bankruptcy court granted the Company's motion to lift the stay of the case pending in the Northern District of Texas. Proceedings are ongoing.

On January 14, 2010, Kodak filed a complaint with the ITC against the Company and Apple Inc. alleging infringement of the '218 Patent and requesting the ITC to issue orders prohibiting certain RIM products from being imported into the U.S. and sold in the U.S. On February 23, 2010, the ITC published a Notice of Investigation in the Federal Register. The ALJ set a trial date of September 1, 2010 and a target date for completion of the investigation by the ITC of May 23, 2011. A claim construction hearing was held on May 24-25, 2010. The Chief Judge issued his claim construction order as an Initial Determination on June 22, 2010. In accordance with the ALJ's ruling, the trial was held and lasted for six days. On January 24, 2011, the ALJ ruled that the Company's products do not infringe the '218 Patent and that the only asserted claim is invalid as obvious. Kodak and the ITC Staff separately petitioned for ITC review on February 7, 2011. The Company also filed a contingent petition for review on February 7, 2011. On March 25, 2011, the ITC issued a public notice advising that the ITC would review Chief Judge Luckern's decision. The ITC delayed the target date for completion of the investigation by the ITC. The new target date was June 23, 2011. On July 8, 2011, the ITC issued an Opinion with its review of Chief Judge Luckern's decision. The ITC remanded issues concerning both infringement and validity. The remand proceedings were assigned to a different ALJ, Administrative Law Judge Pender, as Chief Judge Luckern retired from the bench. Acting Chief Judge Bullock initially set October 30, 2011 as the target date for the new ALJ to determine how much additional time is necessary for the remand proceedings and to set a new final target date and later extended this date to December 30, 2011. On December 16, 2011, ALJ Pender determined that he will reopen the record to permit limited additional discovery and extended the target date to September 21, 2012 to allow time for the parties to complete this discovery and remand briefing. On January 26, 2012, Judge Pender decided not to reopen the record due to fact that certain issues had become moot. Proceedings are ongoing.

On May 5, 2009, Fractus, S.A. (“Fractus”) filed a lawsuit against the Company and eight other defendants in the U.S. District Court for the Eastern District of Texas alleging infringement of nine patents (U.S. Patent Nos. 7,015,868; 7,123,208; 7,148,850; 7,202,822; 7,312,762; 7,394,432; 7,397,431; 7,411,556; and 7,528,782). These patents generally relate to antennae technology. The complaint sought an injunction and monetary damages. The Court issued a claim construction order on November 9, 2010. The Company and Fractus settled on April 6, 2011 for an amount immaterial to the Consolidated Financial Statements.

On August 21, 2009, Xpoint Technologies (“Xpoint”) filed a lawsuit against the Company and twenty-eight other defendants, in the U.S. District Court for the District of Delaware alleging infringement of U.S. Patent No. 5,913,028. The patent is generally directed to data traffic delivery. The complaint sought an injunction and monetary damages. The Company and Xpoint settled on April 4, 2011 for an amount immaterial to the Consolidated Financial Statements.

On September 23, 2009, SimpleAir, Inc. filed a lawsuit against the Company and ten other defendants in the U.S. District Court for the Eastern District of Texas alleging infringement of U.S. Patent Nos. 6,021,433; 7,035,914; 6,735,614; and 6,167,426. The patents are generally directed to the generation, processing and/or delivery of content, notifications and updates for computing devices. The complaint seeks an injunction and monetary damages. The claim construction hearing occurred on June 17, 2011, and the trial is scheduled to begin on December 5, 2011. The Court issued its Markman decision on September 2, 2011. On October 27, 2011, the Court continued the trial date, setting it for April 23, 2012. Proceedings are ongoing.

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

On March 3, 2010, Smartphone Technologies LLC (“Smartphone”) filed a lawsuit against the Company and 12 other defendants in the U.S. District Court for the Eastern District of Texas alleging infringement of U.S. Patent Nos. 6,950,645; 7,076,275; 5,742,905; 7,506,064; 6,533,342; 6,711,609 and RE40,459. On October 15, 2010, Smartphone amended its complaint alleging infringement of three additional patents U.S. Patent Nos. 6,505,215; 6,728,786 and 7,693,949. The patents are generally directed to phone features relating to dialing and background task management, device power management, telephonic and data networking, displaying Internet content, and synchronization. The complaint sought an injunction and monetary damages. During a scheduling conference held on September 7, 2010, the Markman hearing was scheduled for September 8, 2011 and the jury selection for trial was set for March 5, 2012. The Company and Smartphone settled all outstanding litigation on August 1, 2011 for an amount immaterial to the Consolidated Financial Statements.

On March 31, 2010, MobileMedia Ideas LLC (“MMI”) filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Marshall Division) alleging infringement of U.S. Patent Nos. 5,479,476; 5,845,219; 6,055,439; 6,253,075; 6,427,078; RE.39231; 5,732,390; 5,737,394; 6,070,068; 6,389,301; 6,446,080; and 7,349,012. The patents are generally directed to mobile telephone technologies including mobile telephone user interfaces, call control, speech signal transmission and imaging. The complaint seeks an injunction and monetary damages. The claim construction hearing was scheduled for January 11, 2012, and trial was scheduled to begin July 12, 2012. On August 30, 2011, the case was transferred from the Eastern District of Texas to the Northern District of Texas (Dallas). On November 4, 2011, MMI filed an amended complaint in the Northern District of Texas, alleging infringement of four additional patents: U.S. Patent Nos. 5,490,170; 6,049,796; 6,871,048; and, 6,441,828. The amended complaint seeks an injunction, money damages and other relief that the Court may deem proper under the circumstances. Proceedings are ongoing.

On June 30, 2010, Bandspeed Inc. filed a lawsuit against the Company as well as 36 other defendants in the U.S. District Court for the Eastern District of Texas (Marshall Division) alleging infringement of U.S. Patent Nos. 7,027,418 and 7,570,614. The patents are generally directed to a method for selecting communication channels using frequency hopping. The complaint seeks an injunction and monetary damages. The claim construction hearing is scheduled for October 23, 2012, and trial is scheduled to begin July 1, 2013. On August 15, 2011, the case was transferred from the Eastern District of Texas to the Western District of Texas (Austin Division), where a lawsuit involving the same patents is currently pending against a number of parties, including Cambridge Silicon Radio Limited ("CSR"). On December 15, 2011, the Court issued an order requiring Bandspeed to amend its complaint to identify all allegedly infringing products, and allow possible impleader of other chip manufacturers or suppliers. On January 24, 2012, the Court issued an order setting the deadline for impleader to February 23, 2012. However, no other chip manufacturers or suppliers were impleaded. The trial is currently scheduled to begin January 13, 2013, involving Bandspeed and CSR only. Dates for claim construction and the trial have not yet been set with respect to any other defendant, including the Company. Proceedings are ongoing.

On August 4, 2010, EON Corporation IP Holdings LLC ("EON") filed a lawsuit against the Company as well as 16 other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division) alleging infringement of U.S. Patent No. 5,592,491. The patent is generally directed to a two-way communication network and a method for communicating between subscriber units and a local base station repeater cell. The complaint seeks an injunction and monetary damages. The claim construction hearing was held on January 5, 2012, and trial is scheduled to begin October 1, 2012. On February 8, 2012 Magistrate Judge Love issued his report and recommendation on claim construction. Proceedings are ongoing.

On September 23, 2010 EON filed suit in the U.S. District Court for the District of Delaware against the Company and 16 other defendants alleging infringement of U.S. Patent No. 5,663,757. This patent is generally directed to software controlled multi-mode interactive TV. The complaint seeks an injunction and money damages. The claim construction hearing is scheduled for May 3, 2013, and trial is scheduled to begin August 12, 2013. Proceedings are ongoing.

On September 2, 2010, Innovative Sonic Limited filed suit against the Company in the U.S. District Court for Eastern District of Texas (Tyler Division) asserting infringement of U.S. Patent Nos. 6,925,183; RE 40,077; and 7,436,795. The patents are generally directed to window based polling and timing as well as security keys in a wireless communication system. The complaint seeks an injunction and monetary damages. The claim construction hearing was scheduled for November 10, 2011, and trial was scheduled to begin June 4, 2012. Subsequently, the case was transferred from the Eastern District of Texas to the Northern District of Texas (Dallas Division). The Dallas Court issued a scheduling order stating that it does not intend to hold a Markman hearing and set a trial date in March 2013. Proceedings are ongoing.

On September 7, 2010, Wordcheck Tech LLC filed a lawsuit against the Company as well as over 40 other defendants in the U.S. District Court for Eastern District of Texas (Tyler Division) asserting infringement of U.S. Patent No. 6,782,510. The patent is generally directed to a word checking tool. The complaint seeks an injunction and monetary damages. The claim construction hearing is scheduled for September 6, 2012, and trial is scheduled to begin July 8, 2013. The Company and Wordcheck settled all outstanding litigation on November 2, 2011 for an amount immaterial to the Consolidated Financial Statements.

On September 8, 2010, Eatoni Ergonomics, Inc. (“Eatoni”) filed a motion to vacate a June 8, 2010 arbitration award and a March 2007 arbitration award in the U.S. District Court for the Southern District of New York in a lawsuit filed on November 19, 2008 against the Company alleging that: the Company breached the March 2007 arbitration award; the license to the Company for Eatoni’s U.S. Patent 6,885,317 (the “‘317 Patent”) is invalid; the Company infringed the ‘317 Patent; and the Company monopolized the reduced QWERTY market with its Sure Type line of devices. The original lawsuit to which this matter relates was filed on April 28, 2005 and settled on September 26, 2005 through mediation. A subsequent arbitration proceeding was held in February 2007 with an arbitration award issued in March 2007. An arbitration related to the current Court action was held in December 2009 with an arbitration award issued on June 8, 2010. On December 5, 2011, the judge dismissed the amended complaint against the Company with prejudice. On December 22, 2011, Eatoni filed a Notice of Appeal. On February 15, 2012, Eatoni filed its Appeal Brief.

On October 20, 2010, TQP Development LLC (“TQP”) filed a lawsuit against the Company and 10 other defendants in the U.S. District Court for the Eastern District of Texas (Marshall Division). The complaint alleges infringement of U.S. Patent No. 5,412,730. The patent generally relates to encryption technology. The complaint seeks an injunction and money damages. The Company and TQP settled all outstanding litigation on November 2, 2011 for an amount immaterial to the Consolidated Financial Statements.

On October 28, 2010, Alfred Levine (“Levine”) amended his complaint to add the Company to a suit filed in the U.S. District Court for the Eastern District of Texas (Marshall Division). Fourteen other defendants are named in the suit. The complaint alleged infringement of U.S. Patents Nos. 6,243,030 and 6,140,943. The patents are generally directed to wireless navigation systems. The complaint sought an injunction and monetary damages. The Company and Levine settled on June 13, 2011 for an amount immaterial to the Consolidated Financial Statements.

On January 5, 2011, Advanced Display Technologies of Texas, LLC filed a lawsuit against the Company as well as over eight other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division), asserting infringement of U.S. Patent Nos. 5,739,931 and 6,261,664. These patents are generally directed to display technologies. The complaint seeks an injunction and monetary damages. The claim construction hearing is scheduled for March 31, 2012, and trial is scheduled to begin on July 1, 2013. Proceedings are ongoing.

On February 23, 2011, Summit 6 LLC filed a lawsuit against the Company as well as five other defendants in the U.S. District Court for the Northern District of Texas (Dallas Division) asserting infringement of U.S. Patent Nos. 7,765,482 and 6,895,557. These patents are generally directed to web-based media submission tools. The complaint seeks an injunction and monetary damages. Trial is scheduled to begin on November 5, 2012. Proceedings are ongoing.

On February 24, 2011, Golden Bridge Technology, Inc. filed a lawsuit against the Company as well as over 20 other defendants in the U.S. District Court for the District of Delaware, asserting infringement of U.S. Patent Nos. 6,574,267 and 7,359,427. These patents are generally directed to 3G wireless technologies. On August 16, 2011, the Court stayed the case to allow for mediation. The complaint seeks an injunction and monetary damages. Proceedings are ongoing.

On March 6, 2011, Mr. Marco Luzzatto filed a lawsuit against two of the Company’s carriers in Israel, Pelephone Communications Limited and Partner Communications Company Limited. Luzzatto accused various BlackBerry handsets of infringing Israeli Patent No. 121 225 that is generally directed to use of customized ringtones. Pursuant to Master Supply Agreement indemnification provisions, the Company agreed to indemnify the carriers. The Company and Luzzatto settled on August 29, 2011 for an amount immaterial to the Consolidated Financial Statements.

On March 11, 2011, OGMA, LLC ("OGMA") filed a lawsuit against the Company as well as 13 other defendants in the U.S. District Court for the Eastern District of Texas (Marshall Division). The complaint asserted infringement of U.S. Patent No 6,150,947 generally directed to programmable motion-sensitive sound effect devices. The complaint sought monetary damages and other relief the Court decides is just and appropriate. The Company and OGMA settled on May 6, 2011 for an amount immaterial to the Consolidated Financial Statements.

On March 15, 2011, Unified Messaging Solutions, LLC ("Unified Messaging Solutions") filed a lawsuit against the Company as well as 19 other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division). The complaint asserted infringement of U.S. Patent Nos. 6,857,074; 7,836,141; 7,895,306; and 7,895,313 generally directed to web-based messaging service technology. The complaint sought monetary damages and further relief as the Court may deem just and appropriate. The Company and Unified Messaging Solutions settled on August 2, 2011 for an amount immaterial to the Consolidated Financial Statements.

On March 16, 2011, MOSAID Technologies Incorporated ("MOSAID") filed a lawsuit against the Company as well as 20 other defendants in the U.S. District Court for the Eastern District of Texas (Marshall Division.) MOSAID asserted that the defendants infringe 7 patents: US Patent Nos. 5,131,006; 5,151,920; 5,422,887; 5,706,428; 6,563,786; 6,563,786 and 6,992,972. The patents are generally directed to IEEE 802.11 technology. The claim construction is scheduled for February 18, 2012, and the trial is scheduled to begin August 4, 2014. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 18, 2011, Content Delivery Solutions, LLC ("Content Delivery Solutions") filed a lawsuit against the Company, as well as nine other defendants in the U.S. District Court for the Western District of Texas (Austin) asserting infringement of U.S. Patent Nos. 6,058,418 and 6,393,471; however only one of these patents has been asserted against the Company (U.S. Patent No. 6,393,471). The patents generally relate to marketing data delivery technology. The complaint sought an injunction and money damages. On April 18, 2011, Content Delivery Solutions filed an amended complaint asserting infringement by the Company and other of its co-defendants of U.S. Patent No. 6,098,180 directed to data delivery technology. The Company and Content Delivery Solutions settled all outstanding litigation on August 2, 2011 for an amount immaterial to the Consolidated Financial Statements.

On March 18, 2011, Imperium (IP) Holdings, Inc., filed a complaint against the Company as well as six other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division) asserting infringement of U.S. Patent Nos. 6,271,884; 6,838,651; 6,838,715; 7,064,768; and 7,109,535; however, only three of these patents have been asserted against the Company (U.S. Patent Nos. 6,271,884; 6,838,715 and 7,109,535). The complaint seeks an injunction and monetary damages. The claim construction is scheduled for May 31, 2012, and the trial is scheduled to begin January 7, 2013. Proceedings are ongoing.

On March 30, 2011, TierraVision, Inc. filed a lawsuit against the Company as well as two other defendants in the U.S. District Court for the Southern District of California asserting infringement of U.S. Patent No. Re 41,983, generally relating to compression method technology. The complaint seeks an injunction and money damages. On September 16, 2011, the Court issued an order severing the lawsuit into three separate actions, one for each defendant. On February 21, 2012, the Court issued an order staying the action against the Company pending reexamination of the patent-in-suit. Proceedings are ongoing.

On March 30, 2011, H-W Technology L.C. (“H-W”) filed a lawsuit against the Company as well as nineteen other defendants in the U.S. District Court for the Northern District of Texas (Dallas Division) asserting infringement of U.S. Patent No. 7,525,955 generally relating to technologies involving converging data and voice services. The complaint seeks an injunction and money damages. The Company and H-W settled all outstanding litigation on February 16, 2012 for an amount immaterial to the Consolidated Financial Statements.

On April 19, 2011, Hybrid Audio LLC filed a lawsuit against the Company as well as seven other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division) asserting infringement of U.S. Patent No. Re: 40,281 which is generally directed to MPEG-1 Layer III technology. The complaint seeks an injunction and money damages. The claim construction hearing is scheduled for June 6, 2012 and the trial is scheduled to begin June 3, 2013. Proceedings are ongoing.

On May 13, 2011, MyPort IP, Inc. (“MyPort”) filed a lawsuit against the Company as well as six other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division) asserting infringement of U.S. Patent No. 7,778,440 which is generally directed to a forensic communication method. The complaint seeks money damages. The Company and MyPort settled all outstanding litigation on January 12, 2012 for an amount immaterial to the Consolidated Financial Statements.

On June 15, 2011, Dolby International AB (“Dolby”) filed a lawsuit against the Company in the U.S. District Court for the Northern District of California asserting infringement of U.S. Patent Nos. 6,978,236; 7,003,451; 7,382,886; 7,469,206; and 7,590,543 which are generally relate to High Efficiency Advanced Audio Coding (HE AAC) technologies. The complaint seeks money damages and other relief as is just and proper. Dolby also filed a companion case in Germany. On August 2, 2011, the Company and a subsidiary of Dolby, Via Licensing Corporation, entered into a license agreement for an amount immaterial to the Consolidated Financial Statements. This agreement resolves all disputes at issue in the litigations. The pending Dolby suits were dismissed in September 2011.

On July 1, 2011, GPNE Corp. filed a lawsuit against the Company as well as nine other defendants in the U.S. District Court for the District of Hawaii asserting infringement of U.S. Patent Nos. 7,555,267; 7,570,594; and 7,792,492 which are generally directed to GPRS technology. The complaint seeks money damages and other relief that the Court may deem proper under the circumstances. The claim construction is scheduled for August 13, 2012. No trial date has been set. On March 9, 2012 the Company’s motion to transfer the case to Dallas was granted. Proceedings are ongoing.

On August 1, 2011, Tahir Mahmood filed a lawsuit against the Company in the U.S. District Court for the Southern District of New York seeking correction of inventorship of U.S. Patent No. 6,219,694, which is generally directed to the Company’s redirector technology; and, claims for conversion, unfair competition, and unjust enrichment. The complaint seeks correction of inventorship, an injunction, money damages, punitive damages and other relief that the Court may deem proper under the circumstances. On January 24, 2012, the Court granted the Company’s motion for summary judgment as to Tahir Mahmood’s claims for conversion, unfair competition and unjust enrichment. The Court denied the Company’s motion for summary judgment as to Tahir Mahmood’s claims for correction of inventorship.

On February 3, 2012, Tahir Mahmood filed a new complaint against the Company in the U.S. District Court for the Southern District of New York seeking correction of inventorship of U.S. Patent Nos. 7,386,588; 6,463,464; and, 6,389,457, as well as “such other RIM patents the Court may deem proper;” and, claims for fraud, breach of fiduciary duty, conversion, unfair competition and unjust enrichment. The complaint seeks correction of inventorship, injunctive relief, money damages, punitive damages and other relief that the Court may deem proper under the circumstances. Proceedings are ongoing.

On August 26, 2011, Synchronoss Technologies, Inc. (“Synchronoss”) filed a lawsuit against Newbay Software, Ltd and Newbay Software, Inc. (together, “Newbay”) in the U.S. District Court for the District of New Jersey. Synchronoss alleges that Newbay infringes U.S. Patent Nos. 6,671,757; 7,505,762; and, 7,587,446. The patents are generally directed to data synchronization and transfer for mobile devices. The complaint seeks an injunction, money damages and other relief that the Court may deem proper under the circumstances. Proceedings are ongoing.

On August 31, 2011, Openwave Systems Inc. (“Openwave”) filed a request that the ITC commence an investigation of alleged unlawful importation by the Company and that the ITC issue orders prohibiting certain RIM products from being imported into the U.S. and sold in the U.S. Openwave alleges that the

Company infringes U.S. Patents Nos. 6,233,608; 6,289,212; 6,405,037; 6,430,409; and 6,625,447. The patents are generally related to wireless data management. Trial has been set for October 15, 2012 and the target date is March 12, 2013. Proceedings are ongoing. Openwave also filed a companion complaint in the U.S. District Court for the District of Delaware regarding the same patents. On October 17, 2011 the Delaware Court stayed the case pending the ITC investigation.

On September 6, 2011, Inductive Design Inc. ("Inductive") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Beaumont Division), along with ten other defendants. Although in the suit Inductive asserted three patents U.S. Patent Nos. 6,346,861; 6,395,637; and 6,661,325, Inductive alleged that the Company infringes only U.S. Patent No. 6,395,637. The patents are generally directed to single chip radio and Bluetooth technologies. The complaint seeks money damages and other relief that the Court may deem proper under the circumstances. The Company and Inductive settled all outstanding litigation on November 29, 2011 for an amount immaterial to the Consolidated Financial Statements.

On September 7, 2011, Negotiated Data Solutions Inc., filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Marshall Division) along with five other defendants asserting infringement of U.S. Patent Nos. 5,361,261; 5,533,018; 5,566,169; and 5,594,734, which are generally directed to isochronous capability or frame based transmission of data. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On September 7, 2011, ClassCo Inc., filed a lawsuit against the Company in the U.S. District Court for the Northern District of Illinois (Eastern Division) along with ten other defendants alleging infringement of U.S. Patent Nos. 6,970,695 and 7,206,572, which are generally directed to calling party announcement technologies. The complaint seeks money damages and other relief that the Court may deem proper under the circumstances. The Company and ClassCo Inc. settled all outstanding litigation on November 28, 2011 for an amount immaterial to the Consolidated Financial Statements.

On September 8, 2011, Lochner Technologies filed a lawsuit against the Company and 21 other defendants in the U.S. District Court for the Eastern District of Texas alleging infringement of U.S. Patent No. 7,035,598. The patents are generally directed to a computer system composed of a storage and control unit and an input/output unit, and a wireless link between the units. The complaint seeks an injunction and money damages. The Company answered the complaint on December 14, 2011. Proceedings are ongoing.

On September 8, 2011, Hopewell Culture and Design, LLC ("Hopewell") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Marshall Division) along with 10 other defendants. Hopewell alleges that the Company infringes U.S. Patent No. 7,171,625 generally directed to an apparatus for interacting with content represented by an active visual display element. The complaint seeks money damages, punitive damages, attorney fees, and other relief that the Court may deem proper under the circumstances. The Company answered the complaint on February 10, 2012. Proceedings are ongoing.

On September 9, 2011, Personal Audio, LLC ("Personal Audio") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Beaumont Division), along with 4 other defendants. Personal Audio alleges that the Company infringes U.S. Patent No. 6,199.076 generally directed towards navigating media playlists. The complaint sought an injunction and money damages. The Company and Personal Audio, LLC settled all outstanding litigation with an agreement having an effective date of December 9, 2011 for an amount immaterial to the Consolidated Financial Statements.

On September 12, 2011, WiAV Networks, LLC filed a lawsuit against the Company and one other defendant in the U.S. District Court for the Northern District of Texas alleging infringement of U.S. Patent Nos. 6,480,497 and 5,400,338. The patents are generally directed to coordinate-based roaming node and a packet radio mesh network. The complaint seeks an injunction and money damages. The Company answered the complaint on October 27, 2011. The claim construction hearing was scheduled for September 20, 2012, and trial was scheduled to begin September 23, 2013. Proceedings are ongoing.

On September 13, 2011, Brandywine Communications Technologies LLC ("Brandywine") filed a lawsuit against the Company in the U.S. District Court for the Middle District of Florida (Orlando Division), along with 13 other defendants asserting infringement of U.S. Patent Nos. 5,719,922 and 6,236,717, which are generally directed to voice data answering machine technologies. The complaint seeks money damages and other relief that the Court deems just and proper. On February 17, 2011, the Court severed the claims against all defendants and dismissed the action, ordering Brandywine to pursue the claims in separate actions. On February 21, 2012, Brandywine filed a new complaint against the Company in the Orlando Division. Brandywine re-alleges that the Company infringes U.S. Patent Nos. 5,719,922 and 6,236,717. Proceedings are ongoing.

On September 13, 2011, Profectus Technology, LLC ("Profectus") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Tyler Division) along with 15 other defendants. Profectus alleges that the Company infringes U.S. Patent No. 6,975,308 generally directed to a digital picture display frame. The complaint seeks money damages, and other relief that the Court may deem proper under the circumstances. The Company's answer was filed on January 20, 2012. Proceedings are ongoing.

On September 15, 2011, LVL Patent Group, LLC ("LVL") filed a lawsuit against the Company in the U.S. District Court for the District of Delaware. LVL alleges that the Company infringes U.S. Patent Nos. 5,805,676; 5,987,103; and 6,044,382. The patents are generally directed to transaction processing system technologies. The complaint seeks an injunction, money damages and other relief that the Court may deem proper under the circumstances. The court scheduled a claim construction hearing for November 8, 2013 and set a trial in April 2014. Proceedings are ongoing.

On September 15, 2011, Development Innovation Group, LLC ("DIG") filed a lawsuit against the Company in the U.S. District Court for the Southern District of California along with 27 other defendants. DIG alleges that the Company infringes U.S. Patent Nos. 6,138,245, 6,278,887, and 6,212,408 generally directed to wired device synchronization, display and backlight control, and voice commands, respectively. The complaint seeks an injunction and money damages. DIG filed a motion to discuss the lawsuit on February 21, 2012 due to a license grant for an amount immaterial to the Consolidated Financial Statements. The parties are still negotiating a release.

On October 7, 2011, GrafTech International Holdings, Inc. ("GTI") filed a lawsuit against the Company in the U.S. District Court for the Northern District of Texas (Dallas Division). GTI alleges that the Company infringes U.S. Patent Nos. 6,482,520 and 6,982,874 generally directed to exfoliated graphite sheets for heat dissipation. The Company filed its answer on February 27, 2012. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On November 17, 2011, Graphics Properties Holdings, Inc. ("GPH") filed a complaint with the ITC against the Company along with 12 other defendants. GPH alleges that the Company infringes U.S. Patent Nos., 6,650,327 (the "'327 Patent") and 6,816,145 (the "'145 Patent") generally relating to display technology. GPH also alleges that the Company infringes U.S. Patent No. 5,717,881 (the "'881 Patent") generally relating to data processing. The complaint seeks orders prohibiting certain RIM products from being imported into the U.S. and sold in the U.S. Proceedings are ongoing. GPH withdrew the Complaint and filed a new one to correct deficiencies on March 5, 2012.

On November 23, 2011, GPH filed a lawsuit against the Company in the U.S. District Court for the District of Delaware, alleging infringement of the '327, '145, and '881 Patents. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On December 2, 2011, Garnet Digital, LLC ("Garnet Digital") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Tyler Division) along with 31 other defendants. Garnet alleges that the Company infringes U.S. Patent No. 5,379,421 generally directed to using a terminal for accessing remote database information. The complaint seeks money damages, a permanent injunction, and other relief that the Court may deem proper under the circumstances. The Company and Garnet Digital settled all outstanding litigation on January 29, 2012 for an amount immaterial to the Consolidated Financial Statements.

On December 2, 2011, Digitude Innovations LLC ("Digitude") filed a request that the ITC commence an investigation of alleged unlawful importation by the Company, as well as seven other companies. With respect to allegations against the Company, Digitude requests that the ITC issue orders prohibiting certain RIM products from being imported into the U.S. and sold in the U.S. Digitude alleges that the Company infringes U.S. Patents Nos. 5,926,636 ("the '636 patent"); 5,929,655 ("the '655 patent"); 6,208,879 ("the '879 patent"); and 6,456,841 ("the '841 patent"). The patents are generally related to network management, I/O circuit design and application screen selection. On December 2, 2011, Digitude also filed a companion complaint in the United States District Court for the District of Delaware regarding the same patents. The Company and Digitude settled all outstanding litigation on March 29, 2012 for an amount immaterial to the Consolidated Financial Statements.

On December 6, 2011, Advanced Video Technologies LLC ("AVT") filed a lawsuit against the Company in the U.S. District Court for the Southern District of New York. AVT alleges that the Company infringes U.S. Patent No. 5,781,788 generally directed to a single-chip video codec. The complaint seeks an injunction, money damages and other relief that the Court may deem proper under the circumstances. Proceedings are ongoing.

On January 20, 2012, WI-LAN USA, Inc. and WI-LAN, Inc. filed a lawsuit against the Company in the United States District Court for the Southern District of Florida alleging infringement of U.S. Patent Nos. 5,515,369 and 6,232,969. The patents are generally directed to Bluetooth and character selection display interface. The complaint seeks an injunction and money damages. On February 21, 2012, WI-LAN USA, Inc. and WI-LAN, Inc. filed an amendment to the complaint, alleging infringement of U.S. Patent No. 6,240,088. The patent is generally directed to a message review feature. The Company's answer is due on March 19, 2012. Proceedings are ongoing.

On February 17, 2012, Pragmatus AV, LLC ("Pragmatus") filed a complaint with the ITC against the Company along with 7 other defendants. Pragmatus alleges that the Company infringes U.S. Patent Nos. 5,854,893 (the "'893 Patent"), 6,237,025 (the "'025 Patent"), 6,351,762 (the "'762 Patent) and 7,185,054 (the "'054 Patent") generally relating to telephone and video conferencing. The Complaint seeks orders prohibiting certain RIM devices from being imported into the U.S. and sold in the U.S. Proceedings are ongoing.

On February 17, 2012, Pragmatus filed a lawsuit against the Company in the United States District Court for the District of Delaware, alleging infringement of the '893, '0-25, '762, and '054 Patents. The Complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 9, 2012, Iswitch, LLC ("Iswitch") filed a complaint in the United States District Court for the Eastern District of Texas against the Company. Iswitch alleges that the Company infringes U.S, Patent No. 7,225,334 generally directed to voice over IP technology. The Complaint seeks money damages and all other relief to which the Court may deem the Plaintiff be entitled. Proceedings are ongoing.

On March 15, 2012 Varia Holdings LLC ("Varia") filed a lawsuit against the Company in the United States District Court for the District of Delaware. The complaint alleges infringement of U.S. Patent No 7,167,731 generally directed to emoticon input technologies. The complaint seeks money damages and any and all other relief to which Varia may be entitled.

On March 16, 2012 Data Carriers, LLC ("Data Carriers") filed a lawsuit against the Company in the United States District Court for the District of Delaware alleging infringement of U.S. Patent No. 5,388,198 generally directed to proactive presentation of automating features to a computer user. The complaint seeks money damages and any and all other relief to which Data Carriers may be entitled.

On March 30, 2012 Unifi Scientific Batteries, LLC ("USB") filed a lawsuit against the Company in the US District Court for the Eastern District of Texas (Tyler Division), along with 4 other defendant groups including Samsung and Texas Instruments. USB asserted that the Company infringes U.S. Patent 6,791,298 generally directed to battery charging technology. The complaint seeks money damages, an injunction, and other relief that the Court deems just and proper.

On April 2, 2012, NXP B.V. ("NXP") filed a lawsuit against the Company in the US District court for the Middle District of Florida (Orlando Division). NXP asserted that the Company infringes U.S. Patent Nos. 7,330,455; 6,434,654; 6,501,420; 5,597,668; 5,639,697; and 5,763,955. NXP alleges that its patents are generally directed to certain wireless technologies including 802.11 and GPS, as well as certain methods of manufacture for semiconductor devices. The complaint seeks money damages, an injunction, and other relief that the Court deems just and proper.

Between May and August 2011, several purported class action lawsuits were filed against the Company and certain of its present or former officers in the U.S. District Court for the Southern District of New York, two of which have been voluntarily dismissed. On January 6, 2012, Judge Richard S. Sullivan consolidated the remaining three actions and appointed both lead plaintiff and counsel. On April 5, 2012, plaintiff filed the Consolidated Amended Class Action Complaint, alleging that during the period from December 16, 2010 through June 16, 2011, the Company and certain of its officers made materially false and misleading statements regarding the Company's financial condition and business prospects, and seek unspecified damages. The Company believes that the allegations are without merit and intends to vigorously defend itself.

As of October 2011, several purported class action lawsuits were filed against the Company in various jurisdictions alleging that subscribers to BlackBerry services had suffered losses relating to the Q3 Service Interruption. The Company believes that a class action proceeding in these circumstances is without merit and intends to vigorously defend itself.

In December 2011, the Company was served with four purported class actions relating to third party (Carrier IQ) recording software allegedly installed on smartphones. The Company believes that a class action proceeding in these circumstances is without merit and intends to vigorously defend itself. Two of the four actions have already been dismissed and the Company is in discussions with counsel for the other two representative plaintiffs to seek the dismissal of those cases as well

Also in December 2011, a purported class action was filed against the Company relating to promotional activities in respect of the BlackBerry PlayBook tablet. The Company believes that a class action proceeding in these circumstances is without merit and intends to vigorously defend itself.

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 Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended March 3, 2012. If any of the following risks actually occurs, the Company's business could be materially harmed. The risks and uncertainties described below are not the only ones the Company faces. Additional risks and uncertainties, including those of which the Company is currently unaware or the Company currently deems immaterial, may also have a material adverse effect on the Company's business.

Risks Related to the Company's Business and its Industry

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

The wireless communications industry is 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 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, 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 will be significantly dependent on its ability to successfully complete its transition to its next-generation of BlackBerry 10 smartphones, which are currently expected to launch in the latter part of calendar 2012. The Company is also focused on developing an integrated services offering that leverages RIM's strengths such as BBM, security and manageability that will generate service revenues and enable the Company to recover the costs associated with its network infrastructure. 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 a transition to a new technology platform, as is the case with the Company's QNX-based BlackBerry 10 smartphones. The Company's inability, for technological or other reasons, some of which may be beyond the Company's control, to enhance, develop and introduce 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 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, the Company's business and prospects could be materially harmed.

The Company has over the past year encountered delays relating to new product introductions, and delivering new products on a timely basis has proven more challenging than the Company had anticipated. As noted above, the process of developing new technology is complex and uncertain, and involves time, substantial costs and risks of delays for technological or other reasons, some of which may be beyond the Company's control. For example, in fiscal 2012, the introduction of the Company's BlackBerry 7 smartphones were delayed, in part, because of challenges relating to the carrier lab entry and certification process, which contributed to lower than expected unit shipments as customers worked through inventory and awaited the launch of the new BlackBerry 7 smartphones. In addition, the BlackBerry PlayBook OS 2.0 software release was delayed until February 2012, and the Company recorded a pre-tax provision in the third quarter of fiscal 2012 of approximately $485 million (approximately $356 million after tax), related to its inventory valuation of BlackBerry PlayBook tablets as a result of lower than anticipated demand. The Company also announced in December 2011 that its BlackBerry 10 smartphones would not be available until the latter part of calendar 2012. As was the case with the BlackBerry 7 smartphones, delays in the introduction of the BlackBerry 10 smartphones have contributed to lower than expected unit shipments and a loss of market share as customers await the launch of the new BlackBerry 10 smartphones. If the Company experiences further delays relating to the launch of its BlackBerry 10 smartphones or other products or services, such delays could have a material adverse affect 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.

The Company's ability to compete successfully will depend in large measure on its ability to maintain a technically skilled research and development staff and to adapt to technological changes and advances in the industry, including providing for the continued compatibility of its products and services with evolving industry standards and protocols and competitive network operating environments.

Intense competition, rapid change and significant strategic alliances within the Company's industry, including potential future strategic transactions by its competitors or carrier partners, could weaken the Company's competitive position or may 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. Accordingly, both the nature of the competition and the scope of the business opportunities afforded by the market in which the Company competes are uncertain. The Company's competitors, including 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. In particular, BlackBerry smartphones and BlackBerry PlayBook tablet sales and shipments in fiscal 2012 were impacted by the highly competitive environment in the United States, where the Company experienced a substantial decline in its largest market and a net decrease in its subscriber base, which resulted in lower than expected revenue, earnings and a loss of market share in fiscal 2012. The Company has also encountered challenges due to the impact of BYOD strategies being adopted by some of its enterprise customers, as some information technology 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.

The Company also expects that additional competition will develop, both from existing companies in the wireless communications industry and from new entrants, as demand for wireless access products and services expands and as the market for these products and services becomes more established. In addition, network infrastructure developers, independent software vendors, smartphone vendors, PC, 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.

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. This is particularly the case in the tablet segment where the Company has faced challenges entering and in which there are many established computer and wireless communications industry participants with significantly greater experience, infrastructure and distribution channels than the Company. The Company's entry into the tablet market has required and will continue to require significant investment to innovate and grow successfully. The Company's investments may not, however, result in technologies, products and services or combinations thereof that achieve or retain broad or timely market acceptance or which are preferred by application developers, content providers and customers or consumers. Market reception to the BlackBerry PlayBook tablet, which launched in fiscal 2012, did not meet the Company's expectations and, as noted above, its BlackBerry PlayBook OS 2.0 software release was delayed until February 2012, which further impacted the adoption of the BlackBerry PlayBook tablet. If the Company is not successful in competing in the tablet market, its business will continue to be dependent on its BlackBerry smartphones. If that occurs, and if current trends in the tablet market continue, this could have a material adverse effect on the Company's future growth and prospects. In addition, the Company views adoption of the BlackBerry PlayBook tablet, which uses the same QNX-based platform that will be, used in its BlackBerry 10 smartphones, as an important component of its strategy to lay the groundwork for the launch of the BlackBerry 10 smartphones. Consequently, the Company's inability to compete in the tablet market or to drive adoption of the BlackBerry PlayBook tablet by its enterprise customers and consumers in advance of the launch of the BlackBerry 10 smartphones may adversely affect the adoption and success of the BlackBerry 10 smartphones.

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, including RIM's push technology, or use the Company's network infrastructure, such action may have the effect of impacting demand for RIM's products and services, and the benefits of such initiatives to the Company through the 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 and the current economic uncertainty may require it to continue 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. As demonstrated by promotional activities the Company undertook in fiscal 2012 to drive sell-through of the BlackBerry PlayBook tablet to end customers, the Company has been, and in the future may be, required to lower prices on its products or services or offer other favorable terms to compete successfully. Such changes can result in reduced margins and reduced cash generation, may require the Company to record further inventory provisions, and could adversely affect the Company's results of operation and financial condition. The Company's entry into the consumer market has already had an impact on its pricing and this risk may further intensify due to the broader choice of smartphones, tablets and other devices, products and services offered by multiple vendors in this market segment and the BYOD strategies currently being utilized or considered by some of the Company's enterprise customers. The Company's ability to compete successfully will also depend on its ability to control the costs associated with the development of new technologies, including the manufacturing costs for new products.

RIM generates service revenues from billings to its BlackBerry subscriber account base primarily from a monthly infrastructure access fee charged to a carrier or reseller, which the carrier or reseller in turn bills to the BlackBerry subscriber. Given that many of the Company's competitors recover their infrastructure and services expense in alternate manners, the Company is facing greater pressure to reduce its infrastructure access fees. In addition, the infrastructure access fees charged by the Company may also fall under pressure if the new products it launches do not utilize the network infrastructure in the same way or to the same extent as the Company's existing products. The Company is focused on developing an integrated services offering that leverages RIM's strengths such as BBM, security and manageability that will continue to generate service revenues. However, if the Company is unable to resist these competitive pressures or is unable to develop a compelling integrated services offering that will continue to generate service revenues and enable the Company to recover the costs associated with its network infrastructure, this could have a material adverse affect on the Company's results of operations and financial condition.

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 its 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, as well as the announced acquisition of Motorola by Google, and the partnership of Microsoft and Nokia, are examples of such strategic relationships. Disruptions in the Company's business caused by these events could reduce revenue, result in a loss of market share, and adversely affect the Company's business, results of operations and financial condition.

In order to drive demand for BlackBerry products and services in the United States prior to the launch of the BlackBerry 10 smartphones, the Company has undertaken a comprehensive advertising and promotional program. There can be no assurance that such promotional activities will be successful.

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

The Company is dependent on its ability to establish, 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 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 advancing 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. For example, in October 2011, the Company experienced a service interruption which resulted in the loss of service revenue and the payment of penalties in the third quarter of fiscal 2012 totaling approximately $54 million related to the unavailability of the Company's network. If any significant customer discontinues its relationship with the Company for any reason, or reduces or postpones current or expected purchase commitments for products and services, RIM's business, 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 the BlackBerry wireless solution, 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 generation of service revenues from billings to BlackBerry subscribers from infrastructure access fees that are charged to a carrier or reseller, which the carrier or reseller in turn bills to the BlackBerry subscriber, and the willingness of the carriers and subscribers to pay such fees;

- the pricing and terms of voice and data plans that carriers will offer for use with the BlackBerry wireless solution, including any subsidy programs;
- sales growth of wireless devices, along with the related service, software and other revenues with respect to the BlackBerry wireless solution;
- significant numbers of new activations of BlackBerry subscriber accounts, as well as retention of existing ones;
- the carriers' interest in testing, and certifying in a timely manner, the Company's products, including tablet devices, 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 62% of revenue for fiscal 2012, compared to approximately 74% of revenue for fiscal 2011. If any significant customer discontinues its relationship with the Company for any reason, or reduces or postpones current or expected purchase commitments for the Company's products and services, it could have a material adverse effect on the Company's business, results of operations and financial condition. One customer comprised 13% of accounts receivable as at March 3, 2012 (February 26, 2011 – one customer comprised 15%). There are no customers that comprise more than 10% of the Company's fiscal 2012 revenue (fiscal 2011 revenue – two customers comprised 11% each). 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.

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

The BlackBerry service is provided through a combination of the Company's network operations and the wireless networks of its carrier partners. The Company's operations rely to a significant degree on the efficient and uninterrupted operation of complex technology systems and networks, which are in some cases integrated with those of third parties. The Company's networks and technology systems are potentially vulnerable to damage or interruption from a variety of sources, physical or logical, including damage or interruption by fire, earthquake, power loss, telecommunications or computer systems failure, cyber attack, human error, terrorist acts, war, and the threatened or actual suspension of BlackBerry service at the request of a government for alleged non-compliance 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 continues to work to develop, implement and test its Business Continuity Plan and there can be no assurance that the measures taken by the Company to date, or measures implemented by the Company upon completion of its Business Continuity Plan, to manage risks related to network disruptions or other business interruptions will be adequate or that the redundancies built into the Company's systems and network operations will work as planned in the event of a disaster. As the Company's subscriber base has grown, additional strain has been placed on the technology systems and networks, thereby increasing the relative risk of a network disruption or other business interruption. The Company has experienced network events, such as the service interruption that occurred in October 2011, and, any future outage in a network or system, or other unanticipated problem, that leads to an interruption or disruption of the BlackBerry service, could have a material adverse effect on the Company's business, 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 if reliability is no longer considered a differentiating factor of the BlackBerry wireless solution. As the Company moves to support more applications or services, the expense to establish and maintain 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. Also, the Company enters into service level agreements ("**SLAs**") with certain customers. The SLAs specify the events constituting "down time" and the actions that the Company will take to rectify or respond to such down time, including in certain cases, the payment of financial penalties. For example, as a result of the service interruption that occurred in October 2011, the Company lost service revenue and was required to pay penalties in the third quarter of fiscal 2012 totaling approximately $54 million, is facing class action suits in multiple jurisdictions and has received inquiries from consumer protection agencies.

The Company faces substantial inventory and other asset risk.

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 as 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. If the Company is unable to manage properly the discontinuation of these products and services, it could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company must order components for its products and build inventory in advance of 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. 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 also reviews its long-lived assets for impairment whenever events or changed circumstances indicate the carrying amount of an asset may not be recoverable. If the Company determines that impairment has occurred, it records a write-down equal to the amount by which the carrying value of the assets exceeds its fair market value. For example, the Company recorded a pre-tax provision in the third quarter of fiscal 2012 of approximately $485 million (approximately $356 million after tax) related to its inventory valuation of BlackBerry PlayBook tablets. The charge, which was predominantly non-cash, reflected the market environment for the Company's BlackBerry PlayBook tablet at the time and enabled it to expand upon the aggressive level of promotional activity employed by the Company to drive BlackBerry PlayBook tablet adoption. In addition, in the fourth quarter of fiscal 2012, the Company recorded a pre-tax provision of $267 million ($197 million after tax), which was mostly non-cash, primarily related to its inventory valuation of certain BlackBerry 7 products, based on the Company's expectations for sell-through, estimated inventory levels in the channel, and excess inventory on hand. The Company's financial condition and results of operations have recently been, and could be in the future, materially and adversely affected 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.

Risks related to RIM's ability to implement and to realize the anticipated benefits of its cost optimization and CORE programs.

On June 16, 2011, the Company announced a cost optimization program (the "Cost Optimization Program") to streamline operations across the organization. This realignment has focused on eliminating redundancies and reallocating resources to enable the Company to focus on areas that offer the highest growth opportunities and align with RIM's strategic objectives, such as accelerating new product introductions. The Company believes that a more efficient cost structure will better enable it to respond to new market opportunities and changes in the competitive environment. On July 25, 2011, the Company announced that it would be reducing its global workforce across all functions by approximately 2,000 employees and that all impacted employees would receive severance packages and outplacement support. The Cost Optimization Program also involved the identification and elimination of redundant facilities. The Company incurred approximately $126 million in total pre-tax charges related to the Cost Optimization Program. As of the end of the third quarter of fiscal 2012, the Cost Optimization Program, which was focused on headcount reductions and facilities redundancies, was substantially complete, but the payments for charges relating to redundant facilities will continue to be made until the end of the term of the facilities leases.

As part of the Company's continuous effort to streamline its operations and increase efficiency, the Company has also commenced the CORE program where a comprehensive review of all aspects of its business will be undertaken with the objective of improving the Company's operations. This includes, among other things, a review of product management and the number of stock keeping units offered, the realization of supply chain efficiencies and bill of material cost reductions, marketing and advertising spending, partnership and licensing opportunities, organizational and management structure as well as opportunities to leverage the BlackBerry infrastructure. The Company expects the CORE program to drive significant improvement in efficiencies across all functions in the organization and expects savings to be driven primarily by optimizing the cost position of its products and services, and improved overall resource effectiveness and organizational efficiency.

The Company has incurred significant costs in implementing the Cost Optimization Program and will incur further significant costs in implementing the CORE program, all of which has had and may continue to have a significant effect on net income. There can be no guarantee either program will be successful or achieve any or all of the results desired or result in the optimal allocation of Company resources.

The Company's ability to maintain or increase its cash balance could be adversely affected by its ability to offer competitive products and services in a timely manner at competitive prices.

As of the end of fiscal 2012, the Company had cash, cash equivalents and investments of approximately $2.1 billion with negligible indebtedness. 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 complete the transition to its next-generation of BlackBerry 10 smartphones, which are currently expected to launch in the latter part of 2012. As noted above, the process of developing new technology is complex and uncertain, and involves time, substantial costs and risks. The Company's inability, for technological or other reasons, some of which may be beyond the Company's control, to enhance, develop and introduce 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 financial condition or could result in its products and services becoming obsolete. 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 ahead of the BlackBerry 10 launch and throughout the remainder of fiscal 2013, it will be critical to improve sales of its BlackBerry 7 smartphones to sustain the Company's subscriber base and the Company is also relying on its ability to successfully implement and realize the benefits of anticipated cost savings through its CORE program. As noted above, the Company is also facing greater pressure to reduce its infrastructure access fees.

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, 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 offering could be dilutive to existing shareholders and any drawdown on the Company's existing credit facility or 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 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.

The BlackBerry wireless solution frequently involves the transmission of business-critical, proprietary, confidential and personal information of end users. If such information is misdirected or accessed without the consent or knowledge of the user, the Company may face litigation, potential liability, regulatory sanctions and damage to its reputation. In addition, information stored in the Company's products and on the Company's network is subject to viruses and security breaches related to wireless data transmission. 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 or BlackBerry PlayBook tablet 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. Given the Company's focus on the security of the BlackBerry solution, even perceptions that the Company's products and services do not adequately protect confidential or personal information could adversely affect the Company, through damage to its reputation or otherwise, regardless of whether an end user of its products and services has consented to access to, or use of, such information.

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 breach security measures that the Company or its partners have implemented. If these security measures are breached, or perceived to be breached, or if there is an inappropriate disclosure, unauthorized access or misdirection of confidential or personal information, including as a result of a security breach 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, inappropriate disclosure or unauthorized access 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 the BlackBerry wireless solution, and even the perception of security vulnerabilities in the Company's products or services 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 and services 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.

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 BlackBerry wireless solution. This information is increasingly subject to legislation and regulations in numerous jurisdictions around the world that is intended to protect the privacy and security of personal information as well as the collection, storage, transmission, use and disclosure of such information. For example, on February 23, 2012, the White House released its much-anticipated report on data privacy that focused on the use and handling of personal data by private-sector entities in commercial settings and, among other things, encouraged the United States Congress to enact data privacy legislation. In addition, a number of leading companies in the mobile communications industry, including the Company, recently 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 BlackBerry wireless solution or its existing security procedures for the personal information that it 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 the BlackBerry wireless solution. Such expectations or requirements could subject the Company to additional costs, liabilities or negative publicity, and limit its future growth. Further, any failure by the Company to protect end users' privacy and data could result in a loss of user confidence in the Company's services, impact the Company's reputation and ultimately result in a loss of users, which could adversely affect the Company's business.

In addition, governmental authorities may use the Company's products to access the personal data of individuals without RIM's involvement, for example, through so-called lawful intercept capability of network infrastructure. Even perceptions that the Company's products do not adequately protect personal or consumer data collected by RIM, made available to RIM or stored in or through RIM'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 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.

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. This is particularly the case in emerging markets where the Company does not have an existing presence. Competition for highly skilled management, technical, research and development and other employees is intense and increasing in the wireless communications industry. The Company's restructuring activities (including headcount reductions relating to its Cost Optimization Program and continuing efforts to streamline its operations and increase efficiency through its CORE program), the recent governance changes, the challenges faced by the Company over the past fiscal year relating to delays in new product introductions, loss of market share, the substantial decline in the Company's share price (particularly for those employees for whom equity-based compensation has been a key element of their compensation), the perception of the effects of competition on the Company's future prospects, and other factors, may impact on the Company's ability to attract and retain 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. The Company's restructuring activities and general loss of key employees could disrupt operations, impair the Company's ability to compete effectively, impact the Company's ability to successfully execute its strategies (including the transition to its next generation BlackBerry 10 smartphones), and affect its ability to address issues that may arise in the future as a result of a loss of institutional knowledge.

The Company's Board of Directors and management has recently changed, and its failure to successfully adapt to these changes and fill vacant key management positions may adversely affect the Company's business.

The Company has experienced a number of recent changes to its Board of Directors and management, including the resignation of its previous Co-Chief Executive Officers and Co-Chairs, the appointment of a new Chair and a new President and Chief Executive Officer, the appointment of two new directors and resignation of another and the resignation and retirement of two of the Company's other executive officers, as well as other changes. In addition, the Company has announced its intention to hire a new Chief Operating Officer and a Chief Marketing Officer. The Company's success depends on its ability to successfully adapt to these changes, to identify and hire qualified candidates to fill vacant executive officer positions, to effectively integrate the Company's new management team, and to implement the strategies and achieve the goals outlined by the Company's new President and Chief Executive Officer. If the Company's Board and management team is unable to accomplish these business objectives, the Company's ability to grow its business and successfully meet its challenges could be adversely affected.

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 becoming supply constrained, 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, and the Company may rely on these sources to meet the Company's needs. Alternative sources of supply are not always available. Moreover, the Company depends on, but has limited control over, the quality and reliability of the products supplied or licensed to the Company. If the Company cannot 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. As the number of different products manufactured by the Company and its outsourcing partners, increases, it is increasingly difficult to estimate component requirements. If the Company overestimates its component requirements based on anticipated demand for its products, it may result in excess inventory, which would increase the risk of obsolescence. If the Company underestimates component requirements, it may have inadequate inventory, which could interrupt manufacturing operations and delay delivery of products. Any of these occurrences could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company has negotiated favorable pricing terms with many of its suppliers, some of which have volume-based pricing. In the case of volume-based pricing arrangements, the Company may experience higher than anticipated costs if current volume-based purchase projections are not met. Some contracts have minimum purchase commitments and the Company may incur large financial penalties 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's business depends on a strong brand, and failing to maintain and enhance our brand would hurt our ability to expand our base of users, customers and partners.

The brand identity that the Company has developed has significantly contributed to the success of its business. Maintaining and enhancing the "BlackBerry" brand is critical to expanding the Company's base of users, customers and partners. The Company believes that the importance of brand recognition will increase due to the relatively low barriers to entry in the wireless communications industry. The "BlackBerry" brand may be negatively impacted by a number of factors, including service interruptions, product malfunctions, product performance not meeting expectations, a user experience which does not compare to that of RIM's competitors, data privacy and security issues, and perceptions of the future success of the Company's products and services. If the Company fails to maintain and enhance the "BlackBerry" brand, or if the Company incurs excessive expenses in this effort, the Company's business, results of operations, and financial condition will be materially and adversely affected. Maintaining and enhancing the "BlackBerry" brand will depend largely on the Company's ability to be a technology leader and continue to provide high-quality products and services on a timely basis and at competitive prices, which the Company may not be able to do successfully.

The Company is subject to risks inherent in foreign operations.

Sales outside North America represented approximately 70% of the Company's revenue in fiscal 2012 compared to 54% in fiscal 2011. The North American market, particularly the United States, has become increasingly 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 an increasing portion of the Company's revenue. The Company has committed, and intends to commit, significant resources to its international operations and sales and marketing activities. The Company maintains offices in a number of foreign jurisdictions**,** and expects to 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;
- 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;
- foreign exchange controls and cash repatriation restrictions;
- tariffs and other trade barriers;
- difficulties in collecting accounts receivable;
- potential adverse tax consequences;
- uncertainties of laws and enforcement relating to the protection of intellectual property or secured technology;
- litigation in foreign court systems;
- unauthorized copying or use of the Company's intellectual property, including software, know-how or trade secrets;
- cultural and language differences;
- difficulty in managing a geographically dispersed workforce in compliance with local laws and customs that vary from country to country; and
- other factors, depending upon the country involved.

There can be no assurance 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 or that they will not have a material adverse effect 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.

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 the BlackBerry wireless solution 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.

Government regulations applicable to the Company's products and services may provide opportunities for competitors or limit industry growth. For example, 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 RIM'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.

Regulatory initiatives throughout the world can also create new and unforeseen regulatory obligations on the Company, its products and services. 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 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.

In addition, governments are increasingly imposing requirements on entities like RIM 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's business relies on its strategic alliances and relationships with third-party network infrastructure developers, software platform vendors and service platform vendors.

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

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

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

BlackBerry App World, the Company's comprehensive electronic applications catalogue, is available to customers in over 100 markets globally, with other markets to follow. The continued expansion of the applications catalogue is an important element of the Company's successful transition to its next-generation BlackBerry 10 smartphones the success of the BlackBerry PlayBook tablet, and requires a substantial investment of internal resources for development of the infrastructure, improvement of developer and consumer interfaces and advertising costs.

Decisions by customers to purchase the Company's products are becoming increasingly based on the availability of 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 those of its competitors, which may be adversely affected by the loss of market share in fiscal 2012, delays in the launch of the BlackBerry PlayBook 2.0 OS and BlackBerry 10 smartphones, and perceptions regarding the ability of the BlackBerry 10 smartphones and related products to complete 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. 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 update similar or competitive applications. The loss of, or inability to maintain these relationships may affect the desirability of the Company's products and, hence, RIM's revenue from the sale of its products, particularly to consumers. If the Company is unable to successfully expand and manage the BlackBerry App 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, 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 the Company is not able to successfully expand, support or market the applications catalogue, or if necessary third-party interfaces are not available to support the applications, the Company may lose market share, and its business, results of operations and financial condition may be adversely affected.

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

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

- an inability to obtain adequate manufacturing capacity and reduced control over delivery schedules and costs;
- concerns regarding quality control;
- risks relating to the use of third party manufacturers 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 RIM'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.

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. Insufficient supply or an interruption or stoppage of supply from such third party manufacturers or the Company's inability to obtain additional or substitute manufacturers when and if needed, could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company has its own production facility focused on new product introduction manufacturing and related manufacturing processes. If the Company fails to effectively manage its manufacturing 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 an increasing number of different products.

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 claims including 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.

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, as a result of the service interruption that occurred in October 2011, the Company is facing class action suits in multiple jurisdictions and has received inquiries from consumer protection agencies. 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.

Risk associated with litigation claims against the Company arising from the Company's practice of providing forward-looking guidance to its shareholders with respect to certain financial metrics, including the Company's practice of updating previous guidance where circumstances warrant.

In the past, the Company has followed the practice of providing specific quantitative forward-looking guidance to its shareholders with respect to certain financial metrics for the subsequent fiscal quarter in its quarterly earnings press releases. In addition, in certain quarterly earnings press releases over the past fiscal year, the Company provided forward-looking guidance with respect to its anticipated earnings per share for the full fiscal year ended March 3, 2012. On March 29, 2012, the Company announced that it will no longer provide specific quantitative guidance. However, the Company is committed to providing a high level of disclosure and transparency and will continue to provide commentary that highlights the trends and uncertainties that RIM anticipates. Any statements that are forward-looking statements are intended to enable RIM's shareholders to view the anticipated financial 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 Annual Information Form under "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors". These forward-looking statements are made by RIM 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 RIM'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 RIM's financial results for future periods, particularly over longer periods, given the rapid technological changes, evolving industry standards, intense competition and short product life cycles that characterize the wireless communications industry.

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 technology, such as its entry into the tablet market and its transition to the BlackBerry 10 platform, can increase the difficulty of forecasting financial results. Significant unanticipated sales and marketing, R&D, IT, professional and other costs, write downs and other 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 filing 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 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.

Between May and August 2011, several purported class action lawsuits were filed against the Company and certain of its current and former officers in the U.S. District Court for the Southern District of New York, two of which have been voluntarily dismissed. The plaintiffs have alleged that during the period from December 16, 2010 through June 16, 2011, the defendants made materially false and misleading statements regarding RIM's financial condition and business prospects, and seek unspecified damages. Regardless of the Company's views of the merits of this action or any similar 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 successfully manage its past growth and its ongoing development of service and support operations.

The Company has experienced significant growth in sales and personnel in past years. For example, in the past 10 years, revenues have increased to $18.4 billion in fiscal 2012 from $307 million in fiscal 2002. Rapid growth of the Company's operations and the expansion of its product lines have placed a strain on managerial, financial and human resources, including product development personnel. The Company's ability to manage this past growth will depend in large part upon a number of factors, including the Company's ability to:

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

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

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

The Company may be required to record additional goodwill or other intangible asset impairment charges, which could adversely impact the Company's financial results.

Under generally accepted accounting principles in the United States ("GAAP"), the Company reviews its intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. RIM performs its annual impairment analysis of goodwill late in the fourth quarter of each fiscal year, or sooner, as was the case in the third quarter of fiscal 2012, if the Company determines there are indicators of impairment, in accordance with GAAP. Under GAAP, the impairment analysis of goodwill must be based on estimated fair values. The determination of fair values requires assumptions and estimates of many critical factors, including, but not limited to: expected results of operations; macroeconomic conditions; the Company's share price and market capitalization; industry analyst expectations; control premiums; and the discount rates used in a discounted cash flow analysis. In the fourth quarter of fiscal 2012, the Company recorded a goodwill impairment of $355 million and reported this amount as a separate line item in its consolidated statements of operations. The goodwill balance as at March 3, 2012 was $304 million following the goodwill impairment charge in the fourth quarter of fiscal 2012. The Company will be required to continue evaluating the carrying value of goodwill on an annual basis in the fourth quarter of its fiscal year or more frequently, if possible indicators of impairment occur.

As noted above, the Company's share price and control premium are significant factors in assessing the Company's fair value for purposes of 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 our results of operations, and changes in the Company's forecasts or market expectations relating to future results. See "– The market price of the Company's common shares may be volatile" below. 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 share price performance or control premium applicable to the Company. A sustained decline in the Company's performance, the Company's market capitalization and future changes to the Company's assumptions and estimates used in the goodwill impairment, particularly the determination of an appropriate control premium, and the reasonableness of observing the average market price over a 5-day period, may result in an impairment of some or all of the goodwill on the Company's balance sheet; including any goodwill arising from the acquisition of Paratek Microwave, Inc., which was an acquisition that was completed five days following the end of fiscal 2012.

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 expects that it may be subject to additional shareholder activity or demands in the future. Given the challenges the Company has encountered in its business over the past year, recent changes to the Company's governance 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 Company's Board of Directors and senior management from the pursuit of its business strategies, particularly its transition to the new BlackBerry 10 platform, which could adversely affect the Company's results of operations, financial condition and prospects. If individuals are elected to the Company's Board of Directors with a specific agenda to increase short-term shareholder value, it may adversely affect or undermine RIM's ability to effectively implement the Company's 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, to the detriment of the Company.

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

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

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

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

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

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 the BlackBerry wireless solution 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.

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. These activities create risks such as the need to integrate and manage the businesses, personnel, and products acquired with the business, personnel and products of the Company, the challenges in achieving strategic objectives, cost savings and other benefits from acquisitions, the potential loss of key employees of the acquired business at the time of the acquisition or upon the termination of their non-compete covenants or obligations, additional demands on the Company's management, resources, systems, procedures and controls, disruption of the Company's ongoing business, and diversion of management's attention from other business concerns. Such acquisitions, investments or other business collaborations may involve significant commitments of financial and other resources of the Company. An acquisition may have an adverse effect on the Company's cash position if all or a portion of the purchase price is paid in cash, or 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, that 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. 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 exposed to fluctuations in foreign currencies.

The Company is exposed to foreign exchange risk as a result of transactions in currencies other than its U.S. dollar functional currency. The majority of the Company's revenue and purchases of raw materials are denominated in U.S. dollars. However, some revenue, a substantial portion of operating costs, including salaries and manufacturing overhead, as well as capital expenditures, are incurred in other currencies, primarily Canadian dollars, Euros and the British Pound. 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 Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended March 3, 2012.

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 Federal Communications Commission ("FCC") before they can be used in commercial quantities in the United States. The FCC requires that access devices meet various standards, including safety standards with respect to human exposure to electromagnetic radiation and basic signal leakage. Regulatory requirements in Canada, Europe, Asia and other jurisdictions must also be met. Although the Company's products and solutions are designed to meet relevant safety standards and recommendations globally, 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 proposed legislation relating to certain "conflict 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 regulatory approvals, product manufacturers must obtain certification from the networks upon which their products operate. Failure to maintain regulatory approvals or network certifications for the Company's current products or a failure to obtain required regulatory approvals or network certifications for any new products on a timely basis could have a material adverse effect on the Company's business, 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.

In addition, alleged or actual non-compliance with local laws could result in the suspension of sales, importation licenses or services in certain jurisdictions where the Company's products are currently sold or used.

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

The Company is subject to income and other taxes in Canada and numerous foreign jurisdictions. Significant judgment is required in determining its worldwide liability for income and other taxes. In the ordinary course of the Company's business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although the Company believes that its tax estimates are reasonable, there can be no assurances that the final determination of any tax audits will not be materially different from that which is reflected in historical income and other tax provisions and accruals. Should additional taxes be assessed as a result of an audit, litigation or changes in tax laws, there could be a material adverse effect on the Company's current and future results and financial condition. 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.

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

The Company had a total cash, cash equivalents and investments of $2.1 billion as at March 3, 2012, compared to $2.7 billion as at February 26, 2011. The Company's investment income increased by $13 million to $21 million in fiscal 2012 from $8 million in fiscal 2011. 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 market and credit risk on its investment portfolio. While the Company's investment policies include investing in liquid, investment-grade securities and limiting investments in any single issuer, there can be no assurance that such investment policies will reduce or eliminate market or credit risks. See "Financial Condition" in Management's Discussion and Analysis of Financial Condition and Results of Operations for fiscal 2012 for a discussion of certain liquidity issues relating to the Company's investments in auction rate securities, structured investment vehicles and fixed income securities maintained in an investment account with Lehman Brothers International (Europe).

Proposed regulations relating to conflict minerals may have an adverse affect on the Company's business.

Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, requires the SEC to promulgate new disclosure requirements 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. Promulgation of the SEC's final rules is anticipated to occur in the first half of fiscal 2013. The implementation of these new regulations 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 regulations 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's supply chain is complex, the Company may face reputational challenges if RIM is unable to sufficiently verify the origins for all metals used in the Company's products through the due diligence procedures that RIM implements.

Failure of the Company's suppliers, subcontractors, third-party distributors and representatives to use acceptable ethical business practices or to comply with applicable laws, including proposed regulations related to conflict minerals, 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, including the sourcing of so-called "conflict minerals" for the Company's products, 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. For example, if one of the Company's suppliers or subcontractors fails to procure necessary intellectual property rights, legal action could be taken against the Company that could impact the salability of the Company's products and expose the Company to financial obligations to a third party. Representations and warranties provided to the Company may turn out to be inaccurate, and indemnities provided by such suppliers or subcontractors to the Company may not be sufficient to avoid liability. Any of these events could have a negative impact on the Company's business, results of operations and financial condition.

Risks Related to Intellectual Property

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

The Company's commercial success depends upon the Company not infringing intellectual property rights owned by others. The industry in which the Company competes has many participants that own, or claim to own, intellectual property, including participants that have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by the Company in its products. Some of these patents may grant very broad protection to the third-party owners of the patents. 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**.** 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 with non-infringing products that may otherwise mitigate such damages and losses.

Many intellectual property infringement claims are brought by entities whose principal business model is to secure patent licensing-based revenue from operating companies. As such entities do not typically generate their own products or services, the Company cannot deter their patent infringement claims based on counterclaims that they infringe patents in the Company's portfolio or by entering into cross-licensing arrangements. Litigation and claims advanced in the ITC 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 or impact the functionality of the Company's products; 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. In addition, the Company includes and promotes certain third-party applications and content with its products. The Company's support and promotion of third-party applications and content increase the risk of intellectual property litigation if such applications and content infringe on or misappropriate the patents or other intellectual property rights of others.

The Company may not be able to obtain patents or other intellectual property protections necessary to secure its proprietary technology 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 in the United States, Canada and other countries. The Company continues to devote significant resources to protecting its proprietary technology. However, the Company may not be able to continue to develop technology that is patentable, patents may not be issued in connection with the Company's pending applications and allowed claims by the Company may not be sufficient to protect its technology. Furthermore, any patents issued could be challenged, invalidated or circumvented and may not provide proprietary protection or a competitive advantage.

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

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

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

- some or all of its confidentiality agreements will not be honored;
- third parties will independently develop equivalent technology or misappropriate the Company's technology or designs;
- disputes will arise with the Company's strategic partners, customers or others concerning the ownership of intellectual property;
- unauthorized disclosure 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 able to obtain rights to use software or components supplied by third parties.

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

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

The Company faces the possibility of copyright levies from collecting societies in European and other countries for the sale of products such as BlackBerry smartphones 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.

Risks Related to the Company's Common Shares

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 highly volatile markets generally, particularly for technology company shares. A variety of events, including, news announcements by the Company or its competitors, trading volume, general market trends for technology companies and other factors, could result in wide fluctuations in the market price for its common shares. The Company's share price may also be affected by factors such as the performance of other technology companies, increasing market share of such companies, announcements by or results of RIM'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, such as the tablet market, may increase the difficulty of forecasting financial results. The Company's sales may also be impacted by current economic factors which more significantly impact other specific industry sectors, such as the financial, government and legal services sectors 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 expenses are likely. Significant unanticipated sales and marketing, R&D, IT, professional and other costs may be incurred in a single quarter which will affect results. Additionally, many of the Company's products are subject to long sales cycles. As a result, if expected revenues are not realized as anticipated, or if operating expenses are higher than expected, the Company's financial results could be materially adversely affected. These factors can make it difficult to predict the Company's financial results. Difficulties forecasting financial results over longer periods increase significantly given the rapid technological changes, evolving industry standards, intense competition and short product life cycles that characterize the wireless communications industry.

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

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

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

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

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

DIVIDEND POLICY

Dividend Policy and Record (Canadian $000's)

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

DESCRIPTION OF SHARE CAPITAL

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

Common Shares

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

Class A Common Shares

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

Preferred Shares

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

MARKET FOR SECURITIES OF THE COMPANY

The Company's common shares are listed and posted for trading on The Toronto Stock Exchange under the symbol "RIM" and are listed on the NASDAQ Global Select Market under the symbol "RIMM". The volume of trading and price ranges of the Company's common shares on the NASDAQ Global Select Market and the Toronto Stock Exchange 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 2011	$54.25-$66.87	2,105,600	$55.77-$68.81	12,985,000
April 2011	$45.56-$54.99	2,856,400	$48.20-$57.32	15,573,700
May 2011	$41.24-$46.84	2,081,500	$42.55-$48.95	13,778,700
June 2011	$25.28-$41.21	3,950,200	$25.82-$42.50	30,775,500
July 2011	$23.74-28.63	2,056,600	$24.81-$29.76	17,982,300
August 2011	$21.40-$32.28	3,993,800	$21.60-$33.05	27,597,800
September 2011	$21.05-$32.71	3,534,300	$20.28-$33.54	28,420,100
October 2011	$20.12-$25.65	2,998,200	$19.29-$24.74	21,277,000
November 2011	$16.76-$20.41	2,749,800	$15.98-$19.95	20,706,900
December 2011	$12.80-$19.06	3,012,100	$12.45-$18.77	28,481,500
January 2012	$14.77-$18.23	3,331,000	$14.57-$17.96	27,438,500
February 2012	$14.00-$17.33	3,103,900	$14.16-$17.34	16,098,200

DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, the Company currently has a board of directors comprised of ten persons. Pursuant to a special resolution of shareholders, the directors are authorized from time to time to increase the size of the board of directors, and to fix the number of directors, up to the maximum of 15 persons, as currently provided under the articles of the Company, without the prior consent of the shareholders.

The following table sets forth the name, municipality of residence and, except as provided below, principal occupation during the last five years of each of the Company's directors and executive officers as of March 3, 2012. 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.

On March 29, 2012, the Company announced the resignations of Jim Balsillie from the Board and Jim Rowan as Chief Operating Officer, Global Operations, as well as the retirement of David Yach, Chief Technology Officer, Software. The Company intends to hire a new Chief Operating Officer and a Chief Marketing Officer.

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Name, Municipality of Residence and Present Principal Occupation	Director Since	Position(s) with the Company
Thorsten Heins [3] [4] Waterloo, Ontario President and Chief Executive Officer, RIM	2012	Director, President and Chief Executive Officer
Barbara Stymiest, FCA [1] [2] [3] [4] [5] Toronto, Ontario Corporate Director	2007	Director, Chair
Mike Lazaridis [3] [4] Waterloo, Ontario Corporate Director	1984	Director, Vice Chair
James Balsillie [3][6] Waterloo, Ontario Corporate Director	2010	Director
David Kerr [1] [2] [3] Toronto, Ontario Managing Partner, Edper Financial Group	2007	Director
Claudia Kotchka [1] [3] [4] Cincinnati, Ohio Corporate Director	2011	Director
Roger Martin [3] [4] Toronto, Ontario Dean, The Rotman School of Management	2007	Director
John Richardson, FCA [1] [2] [3] Toronto, Ontario Corporate Director	2003	Director
Antonio Viana-Baptista [2] [3] [4] Madrid, Spain Chief Executive Officer, Credit Suisse Iberia	2009	Director
Prem Watsa [3] Toronto, Ontario Chief Executive Officer, Fairfax Financial Holdings Limited	2012	Director
John Wetmore [2] [3] Toronto, Ontario Corporate Director	2007	Director
Brian Bidulka Burlington, Ontario Chief Financial Officer, RIM	N/A	Chief Financial Officer
Robin Bienfait Norcross, Georgia Chief Information Officer, RIM	N/A	Chief Information Officer
David Yach[6] Waterloo, Ontario Chief Technology Officer, Software, RIM	N/A	Chief Technology Officer, Software
Jim Rowan[6] Toronto, Ontario Chief Operating Officer, Global Operations, RIM	N/A	Chief Operating Officer, Global Operations
Karima Bawa Vancouver, British Columbia Chief Legal Officer, RIM	N/A	Chief Legal Officer

Notes:

[1] Member of the Audit and Risk Management Committee.
[2] Member of the Compensation, Nomination and Governance Committee.
[3] Member of Strategic Planning Committee.
[4] Member of the Innovation Committee.
[5] Chair of the Board of Directors
[6] On March 29, 2012, the Company announced the resignations of Jim Balsillie from the Board, and Jim Rowan as Chief Operating Officer, Global Operations, as well as the retirement of David Yach Chief Technology Officer, Software.

As at March 3, 2012, the above directors and executive officers of the Company (excluding the above directors and officers that have resigned or retired) beneficially owned, or controlled or directed, directly or indirectly, approximately 30 million common shares of the Company representing approximately 6% of the issued and outstanding common shares of the Company. In addition, as of such date, Fairfax Financial Holdings Limited ("Fairfax") and certain of its wholly-owned or controlled subsidiaries beneficially owned approximately 26.8 million common shares of the Company (the "Fairfax Shares") representing approximately 5% of the issued and outstanding common shares of the Company. 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.

During the past five years, each of the directors and executive officers of the Company has been engaged in their current principal occupation as specified above except: Mr. Thorsten Heins who prior to January 2012 was Chief Operating Officer, Product & Sales and formerly was Senior Vice President, Handheld Business Unit of the Company, previous to that he was Chief Technology Officer of Siemens' Communications Division; Mr. Jim Balsillie who prior to 2012 was Co-Chief Executive Officer and Co-Chair of the Company; Mr. Mike Lazaridis who prior to 2012 was President, Co-Chief Executive Officer and Co-Chair of the Company; Ms. Barbara Stymiest who prior to 2011 was a member of the Group Executive, Royal Bank of Canada; Mr. John Wetmore who was Vice President, Contact Centre Development of IBM Americas and formerly President and Chief Executive Officer of IBM Canada; Mr. Antonio Viana-Baptista who prior to January of 2008 was CEO, Telefonica Espana, and prior to that Chairman and CEO, Telefonica Moviles, S.A.; Ms. Kotchka who prior to 2009 was Vice President, Design Innovation & Strategy, Proctor & Gamble; Ms. Robin Bienfait who prior to January 2007 was Senior Vice President of AT&T Global Network Operations, Network Security and Disaster Recovery, previously Chief Compliance Officer, EH&S and prior to that was Vice President Service Assurance, E-Mtce & IP/Data Systems at AT&T Labs; Mr. Brian Bidulka who prior to December 2009 was Chief Accounting Officer of the Company and formerly was Vice President, Corporate Controller of the Company, previous to that he was Vice President, Corporate Finance at Molson Inc., and formerly Vice President, Finance-Operations at Molson Canada; Mr. David Yach who prior to January 2008 was Senior Vice President, Software and Vice President, Software of the Company; Mr. Jim Rowan who prior to July 2011 was Chief Operating Officer, Manufacturing & Global Supply Chain and formerly was Senior Vice President, Global Manufacturing & Supply Chain of the Company, previous to that he was Executive Vice President of World Wide Operations for Celestica; and Ms. Karima Bawa who prior to December 2010 was Senior Vice-President, Legal of the Company.

The Company's Board of Directors has four standing committees: an Audit and Risk Management Committee, Compensation Nomination and Governance Committee, Strategic Planning Committee and Innovation Committee, the members of which are noted above. The Company does not have an Executive Committee.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

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

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

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

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

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

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

In February 2009, the Company and certain of its officers and directors entered into settlement agreements with the OSC and SEC to resolve the OSC and SEC investigations relating to the Company's historical stock option granting practices. For a detailed discussion of these settlements, see the sections entitled "Restatement of Previously Issued Financial Statements – OSC Settlement" and "Restatement of Previously Issued Financial Statements – SEC Settlement" in the MD&A for the fiscal year ended February 28, 2009, which can be found under the Company's profile on www.sedar.com.

Audit and Risk Management Committee

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

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

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

David Kerr, B.Sc., CA (Chair) – Mr. Kerr has a B.Sc. from McGill University. Mr. Kerr is Managing Partner of Edper Financial Corporation, a financial management company. From July 2002, to August 2006, Mr. Kerr was Chairman of Falconbridge Limited (formally Noranda Inc.) and prior to that he was President and Chief Executive Officer of Falconbridge Limited. Mr. Kerr is a director of Brookfield Asset Management Inc.; Sustainable Developments Technology Canada; Sun Life Financial Corporation; the Toronto Rehabilitation Hospital Foundation; and the Special Olympics Canada Foundation. In the past five years, Mr. Kerr also served as a director of Shell Canada Limited.

Claudia Kotchka, B.B.A., – Ms. Kotchka has a B.B.A., 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 and is also a speaker at conferences and forums on design and innovation and has been a guest lecturer at business school and universities. She is a Member of the Board of Trustees of the Smithsonian Design Museum and an Advisor with Stanford University Institute of Design. She has also served on a number of charitable organizations including as a member of the United Way Women's Leadership Council, as well as a member of the Board of Directors of the Audubon Society and Reading for Life.

Barbara Stymiest, FCA – Ms. Stymiest has an HBA from the Richard Ivey School of Business, University of Western Ontario and FCA from the Institute of Chartered Accountants of Ontario. 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 TSX Group Inc., Executive Vice-President & CFO at BMO Nesbitt Burns and Partner of Ernst & Young LLP. Ms. Stymiest is currently a Director of Symcor Inc., the Canadian Bankers Association, the Toronto Rehabilitation Institute, the Canadian Institute for Advanced Research and the Royal Ontario Museum.

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

The Board has also determined that each of Mr. Kerr, Ms. Stymiest and Mr. Richardson 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 and Risk Management 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 March 3, 2012 and February 26, 2011, 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 $3,331,000 and $2,811,000 respectively.

Audit-Related Fees

The aggregate fees billed by EY for the fiscal years ended March 3, 2012 and February 26, 2011, respectively, for assurance and related services rendered by EY that are reasonably related to the performance of the audit review of the Company's financial statements and are not reported above as audit fees were $195,000 and $65,000.

Tax Fees

The aggregate fees billed by EY for the fiscal years ended March 3, 2012 and February 26, 2011, respectively, for professional services rendered by EY for tax compliance, tax advice, tax planning and other services were $Nil and $6,700 respectively. Tax services provided included international tax compliance engagements.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

TRANSFER AGENTS AND REGISTRARS

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

MATERIAL CONTRACTS

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

INTERESTS OF EXPERTS

Ernst & Young LLP, Chartered Accountants, Licensed Public Accountants, is the external auditor who prepared the Independent Auditors' Report to Shareholders in respect of the audited annual consolidated financial statements of the Company for the year ended March 3, 2012 and the Report to Shareholders of an Independent Registered Public Accounting Firm on the Company's internal controls over financial reporting. Ernst & Young LLP is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and applicable securities laws.

ADDITIONAL INFORMATION & DOCUMENTS INCORPORATED BY REFERENCE

Additional information related to the Company can be found on SEDAR at www.sedar.com or on the SEC's website at www.sec.gov. Additional financial information is provided in the Company's audited consolidated financial statements and the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended March 3, 2012, 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.

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GLOSSARY -

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

1xRTT	Single carrier (1X) Radio Transmission Technology. 1xRTT is the first phase in CDMA's evolution to third-generation (3G) technology. 1xRTT networks should allow for greater network capacity (more users; fewer dropped calls) high bit rate packet data transfer.
3G wireless	Third generation (3G) wireless. Third generation wireless is a global framework that is implemented regionally in Europe (UMTS), North America (CDMA2000) and Japan (NTT DoCoMo). 3G is designed for high-speed wireless multimedia data and voice. It 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 the successor to 3G and 2G standards. The nomenclature of the generations generally refers to a change in the fundamental nature of the service. The first was the move from analogue to digital (2G), which was followed by multi-media support (3G) and now 4G, which refers to all IP packet-switched networks and increases in data speeds.
Analog	Analog transmission uses energy waves to transmit information. In the case of wireless voice transmission, the sound waves of a human voice are converted directly to specific, continuously variable characteristics of a radio wave. Broadcast and telephone transmission have typically used analog technology.
API	Application Programming Interface.
ASIC	Application Specific Integrated Circuit.
BlackBerry Authentic Accessories	A range of BlackBerry approved accessories that enhance a user's product experience through personalization and convenience. This includes carrying, protection, audio, and power solutions
Bluetooth®	Bluetooth is a specification for the use of low-power radio communications to wirelessly link phones, computers and other network devices over short distances.

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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.
Common Criteria Certification	An internationally approved set of security standards that provide an independent and objective validation of the security of a particular IT solution or product. This certification is accepted by 25 countries under the Common Criteria Recognition Agreement which includes the US, Canada, Germany, France and many others.
CRM	Customer Relationship Management. Customer relationship management is strategy for managing a company's interactions with customers and sales prospects. It involves using technology to organize, automate and synchronize business processes —principally sales related activities, but also those for marketing, customer service, and technical support.
Denial of Service Attack	An attack designed to flood a network with unnecessary traffic in order to prevent legitimate users of a system from having access.
Digital	A way of processing information by storing it as binary numbers. A digital circuit is either on or off, and a digital signal is either present or absent. Contrast with analog.
EDGE	See 3G Wireless.
EMS	Electronics Manufacturing Services. Is a term used for companies that design, test, manufacture, distribute, and provide return/repair services for electronic components and assemblies for original equipment manufacturers (OEMs).
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.

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GPRS	General Packet Radio Service. An enhancement to the GSM (see below) mobile communications system that supports data packets. GPRS enables continuous flows of IP data packets over the system for such applications as Web browsing and data access. GPRS differs from GSM's short messaging service, which is limited to messages of 160 bytes in length.
GPS	Global Positioning System.
GSM	Global System for Mobile Communications. A digital cellular phone technology based on TDMA that is the predominant system in Europe, but is also used around the world. Operating in the 900MHz and 1.8GHz bands in Europe and the 1.9GHz PCS band in the U.S., GSM defines the entire cellular system, not just the air interface (i.e. TDMA, CDMA). GSM phones use a Subscriber Identity Module (SIM) smart card that contains user account information.
HDI	High Density Interconnect. A measure of the average amount of circuitry package in a given area of assembly.
HSPA	High-Speed Packet Access. A family of radio interface standards that will improve the speed and accuracy of traffic over cellular networks. HSPA builds on the existing WCDMA technology that has already been deployed to allow carriers to offer better speeds and larger bandwidth intensive services like streaming audio and video.
Hybrid PBXs	Hybrid PBXs support both traditional Time Division Multiplexed (TDM) phones to VoIP, easing the transition from TDM to VoIP.
iDEN	Integrated Digital Enhanced Network. A wireless communications technology from Motorola that provides support for voice, data, short messages (SMS) and dispatch radio (two-way radio) in one phone. Operating in the 800MHz and 1.5GHz bands and based on TDMA, iDEN uses Motorola's VSELP (Vector Sum Excited Linear Predictors) vocoder for voice compression and QAM modulation to deliver 64 Kbps over a 25 kHz channel. Each 25 kHz channel can be divided six times to transmit any mix of voice, data, dispatch or text message. Used by various carriers around the globe, Nextel Communications provides nationwide coverage in the U.S.
IM	Instant Messaging. A medium which enables two or more people to communicate in real time utilizing typed text over an electronic network.

IP	Intellectual Property. Intangible property that is the result of creativity (such as patents or trademarks or copyrights).
IPSec	Internet Protocol Security. Allows for the securing of IP communications by authenticating and encrypting IP packet of a communication exchange from host-to-host.
ISP	Internet Service Provider. A business that supplies Internet connectivity services to individuals, businesses and other organizations.
ITC	Income Tax Credit.
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.
MVS	Mobile Voice Service. BlackBerry MVS converges office desk phones and BlackBerry® smartphones, extending the same mobility advantages the BlackBerry ® Enterprise Solution provides for wireless email and data to voice communications.
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.
PBX	Private Branch Exchange. A private telephone network used within an enterprise. Users share a fixed number of outside lines instead of being provided with one outside line for each individual user. This allows for use of extensions as opposed to direct dial numbers.
PDA	Personal digital assistant. A hand held portable microcomputer.
PIM	Personal Information Management.

Packet-Switched Network	A network in which the data to be transmitted is divided into standard-sized packets, each of which is given the receiver's address. Each of the packets that make up the transmission travels separately; packets do not have to travel in sequence or by the same paths. When all the packets have arrived at their destination, the receiver reassembles them into the original message.
Prosumer	Prosumer refers to 'professional consumers'. The prosumer is typically looking to purchase and use professional-level equipment for both their business and personal lives. BlackBerry Prosumer is a hosted wireless email solution for professional consumers and does not include access to the BlackBerry Enterprise Server solution.
QWERTY	The modern-day keyboard layout on English-language computer and typewriter keyboards. It takes its name from the first six characters seen in the far left of the keyboard's top row of letters.
ROM	Read Only Memory. A class of storage media used in computers and other electronic devices. Once data has been written to a ROM chip, it cannot be removed and can only be read.
SDK	Software Developers Kit. A set of software routines and utilities used to help programmers write an application.
SME	Small and Medium-sized Enterprise.
SMS	Short Message Service. A text message service that enables short messages of generally no more than 140-160 characters in length to be sent and transmitted from a wireless device and is broadly supported on cellular phones. SMS was introduced in the GSM system and later supported by all other digital-based mobile communications systems.
SSL	Secure Sockets Layer. Protocols that provide security to Internet communications by encrypting the segments of network connections.
UMTS	See 3G wireless.
Virtual pre-load	An icon or program sent wirelessly to a user's device without the end user initiating the transfer.
WCDMA	See 3G wireless.
Wi-Fi	Wireless Fidelity. A generic term for referring to wireless network components that run on the Wi-Fi Alliances IEEE 802.11 wireless standards. The standard was created so that manufacturers could produce wireless equipment that would be compatible with one another.

APPENDIX A

CHARTER OF THE AUDIT AND RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS OF RESEARCH IN MOTION LIMITED AS ADOPTED BY THE BOARD ON MARCH 24, 2011

1. AUTHORITY

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

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

2. PURPOSE OF THE COMMITTEE

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

3. COMPOSITION OF THE COMMITTEE

Each member of the Committee shall be an "independent" director within the meaning of Section 301 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"), the rules promulgated thereunder by the Securities and Exchange Commission (the "SEC"), the rules of the Nasdaq Stock Market ("Nasdaq") and National Instrument 52-110 "Audit Committees" of the securities regulators in Canada , and, as such, shall be free from any relationship that may interfere with the exercise of his or her independent judgment as a member of the Committee. A majority of the members of the Committee shall be resident Canadians.

All members of the Committee shall be financially literate at the time of their election to the Committee. “Financial literacy” shall be determined by the Board in the exercise of its business judgment, and shall include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably expected to be raised by the Corporation’s financial statements. At least one member of the Committee shall be an “audit committee financial expert” with the meaning of Section 407 of Sarbanes-Oxley and the rules promulgated thereunder by the SEC. 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, and (ii) the oversight of the Corporation's Risk Performance and Audit Group ("RPA Group") as more particularly detailed below. The independent auditors and the RPA Group, through the 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:

A. Selection and Evaluation of External Auditors

(i) 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;

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

(iii) 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;

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

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

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

- they are ultimately accountable to the Committee;
- they must report directly to the Committee; and
- the Committee is responsible for the appointment (subject to Board and shareholder approval), compensation, retention, evaluation and oversight of the Corporation's independent auditors;

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

(i) 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;

(ii) 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;

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

- 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;

- 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;
- the selection and application of the Corporation's critical accounting policies;
- the methods used to account for significant unusual transactions;
- the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;
- significant recorded and unrecorded audit adjustments;
- any material accounting issues among management, the RPA Group (as defined below) and the independent auditors; and
- other matters required to be communicated to the Committee under applicable auditing standards by the independent auditors;

(iv) 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;

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

B. Oversight of Risk Management

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

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

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

(iv) 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;

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

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

Oversight of the RPA Group and Quarterly Reviews

(i) 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;

(ii) Review and advice on the appointment, replacement, reassignment, or dismissal of the leader of the RPA Group;

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

(iv) 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;

(v) 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;

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

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

Oversight of Financial Reporting Process and Internal Controls

(i) 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;

(ii) 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;

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

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

(v) 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

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

(ii) 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;

(iii) 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;

(iv) 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;

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

(vi) 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;

(vii) 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

(viii) 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:

- exercise reasonable diligence in gathering and considering all material information;
- remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions;
- understand and weigh alternative courses of conduct that may be available;
- focus on weighing the benefit versus harm to the Corporation and its shareholders when considering alternative recommendations or courses of action;
- 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
- provide management, the Corporation's independent auditors and the RPA Group with appropriate opportunities to meet privately with the Committee.

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

6. FUNDING

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

7. DISCLOSURE AND REVIEW OF CHARTER

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

* * *

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

ANNEX A
(Duties and Responsibilities of the Chair)

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

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

3. Provide for in-camera sessions at all scheduled meetings of the Committee without management present and, as appropriate, without the Corporate Secretary present.
4. Following each meeting of the Committee, report to the Board of Directors on the activities, findings and any recommendations of the Committee.
5. Perform such other duties, within the scope of its duties and responsibilities be assigned by the Board of Directors.

Exhibit 1.2

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

The Board of Directors and Shareholders of **Research In Motion Limited**

We have audited **Research In Motion Limited's** [the "Company"] internal control over financial reporting as of March 3, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with 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 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 March 3, 2012, 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 March 3, 2012 and February 26, 2011, and the consolidated statements of operations, shareholders' equity and cash flows for each of the years ended March 3, 2012, February 26, 2011, and February 27, 2010 of the Company and our report dated April 9, 2012 expressed an unqualified opinion thereon.



Kitchener, Canada,
April 9, 2012.

Chartered Accountants
Licensed Public Accountants

INDEPENDENT AUDITORS' REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of **Research In Motion Limited**

We have audited the accompanying consolidated financial statements of **Research In Motion Limited** [the "Company"], which are comprised of the consolidated balance sheets as at March 3, 2012 and February 26, 2011, the consolidated statements of operations, shareholders' equity, and cash flows for each of the years ending March 3, 2012, February 26, 2011, and February 27, 2010, 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.

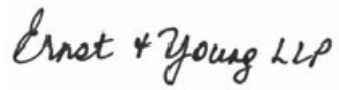
We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 3, 2012 and February 26, 2011, and the results of its operations and its cash flows for each of the years ended March 3, 2012, February 26, 2011, and February 27, 2010 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 March 3, 2012, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 9, 2012 expressed an unqualified opinion on the Company's internal control over financial reporting.



Kitchener, Canada,
April 9, 2012.

Chartered Accountants
Licensed Public Accountants

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders of Research In Motion Limited

Management of Research In Motion 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 Research In Motion 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 2012, fiscal 2011 and fiscal 2010 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/ Thorsten Heins
Thorsten Heins
President & CEO

Waterloo, Ontario
April 9, 2012

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

Consolidated Balance Sheets

	As at	
	March 3, 2012	February 26, 2011
Assets		
Current		
Cash and cash equivalents	$ 1,527	$ 1,791
Short-term investments	247	330
Accounts receivable, net	3,062	3,955
Other receivables	496	324
Inventories	1,027	618
Income taxes receivable	135	—
Other current assets	365	241
Deferred income tax asset	197	229
	7,056	7,488
Long-term investments	337	577
Property, plant and equipment, net	2,748	2,504
Goodwill	304	508
Intangible assets, net	3,286	1,798
	$13,731	$ 12,875
Liabilities		
Current		
Accounts payable	$ 744	$ 832
Accrued liabilities	2,382	2,511
Income taxes payable	—	179
Deferred revenue	263	108
	3,389	3,630
Deferred income tax liability	232	276
Income taxes payable	10	31
	3,631	3,937
Commitments and contingencies		
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 - 524,159,844 voting common shares (February 26, 2011 - 523,868,644)	2,446	2,359
Treasury stock		
March 3, 2012 - 8,711,010 (February 26, 2011 - 2,752,890)	(299)	(160)
Retained earnings	7,913	6,749
Accumulated other comprehensive income (loss)	40	(10)
	10,100	8,938
	$13,731	$ 12,875

See notes to consolidated financial statements.

On behalf of the Board:

/s/ Thorsten Heins
Thorsten Heins
Director

/s/ Barbara Stymiest
Barbara Stymiest
Director

Research In Motion 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 February 28, 2009	$ 2,328	$ —	$ 3,546	$ 1	$ 5,875
Comprehensive income:					
Net income	—	—	2,457	—	2,457
Net change in unrealized gains on available-for-sale investments	—	—	—	7	7
Net change in fair value of derivatives designated as cash flow hedges during the year	—	—	—	28	28
Amounts reclassified to income during the year	—	—	—	15	15
Shares issued:					
Exercise of stock options	30	—	—	—	30
Stock-based compensation	58	—	—	—	58
Tax benefits related to stock-based compensation	2	—	—	—	2
Purchase of treasury stock	—	(94)	—	—	(94)
Common shares repurchased	(46)	—	(729)	—	(775)
Balance as at February 27, 2010	$ 2,372	$ (94)	$ 5,274	$ 51	$ 7,603
Comprehensive income:					
Net income	—	—	3,411	—	3,411
Net change in unrealized losses on available-for-sale investments	—	—	—	(2)	(2)
Net change in fair value of derivatives designated as cash flow hedges during the year	—	—	—	(20)	(20)
Amounts reclassified to income during the year	—	—	—	(39)	(39)
Shares issued:					
Exercise of stock options	67	—	—	—	67
Stock-based compensation	72	—	—	—	72
Tax deficiencies related to stock-based compensation	(1)	—	—	—	(1)
Purchase of treasury stock	—	(76)	—	—	(76)
Treasury stock vested	(10)	10	—	—	—
Common shares repurchased	(141)	—	(1,936)	—	(2,077)
Balance as at February 26, 2011	$ 2,359	$ (160)	$ 6,749	$ (10)	$ 8,938
Comprehensive income:					
Net income	—	—	1,164	—	1,164
Net change in unrealized losses on available-for-sale investments	—	—	—	(3)	(3)
Net change in fair value of derivatives designated as cash flow hedges during the year	—	—	—	14	14
Amounts reclassified to income during the year	—	—	—	39	39
Shares issued:					
Exercise of stock options	9	—	—	—	9
Stock-based compensation	97	—	—	—	97
Tax deficiencies related to stock-based compensation	(2)	—	—	—	(2)
Purchase of treasury stock	—	(156)	—	—	(156)
Treasury stock vested	(17)	17	—	—	—
Balance as at March 3, 2012	$ 2,446	$ (299)	$ 7,913	$ 40	$10,100

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

Consolidated Statements of Operations

	For the Year Ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Revenue			
Hardware and other	$14,031	$ 16,416	$ 12,536
Service and software	4,404	3,491	2,417
	$18,435	$ 19,907	$ 14,953
Cost of sales			
Hardware and other (includes a fiscal 2012 inventory provision of $502 million)	11,217	10,516	7,979
Service and software	639	566	390
	11,856	11,082	8,369
Gross margin	6,579	8,825	6,584
Operating expenses			
Research and development	1,559	1,351	965
Selling, marketing and administration	2,604	2,400	1,907
Amortization	571	438	310
Litigation	—	—	164
Impairment of goodwill	355	—	—
	5,089	4,189	3,346
Income from operations	1,490	4,636	3,238
Investment income, net	21	8	28
Income before income taxes	1,511	4,644	3,266
Provision for income taxes	347	1,233	809
Net income	$ 1,164	$ 3,411	$ 2,457
Earnings per share			
Basic	$ 2.22	$ 6.36	$ 4.35
Diluted	$ 2.22	$ 6.34	$ 4.31

See notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows

	For the Year Ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Cash flows from operating activities			
Net income	$ 1,164	$ 3,411	$ 2,457
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	1,523	927	616
Deferred income taxes	(5)	92	51
Income taxes payable	(21)	2	5
Stock-based compensation	97	72	58
Impairment of goodwill	355	—	—
Other	9	1	9
Net changes in working capital items	(210)	(496)	(161)
Net cash provided by operating activities	2,912	4,009	3,035
Cash flows from investing activities			
Acquisition of long-term investments	(355)	(784)	(863)
Proceeds on sale or maturity of long-term investments	376	893	473
Acquisition of property, plant and equipment	(902)	(1,039)	(1,009)
Acquisition of intangible assets	(2,217)	(557)	(421)
Business acquisitions, net of cash acquired	(226)	(494)	(143)
Acquisition of short-term investments	(250)	(503)	(477)
Proceeds on sale or maturity of short-term investments	550	786	970
Net cash used in investing activities	(3,024)	(1,698)	(1,470)
Cash flows from financing activities			
Issuance of common shares	9	67	30
Tax benefits (deficiencies) related to stock-based compensation	(2)	(1)	2
Purchase of treasury stock	(156)	(76)	(94)
Common shares repurchased	—	(2,077)	(775)
Repayment of debt	—	—	(6)
Net cash used in financing activities	(149)	(2,087)	(843)
Effect of foreign exchange gain (loss) on cash and cash equivalents	(3)	16	(6)
Net increase (decrease) in cash and cash equivalents for the year	(264)	240	716
Cash and cash equivalents, beginning of year	1,791	1,551	835
Cash and cash equivalents, end of year	$ 1,527	$ 1,791	$ 1,551

See notes to consolidated financial statements.

Research In Motion Limited
Notes to the Consolidated Financial Statements
In millions of United States dollars, except share and per share data, and except as otherwise indicated

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

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

Basis of presentation and preparation

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

The Company's fiscal year end date is the 52 or 53 weeks ending on the last Saturday of February, or the first Saturday of March. The fiscal year ended March 3, 2012 comprises 53 weeks and the fiscal years ended February 26, 2011 and February 27, 2010 comprise 52 weeks.

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

Use of estimates

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

Foreign currency translation

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

Cash and cash equivalents

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

Accounts receivable, net

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

The Company evaluates the collectability of its accounts receivables based upon a combination of factors on a periodic basis such as specific credit risk of its customers, historical trends and economic circumstances. The Company, in the normal course of business, monitors the financial condition of its customers and reviews the credit history of each new customer. When the Company becomes aware of a specific customer's inability to meet its financial obligations to the Company (such as in the case of bankruptcy filings or material deterioration in the customer's operating results or financial position, and payment experiences), RIM records a specific bad debt provision to reduce the customer's related accounts receivable to its estimated net realizable value. If circumstances related to specific customers change, the Company's estimates of the recoverability of accounts receivables balances could be further adjusted. The allowance for doubtful accounts as at March 3, 2012 is $16 million (February 26, 2011 - $2 million).

While the Company sells its products and services to a variety of customers, there were no customers that comprised more than 10% of the Company's revenue in fiscal 2012 (February 26, 2011 – two customers comprised 11% each; February 27, 2010 - three customers comprised 20%, 13% and 10% each).

Investments

The Company's cash equivalents and investments, other than cost method investments of $37 million (February 26, 2011 - $15 million) and equity method investments of $48 million (February 26, 2011 - $11 million), consisting of money market and other debt securities, are classified as available-for-sale for accounting purposes and are carried at fair value, with unrealized gains and losses recorded in accumulated other comprehensive income (loss) until such investments mature or are sold. The Company determines the appropriate classification of investments at the time of purchase and subsequently reassesses the classification of such investments at each balance sheet date. 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 one year or less, as well as any investments that management intends to hold for less than one year, are classified as short-term investments. Investments with maturities in excess of one year are classified as long-term investments.

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

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

Derivative financial instruments

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

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

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

The Company formally documents relationships between hedging instruments and associated hedged items. This documentation includes: identification of the specific foreign currency asset, liability or forecasted transaction being hedged; the nature of the risk being hedged; the hedge objective; and the method of assessing hedge

effectiveness. If an anticipated transaction is deemed no longer likely to occur, the corresponding derivative instrument is de-designated as a hedge and any associated deferred gains and losses in accumulated other comprehensive income are recognized in income at that time. Any future changes in the fair value of the instrument are recognized in current income. The Company did not reclassify any losses from accumulated other comprehensive income (loss) into income as a result of the de-designation of any derivative instrument as a hedge during fiscal 2012 (fiscal 2011 – nil).

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

Property, plant and equipment, net

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

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

Goodwill

Goodwill represents the excess of the acquisition price over the fair value of identifiable net assets acquired. Goodwill is allocated as at the date of the business combination. Goodwill is not amortized, but is tested for impairment annually, 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 of 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 of the goodwill impairment test, the implied fair value of the reporting unit's goodwill is compared with its carrying amount to measure the amount of the impairment loss, if any. The implied fair value of goodwill is determined in the same manner as the value of goodwill is determined in a business combination using the fair value of the reporting unit as if it were the acquisition price. When the carrying amount of the reporting unit's goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate line item in the consolidated statements of operations. Establishing an implied fair value of goodwill requires the Company to make estimates for key inputs into complex valuation models and to apply significant judgment in the selection of estimates, assumptions and methodologies required to complete the analysis. Areas of judgment include, but are not limited to, development of multi-year business cash flow forecasts, the selection of discount rates and the identification and valuation of unrecorded assets.

Intangible assets

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

Impairment of long-lived assets

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

Income taxes

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

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

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

Revenue recognition

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, the product has been delivered or the services have been provided to the customer, the sales price is fixed or determinable and 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 from the sale of BlackBerry wireless hardware products (e.g. BlackBerry® handheld devices and BlackBerry® PlayBook™ tablets) is recognized when title has transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. For hardware products for which the software is deemed essential to the functionality of the hardware, the Company recognizes revenue in accordance with general revenue recognition accounting guidance.

The Company sells its BlackBerry PlayBook tablet with the right to receive unspecified software upgrade rights on a "when-and-if available" basis. These upgrade rights are related specifically to the product's essential operating system software. In these instances, the amount allocated to the unspecified software upgrade rights are deferred and recognized rateably over the 24-month estimated life of the tablet.

The Company records reductions to revenue for estimated commitments related to price protection, right of return and for customer incentive programs. Price protection is accrued as a reduction to revenue based on estimates of price reductions, provided the price reduction can be reliably estimated and all other revenue recognition criteria have been met. The Company also records reductions to revenue for a right of return based on contractual terms and conditions and, if the expected product returns can be reasonably and reliably estimated, based on historical experience. Where a general right of return cannot be reasonably and reliably estimated, the Company recognizes revenue when the product sells through the distribution channel. The estimated cost of the customer incentive program is accrued as a reduction to revenue based on historical experience, and is recognized at the later of the date at which the Company has sold the product or the date at which the program is offered. If historical experience cannot support a breakage rate, the maximum rebate amount is deferred and adjusted when incentive programs end.

Service

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

Software

Revenue from licensed software is recognized at the inception of the license term and in accordance with industry-specific software revenue recognition 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

Revenue from the sale of accessories is recognized when title has transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. Revenue from repair and maintenance programs is recognized when the service is delivered, which is when the title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled.

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) handheld devices with services, (ii) tablets with unspecified software upgrades on a when-and-if available basis and (iii) software with technical support services.

For the Company's arrangements involving multiple deliverables of handheld devices with services, the consideration from the arrangement is allocated to each respective element based on its relative selling price, using vendor-specific objective evidence of selling price ("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 best estimated selling price ("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.

The BlackBerry PlayBook tablet includes the right to receive free unspecified software upgrade rights on a when-and-if available basis. This upgrade right to the product's embedded operating system software is considered an undelivered element at the time of sale of the tablet and falls within the general revenue recognition guidance. The consideration from the arrangement is allocated to each respective element based on its relative selling price. As the BlackBerry PlayBook tablet or the upgrade right are not sold on a standalone basis and no TPE exists for these deliverables, the allocation of revenue is based on the Company's BESP's. The consideration for the delivered hardware and the related essential software operating system are recognized at the time of sale provided that the four revenue recognition criteria have been met. The consideration allocated to the unspecified software upgrade rights is deferred and recognized rateably over the 24-month estimated life of the tablets.

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, 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 is $6 per BlackBerry PlayBook tablet.

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

Earnings per share

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

Stock-based compensation plans

The Company has stock-based compensation plans, which are described in note 9(b).

The Company has an incentive stock option plan for officers and employees of the Company or its subsidiaries. Under the terms of the plan, as revised in fiscal 2008, no stock options may be granted to independent directors. The Company measures stock-based compensation expense at the grant date based on the award's fair value as calculated by the Black-Scholes-Merton ("BSM") option-pricing model and is recognized rateably over the vesting period. The BSM model requires various judgmental assumptions including volatility and expected option life. In addition, judgment is also applied in estimating the amount of stock-based awards that are expected to be forfeited, and if actual results differ significantly from these estimates, stock-based compensation expense and our results of operations would be impacted.

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

The Company has a Restricted Share Unit Plan (the "RSU Plan") under which eligible participants include any officer or employee of the Company or its subsidiaries. At the Company's discretion, Restricted Share Units ("RSUs") are redeemed for either common shares issued by the Company, common shares purchased on the open

market by a trustee selected by the Company or the cash equivalent on the vesting dates established by the Board of Directors or the Compensation, Nomination and Governance Committee of the Board of Directors. The RSUs vest over a three-year period, either on the third anniversary date or in equal instalments on each anniversary date over the vesting period. The Company classifies RSUs as equity instruments as the Company has the ability and intent to settle the awards in shares. The compensation expense is calculated based on the fair value of each RSU as determined by the closing value of the Company's common shares on the business day of the grant date. The Company recognizes compensation expense over the vesting period of the RSU.

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

The Company has a Deferred Share Unit Plan (the "DSU Plan"), adopted by the Board of Directors on December 20, 2007, under which each independent director will be credited with Deferred Share Units ("DSUs") in satisfaction of all or a portion of the cash fees otherwise payable to them for serving as a director of the Company. Grants under the DSU plan replace the stock option awards that were historically granted to independent members of the Board of Directors. At a minimum, 60% of each independent director's annual retainer will be satisfied in the form of DSUs. The 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, subject to receipt of shareholder approval, the Company may elect to redeem DSUs by way of shares purchased on the open market or issued by the Company. DSUs are accounted for as liability-classified awards and are awarded on a quarterly basis. These awards are measured at their fair value on the date of issuance, and remeasured at each reporting period, until settlement.

Warranty

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

The Company's estimates of costs are based upon historical experience and expectations of future return rates and unit warranty repair 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.

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 January 2010, the Financial Accounting Standards Board (the "FASB") issued authoritative guidance to improve disclosures about fair value measurements. This new authoritative guidance became effective for interim and annual periods beginning after December 15, 2009, except for the requirement to separately disclose purchases, sales, issuances, and settlements in the Level 3 reconciliation, which became effective for interim and annual periods beginning after December 15, 2010. The Company partially adopted the authoritative guidance to improve disclosures about fair value measurements in the first quarter of fiscal 2011. The Company adopted the remaining portion of the authoritative guidance requiring separate disclosure on purchases, sales, issuances, and settlements in the Level 3 reconciliation in the first quarter of fiscal 2012. The adoption did not have a material impact on the Company's results of operations, financial condition or the Company's disclosures.

3. RECENTLY ISSUED PRONOUNCEMENTS

In September 2011, the FASB issued an amendment to Topic 350, Intangibles - Goodwill and Other, to simplify how entities test goodwill for impairment. The most significant amendment in this update is the option of a qualitative test for impairment, by providing entities the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (as defined as likelihood greater than 50%) that the fair value of a reporting unit is less than its carrying value. An entity has an unconditional option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the two step test and may resume performing the qualitative assessment in any subsequent period. The amendment is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted. The Company will adopt the guidance in the first quarter of fiscal 2013 and is currently evaluating the impact that the adoption of this guidance will have on its results of operations, financial condition and disclosures.

In June 2011, the FASB issued authoritative guidance which is expected to improve the comparability, consistency, and transparency of financial reporting as well as increase the prominence of items reported in other comprehensive income. The guidance amends previous literature by eliminating the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity, among other amendments. The guidance now provides entities with the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In December 2011, the FASB issued an update to defer the requirement for entities to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. The new authoritative guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2011 and should be applied retrospectively, with early adoption permitted. The Company will adopt the guidance in the first quarter of fiscal 2013 and is currently evaluating the impact that the adoption of this guidance will have on its results of operations, financial condition and disclosures.

In May 2011, the FASB, as a result of work performed with the International Accounting Standards Board ("IASB"), issued authoritative guidance to achieve common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards ("IFRS"). The guidance is expected to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The guidance presents certain amendments to clarify existing fair value measurements and disclosure requirements such as clarifying the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified in a reporting entity's shareholders' equity and clarifying that a reporting entity should disclose quantitative information about the

unobservable inputs used in a fair value measurements that is categorized within Level 3 of the fair value hierarchy. Furthermore, the guidance amends previous literature by requiring additional disclosures about fair value measurements, specifically requesting more information about the valuation processes used for fair value measurements categorized within Level 3 of the fair value hierarchy as well as presenting sensitivity of the fair value measurements to changes in unobservable inputs in Level 3 valuations. The guidance also amends previous literature around measuring the fair value of financial instruments that are managed within a portfolio as well as the application of premiums and discounts in a fair value measurement. The new authoritative guidance is effective for interim and annual periods beginning after December 15, 2011. The Company will adopt the guidance in the first quarter of fiscal 2013 and is currently evaluating the impact that the adoption of this guidance will have on its results of operations, financial condition and disclosures.

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-term Investments	Long-term Investments
As at March 3, 2012							
Bank balances	$ 453	$ —	$ —	$ 453	$ 453	$ —	$ —
Money market funds	5	—	—	5	5	—	—
Bankers acceptances	284	—	—	284	284	—	—
Term deposits/certificates	217	—	—	217	202	15	—
Commercial paper	402	—	—	402	355	47	—
Non-U.S. treasury bills/notes	71	—	—	71	71	—	—
U.S. treasury bills/notes	114	—	—	114	40	32	42
U.S. government sponsored enterprise notes	127	—	—	127	91	24	12
Non-U.S. government sponsored enterprise notes	18	—	—	18	10	8	—
Corporate notes/bonds	165	1	—	166	16	121	29
Asset-backed securities	109	—	—	109	—	—	109
Auction rate securities	35	1	—	36	—	—	36
Other investments	109	—	—	109	—	—	109
	$ 2,109	$ 2	$ —	$ 2,111	$ 1,527	$ 247	$ 337
As at February 26, 2011							
Bank balances	$ 288	$ —	$ —	$ 288	$ 288	$ —	$ —
Money market funds	20	—	—	20	20	—	—
Bankers acceptances	468	—	—	468	468	—	—
Term deposits/certificates	125	—	—	125	109	16	—
Commercial paper	416	—	—	416	369	47	—
Non-U.S. treasury bills/notes	509	—	—	509	509	—	—
U.S. treasury bills/notes	82	—	—	82	—	40	42
U.S. government sponsored enterprise notes	190	1	—	191	8	66	117
Non-U.S. government sponsored enterprise notes	26	—	—	26	—	10	16
Corporate notes/bonds	342	4	—	346	20	150	176
Asset-backed securities	141	—	—	141	—	1	140
Auction rate securities	35	—	—	35	—	—	35
Other investments	51	—	—	51	—	—	51
	$ 2,693	$ 5	$ —	$ 2,698	$ 1,791	$ 330	$ 577

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

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Realized gains	$ 1	$ 2	$ —
Realized losses	—	—	—
Net realized gains	$ 1	$ 2	$ —

The contractual maturities of available-for-sale investments at March 3, 2012 were as follows:

	Cost Basis	Fair Value
Due in one year or less	$ 1,315	$ 1,316
Due in one to five years	192	192
Due after five years	35	36
No fixed maturity date	5	5
	$ 1,547	$ 1,549

As at March 3, 2012 and February 26, 2011, the Company had no investments with continuous unrealized losses.

The Company engages in 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 March 3, 2012, the company had no securities on loan.

During fiscal 2011, the Company recognized an other-than-temporary impairment charge on its auction rate securities in the amount of $6 million as a result of the lack of continuing liquidity in these securities. In valuing these securities, the Company used a multi-year investment horizon and considered the underlying risk of the securities and the current market interest rate environment. The Company has the ability and intent to hold these securities until such time that market liquidity returns to normal levels, and does not consider the principal or interest amounts on these securities to be materially at risk. The Company has not recorded any additional impairment on its auction rate securities as of March 3, 2012. 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 sheet as at March 3, 2012.

During fiscal 2011, the Company also recognized an other-than-temporary impairment charge of $11 million against a portion of its claim on Lehman Brothers International (Europe) (“LBIE”) trust assets. These assets are represented by principal and interest payments from matured investments that were originally held at LBIE at the time of bankruptcy. The Company has classified $25 million of these holdings as other investments on the consolidated balance sheet as at March 3, 2012 and February 26, 2011. Previously, these holdings were classified as bank balances on the consolidated balance sheet as at February 27, 2010. The Company has not recorded any additional impairment on its claim of trust assets as of March 3, 2012. The classification change is represented in the consolidated statement of cash flows for the year ended February 26, 2011 as an acquisition of long-term investments.

5. FAIR VALUE MEASUREMENTS

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

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

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

The carrying amounts of the Company's cash and cash equivalents, accounts receivables, 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 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.

The fair values of money market funds were derived from quoted prices in active markets for identical assets or liabilities.

For bankers acceptances, non-U.S. government promissory notes, term deposits/certificates and commercial paper, the independent third party utilizes amortized cost as the short-term nature of the securities approximates fair value. For non-U.S. treasury bills/notes, U.S. treasury bills/notes, U.S. government sponsored enterprise notes, non-U.S. government sponsored enterprise notes, corporate notes/bonds (other than those classified as Level 3), and asset-backed securities, the independent third party provides fair values determined from quoted prices that it obtains from vendors. The Company then corroborates the fair values received from the independent third party against the results of its internal valuation in order to corroborate the pricing provided by the independent third party.

The Company corroborates the fair values provided by the independent third party for bankers acceptances by comparing those provided against fair values determined by the Company utilizing quoted prices from vendors for identical securities, or the market prices of similar securities adjusted for observable inputs such as differences in maturity dates, interest rates, and credit ratings. The bankers acceptances held by the Company are all issued by major banking organizations and all have investment grade ratings.

The Company corroborates the fair values provided by the independent third party for term deposits/certificates by comparing those provided against fair values determined by the Company utilizing quoted prices from vendors for identical securities, or the market prices of similar securities adjusted for observable inputs such as differences in maturity dates, interest rates and credit ratings. The term deposits/certificates held by the Company are all issued by major banking organizations and all have investment grade ratings.

The Company corroborates the fair values provided by the independent third party for commercial paper by comparing those provided against fair values determined by the Company utilizing quoted prices from vendors for identical securities, or the market prices of similar securities adjusted for observable inputs such as differences in maturity dates, interest rates, dealer placed rates and credit ratings. The commercial paper held by the Company are all issued by major financing, corporate or capital organizations and all have investment grade ratings.

The Company corroborates the fair values provided by the independent third party for non-U.S. treasury bills/notes by comparing those provided against fair values determined by the Company utilizing quoted prices from vendors for identical securities, or the market prices of similar securities adjusted for observable inputs such as differences in maturity dates, interest rates and credit rating. All non-U.S. treasury bills/notes held by the Company are issued by the Federal and/or Provincial Governments of Canada and all have investment grade ratings.

The Company corroborates the fair values provided by the independent third party for U.S. treasury bills/notes by comparing those provided against fair values determined by the Company utilizing quoted prices from vendors for identical securities as provided by U.S. government bond dealers. All U.S. treasury bills/notes held by the Company are issued by the United States Department of the Treasury and all have investment grade ratings.

The Company corroborates the fair values provided by the independent third party for U.S. government sponsored enterprise notes by comparing those provided against fair values determined by the Company utilizing quoted prices from vendors for identical securities as provided by U.S. government bond dealers or prices as provided by the published index of U.S. Agency securities. The U.S. government sponsored enterprise notes held by the Company are primarily agency notes and collateralized mortgage obligations issued and backed by government organizations such as Freddie Mac and Fannie Mae and all have investment grade ratings.

The Company corroborates the fair values provided by the independent third party for non-U.S. government sponsored enterprise notes by comparing those provided against fair values determined by the Company utilizing quoted prices from vendors for identical securities, or the market prices of similar securities adjusted for observable inputs such as differences in maturity dates, interest rates and credit ratings. The non-U.S. government sponsored enterprise notes held by the Company are primarily issued by investment banks backed by European or Latin American countries and all have investment grade ratings.

The Company corroborates the fair values provided by the independent third party for corporate notes/bonds (other than those classified as Level 3) by comparing those provided against fair values determined by the Company utilizing quoted prices from vendors for identical securities, or the market prices of similar securities adjusted for observable inputs such as differences in maturity dates, interest rates, yield curves, swap rates, credit ratings, industry comparable trades and spread history. The corporate notes/bonds held by the Company are all issued by major corporate organizations and all have investment grade ratings.

The Company corroborates the fair values provided by the independent third party for asset-backed securities by comparing those provided against fair values determined by the Company utilizing quoted prices from vendors for identical securities, or the market prices of similar securities adjusted for different observable inputs such as differences in swap rates and spreads, credit ratings, pricing changes relative to asset class, priority in capital structure, principal payment windows, and maturity dates. All asset-backed securities held by the Company are issued by government or consumer agencies and are primarily backed by commercial automobile and equipment loans and leases. All asset-backed securities held by the Company have investment grade ratings.

Fair values for all investment categories provided by the independent third party that are in excess of 0.5% from the fair values determined by the Company are communicated to the third party for consideration of reasonableness. The independent third party considers the information provided by the Company before determining whether a change in the original pricing is warranted.

The fair values of corporate notes/bonds classified as Level 3, which represent investments in securities for which there is not an active market, are estimated via cash flow pricing methodology using unobservable inputs such as actual monthly interest and principal payments received, maturity rates of holdings, historical prices realized on sales, defaults experienced, maturity extension risk, pricing for similar securities, collateral value, and recovery value for similar securities. The corporate notes/bonds classified as Level 3 held by the Company consist of securities received in a payment-in-kind distribution from a former structured investment vehicle.

The fair value of auction rate securities is estimated using a discounted cash flow model incorporating maturity dates, contractual terms and assumptions concerning liquidity and credit adjustments of the security sponsor to determine timing and amount of future cash flows. The fair value includes an impairment charge of $6 million recognized in fiscal 2011 as discussed in note 4.

The fair value of other investments is represented by the trust claim on LBIE bankruptcy assets and is estimated using unobservable inputs such as estimated recovery values and prices observed on market activity for similar LBIE bankruptcy claims. The fair value includes an impairment charge of $11 million recognized in fiscal 2011 as discussed in note 4.

The fair value of currency forward contracts and currency option contracts has been determined using notional and exercise values, transaction rates, market quoted currency spot rates, forward points and interest rate yield curves. For currency forward contracts and currency option contracts, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. Changes in assumptions could have a significant effect on the estimates.

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

As at March 3, 2012	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale investments				
Money market funds	$ 5	$ —	$ —	$ 5
Bankers acceptances	—	284	—	284
Term deposits/certificates	—	217	—	217
Commercial paper	—	402	—	402
Non-U.S. treasury bills/notes	—	71	—	71
U.S. treasury bills/notes	—	114	—	114
U.S. government sponsored enterprise notes	—	127	—	127
Non-U.S. government sponsored enterprise notes	—	18	—	18
Corporate notes/bonds	—	159	7	166
Asset-backed securities	—	109	—	109
Auction-rate securities	—	—	36	36
Other investments	—	—	25	25
Total available-for-sale investments	$ 5	$1,501	$ 68	$1,574
Currency forward contracts	—	55	—	55
Currency options contracts	—	17	—	17
Total assets	$ 5	$1,573	$ 68	$1,646
Liabilities				
Currency forward contracts	$ —	$ 34	$ —	$ 34
Currency option contracts	—	1	—	1
Total liabilities	$ —	$ 35	$ —	$ 35

As at February 26, 2011	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale investments				
Money market funds	$ 20	$ —	$ —	$ 20
Bankers acceptances	—	468	—	468
Term deposits/certificates	—	125	—	125
Commercial paper	—	416	—	416
Non-U.S. treasury bills/notes	—	509	—	509
U.S. treasury bills/notes	—	82	—	82
U.S. government sponsored enterprise notes	—	191	—	191
Non-U.S. government sponsored enterprise notes	—	26	—	26
Corporate notes/bonds	—	335	11	346
Asset-backed securities	—	141	—	141
Auction-rate securities	—	—	35	35
Other investments	—	—	25	25
Total available-for-sale investments	$ 20	$2,293	$ 71	$2,384
Currency forward contracts	—	63	—	63
Currency options contracts	—	1	—	1
Total assets	$ 20	$2,357	$ 71	$2,448
Liabilities				
Currency forward contracts	$ —	$ 129	$ —	$ 129
Currency option contracts	—	1	—	1
Total liabilities	$ —	$ 130	$ —	$ 130

The following table summarizes the changes in fair value of the Company's Level 3 assets for the year ended March 3, 2012:

	Level 3
Balance at February 27, 2010	$ 48
Change in market values	2
Transfers out of Level 3	(4)
Transfers into Level 3	25
Balance at February 26, 2011	71
Change in market values	1
Principal repayments received	(4)
Transfers out of Level 3	—
Transfers into Level 3	—
Balance at March 3, 2012	$ 68

The Company recognizes transfers into 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. During the year ended March 3,

2012, the Company did not have any significant transfers in or out of Level 1, Level 2 or Level 3. During the year ended February 26, 2011, the Company transferred $25 million into Level 3 Other investments from bank balances, representing the trust claim on LBIE bankruptcy assets.

6. CONSOLIDATED BALANCE SHEETS DETAIL

Inventories

Inventories were comprised as follows:

	As at	
	March 3, 2012	February 26, 2011
Raw materials	$ 771	$ 552
Work in process	520	222
Finished goods	167	94
Provision for excess and obsolete inventories	(431)	(250)
	$1,027	$ 618

Property, plant and equipment, net

Property, plant and equipment were comprised of the following:

	As at	
	March 3, 2012	February 26, 2011
Cost		
Land	$ 140	$ 128
Buildings, leaseholds and other	1,393	1,155
BlackBerry operations and other information technology	2,194	1,803
Manufacturing equipment, research and development equipment, and tooling	524	380
Furniture and fixtures	529	433
	4,780	3,899
Accumulated amortization	2,032	1,395
Net book value	$2,748	$ 2,504

As at March 3, 2012, the carrying amount of assets under construction was $392 million (February 26, 2011 - $296 million). Of this amount, $241 million (February 26, 2011 - $164 million) was included in buildings, leaseholds and other; $132 million (February 26, 2011 - $131 million) was included in BlackBerry operations and other information technology; $15 million (February 26, 2011 - $1 million) was included in manufacturing equipment, research and development equipment, and tooling; and $4 million (February 26, 2011 – nil) was included in furniture and fixtures.

For the year ended March 3, 2012, amortization expense related to property, plant and equipment was $660 million (February 26, 2011 - $497 million; February 27, 2010 - $345 million).

Intangible assets, net

Intangible assets were comprised of the following:

	As at March 3, 2012		
	Cost	Accumulated amortization	Net book value
Acquired technology	$ 397	$ 182	$ 215
Intellectual Property	4,217	1,146	3,071
	$ 4,614	$ 1,328	$ 3,286

	As at February 26, 2011		
	Cost	Accumulated amortization	Net book value
Acquired technology	$ 321	$ 125	$ 196
Intellectual Property	2,346	744	1,602
	$ 2,667	$ 869	$ 1,798

During fiscal 2012, the additions to intangible assets primarily consisted of payments relating to amended or renewed licensing agreements, patent license agreements including those relating to 3G and 4G technologies, a patent license agreement with IV International, as well as agreements with third parties for the use of intellectual property, software, messaging services and other BlackBerry related features, as well as intangible assets associated with the business acquisitions discussed in note 7.

During fiscal 2012, a consortium of certain technology companies, of which the Company is a part, emerged as the winning bidder for all of Nortel's remaining patents and patent applications for a cash purchase price of $4.5 billion. The Company's portion of the purchase consideration is approximately $775 million. The purchase includes more than 6,000 patents and patent applications spanning wireless, wireless 4G, data networking, voice, internet and other patents. The majority of the Company's portion of the purchase consideration was recorded as intangible assets as at March 3, 2012.

For the year ended March 3, 2012, amortization expense related to intangible assets was $863 million (February 26, 2011 - $430 million; February 27, 2010 - $271 million). Total additions to intangible assets in fiscal 2012 were $2.4 billion (2011 - $906 million).

Based on the carrying value of the identified intangible assets as at March 3, 2012 and assuming no subsequent impairment of the underlying assets, the annual amortization expense for the next five fiscal years is expected to be as follows: 2013 - $1.3 billion; 2014 - $447 million; 2015 - $331 million; 2016 - $263 million; and 2017 - $217 million.

The weighted-average remaining useful life of the acquired technology is 2.9 years (2011 – 3.5 years).

Goodwill

Changes to the carrying amount of goodwill during the fiscal year ended March 3, 2012 were as follows:

Balance as at February 26, 2011	$ 508
Goodwill acquired through business combinations during the period	151
Goodwill impairment charge	(355)
Balance as of March 3, 2012	$ 304

Goodwill is tested annually for impairment during the fourth quarter or more frequently if it is warranted by changes in events and circumstances that indicate goodwill is more likely than not 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.

Goodwill is tested for impairment using a two-step process. The first step involves comparing the Company's estimated fair value to its carrying amount, including goodwill. If the estimated fair value of the Company exceeds its carrying amount, goodwill is not considered to be impaired. If the carrying amount exceeds the estimated fair value, there is an indication of potential impairment and the second step of the goodwill impairment test is performed to measure the impairment amount. The second step involves determining an implied fair value of goodwill for the Company, which is calculated by measuring the excess of the estimated fair value of the Company over the aggregated estimated fair values of identifiable assets and liabilities. The conduct of the second step involves significant judgment on the selection of assumptions necessary to arrive at an implied fair value of goodwill. These assumptions include, but are not limited to, development of multi-year business cash flow forecasts, the selection of discount rates and the identification and valuation of unrecorded assets. If, after conducting the second step of the test, the carrying amount of goodwill exceeds its implied fair value, a non-cash impairment loss is recognized in an amount equal to that excess.

During the fourth quarter ended March 3, 2012, the Company performed the first step of the annual impairment test. The estimated fair value of the Company was determined utilizing a market-based approach and the Company's market capitalization was used as a key input for the determination of fair value of the Company. The Company's market capitalization was determined by multiplying the number of shares outstanding as at March 3, 2012 by the average closing market price of the Company's common shares over the preceding 5-day period. 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. The Company believes that market capitalization alone does not capture the fair value of the business as a whole, or the substantial value that an acquirer would obtain from its ability to obtain control of the business. Consequently, the Company developed an estimate for the control premium that a marketplace participant might pay to acquire control of the business in an arms-length transaction. The determination of the control premium requires significant judgment and the Company observed recent market transactions as a guide to establish a range of reasonably possible control premiums to estimate the Company's fair value. The Company believes that the main factor leading to the impairment was a decline in its

share price below book value. The result of this analysis concluded that the carrying value of the Company exceeded its estimated fair value as at the balance sheet date, and as such, the second step of the goodwill impairment test was performed.

In the second step of the impairment test, the impairment loss was measured by estimating the implied fair value of the Company's goodwill and comparing it with its carrying value. Using the Company's fair value determined in the first step as the acquisition price in a hypothetical acquisition of the Company, the implied fair value of goodwill was calculated as the residual amount of the acquisition price after allocations made to the fair value of net assets, including working capital, plant and equipment and both recognized and unrecognized intangible assets. Based on the results of the second step of the goodwill impairment test, it was concluded that the carrying value of goodwill was impaired. Consequently, the Company recorded a goodwill impairment charge of $355 million 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	
	March 3, 2012	February 26, 2011
Marketing costs	$ 367	$ 419
Vendor inventory liabilities	279	116
Warranty	408	459
Royalties	382	461
Carrier liabilities	524	308
Other	422	748
	$2,382	$ 2,511

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

7. BUSINESS ACQUISITIONS

Subsequent to year end, the Company purchased for cash consideration 100% of the shares of Paratek Microwave Inc. whose acquired technologies will be incorporated into the Company's products to enhance radio frequency tuning technologies. Given the timing of the acquisition and the terms of the purchase agreement, it is impracticable for the Company to disclose the assets acquired, liabilities assumed and the amount of acquisition-related costs. Pro forma results of operations for the acquisition have not been presented because the effects of the operations are not considered to be material to the Company's consolidated results. The initial accounting will be completed in the first quarter of fiscal 2013.

During fiscal 2012, the Company purchased for cash consideration 100% of the shares of a company whose technology will be incorporated into the Company's proprietary technology.

During fiscal 2012, the Company purchased for cash consideration 100% of the shares of a company whose technology offers cloud-based services for storing, sharing, accessing and organizing digital content on mobile devices.

During fiscal 2012, the Company purchased for cash consideration 100% of the shares of a company whose technology is being incorporated into an application on the BlackBerry PlayBook tablet.

During fiscal 2012, the Company purchased for cash consideration 100% of the shares of a company whose technology offers a customizable and cross-platform social mobile gaming developer tool kit.

During fiscal 2012, the Company purchased for cash consideration 100% of the shares of a company whose technology will provide a multi-platform BlackBerry Enterprise Solution for managing and securing mobile devices for enterprises and government organizations.

During fiscal 2012, the Company purchased for cash consideration certain assets of a company whose acquired technologies will be incorporated into the Company's products to enhance calendar scheduling capabilities.

During fiscal 2012, the Company purchased for cash consideration 100% of the shares of a company whose technology is being incorporated into the Company's developer tools.

During fiscal 2011, the Company purchased for cash consideration 100% of the shares of a company whose acquired technology is being incorporated through a BlackBerry application. The transaction closed on February 11, 2011.

During fiscal 2011, a wholly-owned subsidiary of the Company purchased for cash consideration 100% of the common shares of a subsidiary of TAT The Astonishing Tribe ("TAT"). TAT's design expertise and technologies will be incorporated into the Company's products to enhance the user interface and customer experience. The transaction closed on December 23, 2010.

During fiscal 2011, the Company purchased for cash consideration 100% of the shares of a company whose acquired technologies will enhance the Company's ability to manage application store fronts and data collection. The transaction closed on August 20, 2010.

During fiscal 2011, the Company purchased for cash consideration certain assets of a company whose acquired technologies will enhance document access and handling capabilities. The transaction closed on July 12, 2010.

During fiscal 2011, the Company purchased for cash consideration 100% of the common shares of QNX Software Systems ("QNX") for $200 million. QNX's proprietary software has been incorporated into the Company's products. The transaction closed on June 1, 2010.

During fiscal 2011, the Company purchased for cash consideration 100% of the common shares of a company whose proprietary software will be incorporated into the Company's software. The transaction closed on March 26, 2010.

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

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

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

During fiscal 2010, the Company purchased 100% of the common shares of Certicom Corp. ("Certicom") at a price of CAD $3.00 for each common share of Certicom or approximately CAD $131 million. The transaction closed on March 23, 2009. Certicom is a leading provider of cryptography required by software vendors and device manufacturers looking to protect the value of content, applications and devices with government approved security using Elliptic Curve Cryptography.

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

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

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Assets purchased			
Current assets	$ 12	$ 11	$ 19
Property, plant and equipment	3	5	—
Other assets	6	—	—
Customer relationship intangible	16	—	—
Acquired technology	72	152	73
In-process research and development	5	—	—
Patents	—	—	37
Deferred income tax asset	4	1	26
Goodwill[1]	151	357	13
	269	526	168
Liabilities assumed	29	11	15
Deferred income tax liability	9	17	1
	38	28	16
Net non-cash assets acquired	231	498	152
Cash acquired	6	1	9
Net assets acquired	237	499	161
Excess of net assets acquired over consideration paid [2]	—	—	(9)
Purchase price	$ 237	$ 499	$ 152
Consideration			
Cash consideration	$ 232	$ 494	$ 152
Contingent consideration[3]	5	5	—
	$ 237	$ 499	$ 152

(1) 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. Goodwill as a result of certain assets purchased is expected to be deductible for tax purposes in the amount of approximately $10 million.

(2) In fiscal 2010, the Company recorded a gain of $9 million as a result of the excess of net assets acquired over consideration paid on one of the acquisitions. The excess of the fair value of net assets acquired over consideration paid resulted from the combination of the significant value attributed to the identifiable intangible assets and the Company's ability to utilize tax losses of an acquiree, which was generally not available to other market participants. The gain was recognized in selling, marketing and administration during fiscal 2010.

(3) The Company has agreed to additional consideration contingent upon the achievement of certain agreed upon technology milestones, the outcome of pending patent infringement litigation, and the recovery of certain tax credits.

The weighted average amortization period of the acquired technology related to the business acquisitions completed in fiscal 2012 is approximately 3.4 years (2011 – 3.8 years).

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

8. INCOME TAXES

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

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Statutory Canadian tax rate	28.0%	30.5%	32.8%
Expected income tax provision	$ 423	$ 1,414	$ 1,072
Differences in income taxes resulting from:			
Impact of Canadian U.S. dollar functional currency election	—	—	(145)
Investment tax credits	(138)	(138)	(101)
Manufacturing and processing activities	(21)	(71)	(52)
Non-deductible goodwill impairment	90	—	—
Foreign tax rate differences	12	15	5
Other differences	(19)	13	30
	$ 347	$ 1,233	$ 809

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Income before income taxes:			
Canadian	$1,272	$ 4,279	$ 2,999
Foreign	239	364	267
	$1,511	$ 4,643	$ 3,266

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

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Provision for (recovery of) income taxes:			
Current			
Canadian	$ 176	$ 1,059	$ 696
Foreign	181	83	62
Deferred			
Canadian	34	57	21
Foreign	(44)	34	30
	$ 347	$ 1,233	$ 809

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

	As at	
	March 3, 2012	February 26, 2011
Assets		
Non-deductible reserves	$ 216	$ 225
Tax loss carryforwards	30	36
Unrealized losses on financial instruments	—	5
Other tax carryforwards	30	18
Deferred income tax assets	276	284
Liabilities		
Property, plant and equipment	(282)	(318)
Research and development	(17)	(13)
Unrealized gains on financial instruments	(12)	—
Deferred income tax liabilities	(311)	(331)
Net deferred income tax liability	$ (35)	$ (47)
Deferred income tax asset - current	$ 197	$ 229
Deferred income tax liability - long-term	(232)	(276)
	$ (35)	$ (47)

The Company determined that it is more likely than not that it can realize its deferred income tax assets. Accordingly, no valuation allowance is required on its deferred income tax assets as at March 3, 2012 (February 26, 2011 - nil). The Company will continue to evaluate and examine the valuation allowance on a regular basis, and when required, the valuation allowance may be adjusted.

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

The Company's total unrecognized income tax benefits as at March 3, 2012 and February 26, 2011 were $146 million and $164 million, respectively. A reconciliation of the beginning and ending amount of unrecognized income tax benefits that, if recognized, would affect the Company's effective tax rate is as follows:

	(in millions)
Unrecognized income tax benefits balance as at February 26, 2011	$ 164
Increase for tax positions of prior years	15
Settlement of tax positions	(8)
Expiration of statute of limitations	(24)
Other	(1)
Unrecognized income tax benefits balance as at March 3, 2012	$ 146

As at March 3, 2012, the total unrecognized income tax benefits of $146 million include approximately $121 million of unrecognized income tax benefits that have been netted against related deferred income tax assets. The remaining $25 million is recorded within current income taxes payable and other non-current taxes payable on the Company's consolidated balance sheet as of March 3, 2012.

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

Canada(1)	Fiscal 2006 - 2012
United States(1)	Fiscal 2009 - 2012
United Kingdom	Fiscal 2010 - 2012

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

The Company is subject to ongoing examination by tax authorities in the jurisdictions in which it operates. The Company regularly assesses the status of these examinations and the potential for adverse outcomes to determine the adequacy of the provision for income taxes. The Canada Revenue Agency ("CRA") recently concluded its examination of the Company's fiscal 2006 to fiscal 2009 Canadian corporate tax filings. Although the audit concluded with no material adjustments to income taxes payable, there remains uncertainty with respect to certain tax attributes that have resulted from the restructuring of RIM's international operations. The Company believes it is reasonably possible that approximately $142 million of its gross unrecognized income tax benefit will decrease in the next twelve months, the majority of which relates to the tax attributes resulting from the restructuring of RIM's international operations. The Company has other non-Canadian income tax audits pending. While the final resolution of these audits is uncertain, the Company believes the ultimate resolution of these audits will not have a material adverse effect on its consolidated financial position, liquidity or results of operations.

The Company recognizes interest and penalties related to unrecognized income tax benefits as interest expense that is netted and reported within investment income. The amount of interest accrued as at March 3, 2012 was approximately $6 million (February 26, 2011 – approximately $12 million). The amount of penalties accrued as at March 3, 2012 was nil (February 26, 2011 – nil).

9. 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 March 3, 2012 and February 26, 2011, 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 March 3, 2012:

	Capital Stock and Additional Paid-In Capital		Treasury Stock	
	Stock Outstanding (000's)	Amount	Stock Outstanding (000's)	Amount
Common shares outstanding as at February 28, 2009	566,219	$2,328	—	$ —
Exercise of stock options	3,408	30	—	—
Conversion of restricted share units	2	—	—	—
Stock-based compensation	—	58	—	—
Tax benefits related to stock-based compensation	—	2	—	—
Purchase of treasury stock	—	—	1,459	(94)
Common shares repurchased	(12,300)	(46)	—	—
Common shares outstanding as at February 27, 2010	557,329	2,372	1,459	(94)
Exercise of stock options	3,737	67	—	—
Stock-based compensation	—	72	—	—
Tax deficiencies related to stock-based compensation	—	(1)	—	—
Purchase of treasury stock	—	—	1,471	(76)
Treasury stock vested	2	(10)	(177)	10
Common shares repurchased	(37,199)	(141)	—	—
Common shares outstanding as at February 26, 2011	523,869	2,359	2,753	(160)
Exercise of stock options	291	9	—	—
Stock-based compensation	—	97	—	—
Tax deficiencies related to stock-based compensation	—	(2)	—	—
Purchase of treasury stock	—	—	6,317	(156)
Treasury stock vested	—	(17)	(359)	17
Common shares outstanding as at March 3, 2012	524,160	$2,446	8,711	$(299)

On June 16, 2011, RIM's Board of Directors approved a share repurchase program to commence any time after July 10, 2011 to purchase for cancellation through the facilities of the NASDAQ Stock Market or, subject to regulatory approval, by way of private agreement up to 5% of RIM's outstanding common shares (representing approximately 26 million common shares as of the date hereof). The share repurchase program will remain in place for up to 12 months or until the purchases are completed or the program is terminated by RIM. No common shares have been repurchased under this program to date.

The price that the Company will pay for any shares purchased over NASDAQ will be the prevailing market price at the time of purchase. The share repurchase program will be effected in accordance with Rule 10b-18 under the U.S. Securities Exchange Act of 1934, as amended, which contains restrictions on the number of shares that

may be purchased on a single day, subject to certain exceptions for block purchases, based on the average daily trading volumes of the Company's shares on NASDAQ. Any purchases made by way of private agreement may be at a discount to the prevailing market price at the time of purchase, and would be subject to regulatory approval.

The Company had 524 million voting common shares outstanding, options to purchase 4 million voting common shares, 8 million RSUs and 0.1 million DSUs outstanding as at April 4, 2012.

(b) Stock-based compensation

Stock Option Plan

The Company recorded a charge to income and a credit to paid-in-capital of approximately $27 million in fiscal 2012 (fiscal 2011 - $31 million; fiscal 2010 - $37 million) in relation to stock-based compensation expense.

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

Stock options granted under the plan generally vest over a period of five years and are generally exercisable over a period of six years to a maximum of ten years from the grant date. The Company issues new shares to satisfy stock option exercises. There are 15 million stock options available for future grants under the stock option plan as at March 3, 2012.

As part of a settlement agreement reached with the Ontario Securities Commission ("OSC"), on February 5, 2009, Messrs. Balsillie, Lazaridis and Kavelman agreed to contribute, in aggregate, a total of approximately CAD $83 million to RIM, consisting of (i) a total of CAD $38 million to RIM in respect of the outstanding benefit arising from incorrectly priced stock options granted to all RIM employees from 1996 to 2006, and (ii) a total of CAD $45 million to RIM (CAD $15 million of which had previously been paid) to defray costs incurred by RIM in the investigation and remediation of stock options, granting practices and related governance practices at RIM. These contributions are being made through Messrs. Balsillie, Lazaridis and Kavelman undertaking not to exercise certain vested RIM options to acquire an aggregate of 1,160,129 common shares of RIM. These options had a fair value equal to the aggregate contribution amounts determined using a Black-Scholes-Merton calculation based on the last trading day prior to the day the OSC issued a notice of hearing in respect of the matters giving rise to the settlement. In the first quarter of fiscal 2010, options to acquire an aggregate of 758,837 common shares of RIM, and in the fourth quarter of fiscal 2011, options to acquire an aggregate of 391,292 common shares of RIM, expired in satisfaction of the undertakings not to exercise options. During the first quarter of fiscal 2012, the remaining 10,000 options expired in satisfaction of the undertakings not to exercise options effectively completing the contributions required as part of the settlement agreement reached with the OSC.

A summary of option activity since February 28, 2009 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 February 28, 2009	12,731	$ 27.51		
Granted during the year	559	64.14		
Exercised during the year	(3,408)	8.87		
Forfeited/cancelled/expired during the year	(859)	15.03		
Balance as at February 27, 2010	9,023	$ 44.18		
Exercised during the year	(3,737)	17.83		
Forfeited/cancelled/expired during the year	(676)	46.08		
Balance as at February 26, 2011	4,610	$ 70.36		
Exercised during the year	(291)	29.70		
Forfeited/cancelled/expired during the year	(701)	64.58		
Balance as at March 3, 2012	3,618	$ 73.86	1.72	$ —
Vested and expected to vest as at March 3, 2012	3,570	$ 73.66	1.71	$ —
Exercisable as at March 3, 2012	3,019	$ 70.88	1.60	$ —

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 March 3, 2012 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 March 3, 2012. The intrinsic value of stock options exercised during fiscal 2012, calculated using the average market price during the year, was approximately $1 per share.

A summary of unvested stock options since February 26, 2011 is shown below:

	Options Outstanding	
	Number (000's)	Weighted Average Grant Date Fair Value
Balance as at February 26, 2011	1,517	$ 37.63
Vested during the period	(775)	34.63
Forfeited during the period	(143)	37.59
Balance as at March 3, 2012	599	$ 41.53

As at March 3, 2012, there was $17 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 1.2 years. The total fair value of stock options vested during the year ended March 3, 2012 was $27 million.

Cash received from the stock options exercised for the year ended March 3, 2012 was $9 million (February 26, 2011 - $67 million). Tax deficiencies incurred by the Company related to the stock options exercised was $2 million at March 3, 2012 (February 26, 2011 – tax deficiencies incurred of $1 million; February 27, 2010 – tax benefits realized of $2 million).

During the years ended March 3, 2012 and February 26, 2011, there were no stock options granted. During the year ended February 27, 2010, there were approximately 559 thousand stock options granted. The weighted-average fair values of stock options granted during fiscal 2010 were calculated using the BSM option-pricing model with the following assumptions:

	February 27, 2010
Number of options granted (000's)	559
Weighted-average grant date fair value of stock options granted during the year	$ 33.02
Assumptions:	
Risk-free interest rate	1.8%
Expected life in years	4.2
Expected dividend yield	0%
Volatility	65%

At the time the stock options were granted, the Company had no current expectation of paying cash dividends on its common shares and the risk-free interest rates utilized during the life of the stock options was based on a U.S.

Treasury security for an equivalent period. In addition, the Company estimated the volatility of its common shares at the date of grant based on a combination of the implied volatility of publicly traded options on its common shares, and historical volatility, as the Company believes that this was a better indicator of expected volatility going forward. Finally, the expected life of stock options granted under the plan was based on historical exercise patterns, which the Company believes were representative of future exercise patterns.

Restricted Share Unit Plan

The Company recorded compensation expense with respect to RSUs of approximately $70 million in the year ended March 3, 2012 (February 26, 2011 - $42 million; February 27, 2010 - $21 million).

During fiscal 2012, a trustee selected by the Company purchased 6,316,780 common shares for total consideration of approximately $156 million to comply with its obligations to deliver shares upon vesting (2011 – 1,470,703 common shares were purchased for total cash consideration of approximately $76 million). These purchased shares are classified as treasury stock for accounting purposes and included in the shareholders' equity section of the Company's consolidated balance sheet.

A summary of RSU activity since February 26, 2011 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 February 26, 2011	2,703	$ 57.40		
Granted during the period	7,093	25.33		
Vested during the period	(359)	60.42		
Cancelled during the period	(842)	45.73		
Balance as at March 3, 2012	8,595	$ 31.96	1.74	$ 118
Vested and expected to vest at March 3, 2012	7,952	$ 32.24	1.72	$ 110

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 March 3, 2012) that would have been received by RSU holders if all RSUs had been redeemed on March 3, 2012.

As at March 3, 2012, there was $167 million of unrecognized compensation expense related to RSUs which will be expensed over the vesting period, which, on a weighted-average basis, results in a period of approximately 1.6 years.

Deferred Share Unit Plan

The Company issued 0.1 million DSUs in the year ended March 3, 2012. There are 0.1 million DSUs outstanding as at March 3, 2012 (February 26, 2011 – 0.1 million). The Company had a liability of $2 million in relation to the DSU plan as at March 3, 2012 (February 26, 2011 - $3 million).

10. COMMITMENTS AND CONTINGENCIES

(a) Credit Facility

On September 8, 2011, the Company has entered into a new $500 million senior unsecured revolving credit facility (the "Facility") with a syndicate of commercial banks for working capital, capital expenditures, acquisitions, investments and general corporate purposes. As at March 3, 2012, the Company has utilized $8 million of the Facility for outstanding letters of credit. The Facility can be increased to $1.0 billion at the Company's request, subject to receiving additional credit commitments from new or existing commercial banks within the syndicate.

(b) Lease commitments

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

	Real Estate
For the years ending	
2013	$ 56
2014	47
2015	39
2016	35
2017	31
Thereafter	93
	$ 301

For the year ended March 3, 2012, the Company incurred rental expense of $91 million (February 26, 2011 – $68 million).

(c) Indemnification

The Company enters into certain agreements that include indemnification provisions under which the Company could be subject to significant costs and damages in the event of a claim against the Company or an indemnified third party.

The Company has entered into indemnification agreements with its 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 executive officers to reduce its exposure to such obligations. The Company has not encountered material costs as a result of such indemnifications in the current year. See RIM's Management Information Circular for fiscal 2011 for additional information regarding the Company's indemnification agreements with its directors and executive officers.

(d) Litigation

The Company is involved in litigation in the normal course of its business, both as a defendant and as a plaintiff. The Company may be subject to claims (including claims related to patent infringement, purported class actions and derivative actions) either directly or through indemnities against these claims that it provides to certain of its partners. In particular, the industry in which the Company competes has many participants that own, or claim to own, intellectual property, including participants that have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by the Company in its products. The Company has received, and may receive in the future, assertions and claims from third parties that the Company's products infringe on their patents or other intellectual property rights. Litigation has been and will likely continue to be necessary to determine the scope, enforceability and validity of third-party proprietary rights or to establish the Company's proprietary rights. Regardless of whether litigation against the Company has merit, those claims could be time-consuming to evaluate and defend, result in costly litigation, divert management's attention and resources, subject the Company to significant liabilities and could have the other effects that are described in greater detail under "Risk Factors – Risks Related to Intellectual Property" and "Risk Factors - Risks Related to the Company's Business and its Industry - *The Company is subject to general commercial litigation and other litigation claims as part of its operations, and it could suffer significant litigation expenses in defending these claims and could be subject to significant damage awards or other remedies"* in RIM's Annual Information Form for the fiscal year ended March 3, 2012, which is included in RIM's Annual Report on Form 40-F.

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

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

See the "Legal Proceedings and Regulatory Action" section of RIM's Annual Information Form for additional unaudited information regarding the Company's legal proceedings, which is included in RIM's Annual Report on Form 40-F and "Legal Proceedings" in the Management's Discussion and Analysis ("MD&A") of financial condition and results of operations for fiscal 2012.

11. COST OPTIMIZATION PROGRAM

On June 16, 2011, the Company announced a cost optimization program (the "Cost Optimization Program") to streamline operations across the organization, which included a headcount reduction. The realignment is focused on eliminating redundancies and reallocating resources to enable the Company to focus on areas that offer the highest growth opportunities and align with the Company's strategic objectives, such as accelerating new product introductions. The Company believes that a more efficient cost structure will better enable it to respond to new market opportunities and changes in the competitive environment. On July 25, 2011, the Company announced that it would be reducing its global workforce across all functions by approximately 2,000 employees and that all impacted employees will receive severance packages and outplacement support. The Company incurred approximately $125 million in total pre-tax charges related to the Cost Optimization Program in fiscal 2012. Substantially all of the pre-tax charges are one-time employee termination benefits and the identification of redundant facilities. As of the end of the fiscal year 2012, the Cost Optimization Program, which was focused on headcount reductions and facilities redundancies, was substantially complete. The Company will continue to make any remaining payments for employee termination benefits during fiscal 2013. The payments for charges relating to redundant facilities will continue to be made until the end of the term of the facilities leases.

The following table sets forth the activity in the Company's Cost Optimization Program for the fiscal year 2012:

	Employee Termination Benefits	Facilities Costs	Total
Balance as at February 28, 2011	$ —	$ —	$—
Charges incurred	73	52	125
Cash payments made	(63)	(9)	(72)
Foreign exchange adjustments	—	1	1
Balance as at March 3, 2012	$ 10	$ 44	$ 54

The cost optimization charge incurred in the fiscal year 2012 was as follows:

Cost of sales	$ 14
Research and development	23
Selling, marketing and administration	88
Total Program charge	$125

There were no cost optimization charges incurred during the fiscal year 2011.

12. PRODUCT WARRANTY

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

The change in the Company's warranty expense and actual warranty experience from February 28, 2009 to March 3, 2012 as well as the accrued warranty obligations as at March 3, 2012 are set forth in the following table:

Accrued warranty obligations as at February 28, 2009	$ 184
Actual warranty experience during fiscal 2010	(416)
Fiscal 2010 warranty provision	463
Adjustments for changes in estimate	21
Accrued warranty obligations as at February 27, 2010	252
Actual warranty experience during fiscal 2011	(657)
Fiscal 2011 warranty provision	806
Adjustments for changes in estimate	58
Accrued warranty obligations as at February 26, 2011	459
Actual warranty experience during fiscal 2012	(685)
Fiscal 2012 warranty provision	622
Adjustments for changes in estimate	12
Accrued warranty obligations as at March 3, 2012	$ 408

13. EARNINGS PER SHARE

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

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Net income for basic and diluted earnings per share available to common shareholders	$ 1,164	$ 3,411	$ 2,457
Weighted-average number of shares outstanding (000's) - basic	524,101	535,986	564,492
Effect of dilutive securities (000's) - stock-based compensation	89	2,344	5,267
Weighted-average number of shares and assumed conversions (000's) - diluted	524,190	538,330	569,759
Earnings per share - reported			
Basic	$ 2.22	$ 6.36	$ 4.35
Diluted	$ 2.22	$ 6.34	$ 4.31

14. COMPREHENSIVE INCOME

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

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Net income	$1,164	$ 3,411	$ 2,457
Net change in unrealized gains (losses) on available-for-sale investments	(3)	(2)	7
Net change in fair value of derivatives designated as cash flow hedges during the year, net of income tax of $4 million (February 26, 2011 - tax recovery of $7 million ; February 27, 2010 - income taxes of $13 million)	14	(20)	28
Amounts reclassified to earnings during the year, net of income tax recovery of $14 million (February 26, 2011 - income taxes of $16 million; February 27, 2010 - tax recovery of $6 million)	39	(39)	15
Comprehensive income	$1,214	$ 3,350	$ 2,507

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

	As at		
	March 3, 2012	February 26, 2011	February 27, 2010
Accumulated net unrealized gains on available-for-sale investments	$ 2	$ 5	$ 7
Accumulated net unrealized gains (losses) on derivative instruments designated as cash flow hedges	38	(15)	44
Total accumulated other comprehensive income (loss)	$ 40	$ (10)	$ 51

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

	As at	
	March 3, 2012	February 26, 2011
Unrealized gains included in other current assets	$ 72	$ 64
Unrealized losses included in accrued liabilities	(35)	(130)
Net fair value of unrealized gains (losses) on derivative instruments	$ 37	$ (66)

15. DERIVATIVE FINANCIAL INSTRUMENTS

Values of financial instruments outstanding were as follows:

	As at March 3, 2012	
	Notional Amount	Estimated Fair Value
Assets (Liabilities)		
Currency forward contracts - asset	$ 1,608	$ 55
Currency option contracts - asset	$ 608	$ 17
Currency forward contracts - liability	$ 2,155	$ (34)
Currency option contracts - liability	$ 480	$ (1)

	As at February 26, 2011	
	Notional Amount	Estimated Fair Value
Assets (Liabilities)		
Currency forward contracts - asset	$ 1,622	$ 63
Currency option contracts - asset	$ 156	$ 1
Currency forward contracts - liability	$ 4,848	$ (129)
Currency option contracts - liability	$ 180	$ (1)

Foreign Exchange

The Company uses derivative instruments to manage exposures to foreign exchange risk resulting from transactions in currencies other than its functional currency, the U.S. dollar. The Company's risk management objective in holding derivative instruments is to reduce the volatility of current and future income as a result of changes in foreign currency. To limit its exposure to adverse movements in foreign currency exchange rates, the Company enters into foreign currency forward and option contracts. The Company does not use derivative instruments for speculative purposes.

The majority of the Company's revenues in fiscal 2012 are transacted in U.S. dollars. However, portions of the revenues are denominated in Canadian dollars, Euros, and British Pounds. Purchases of raw materials are primarily transacted in U.S. dollars. Other expenses, consisting of the majority of salaries, certain operating costs and manufacturing overhead are incurred primarily in Canadian dollars. The Company enters into forward 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 March 3, 2012 approximately 38% of cash and cash equivalents, 30% of accounts receivables and 11% of accounts payable and accrued liabilities are denominated in foreign currencies (February 26, 2011 – 59%, 25% and 8%).

The Company enters into forward and option contracts to hedge exposures relating to foreign currency anticipated transactions. These contracts have been designated as cash flow hedges, with the effective portion of the change in fair value initially recorded in accumulated other comprehensive income and subsequently reclassified to income in the period in which the cash flows from the associated hedged transactions affect income. Any ineffective portion of the change in fair value of the cash flow hedge is recognized in current period income. For the years ended March 3, 2012 and February 26, 2011, there was $2 million and nil in realized losses on forward contracts which were ineffective upon maturity as the anticipated hedged transactions did not occur. As at March 3, 2012 and February 26, 2011, the derivatives designated as cash flow hedges were considered to be fully effective with no resulting portions being designated as ineffective. The maturity dates of these instruments range from March 2012 to September 2013. As at March 3, 2012, the net unrealized gains on these forward and option contracts was $51 million (February 26, 2011 – net unrealized losses of $21 million; February 27, 2010 – net unrealized gains of $62 million). Unrealized gains associated with these contracts were recorded in other current assets and accumulated other comprehensive income. Unrealized losses were recorded in accrued liabilities and accumulated other comprehensive income. In fiscal 2013, $46 million of net unrealized gains on these derivative contracts will be reclassified to income.

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

	As at			
	March 3, 2012		February 26, 2011	
	Balance Sheet Classification	Fair Value	Balance Sheet Classification	Fair Value
Currency forward contracts - asset	Other current assets	$ 42	Other current assets	$ 57
Currency option contracts - asset	Other current assets	$ 17	Other current assets	$ 1
Currency forward contracts - liability	Accrued liabilities	$ 6	Accrued liabilities	$ 77
Currency option contracts - liability	Accrued liabilities	$ 1	Accrued liabilities	$ 1

The following table show the impact of derivative instruments designated as cash flow hedges on the consolidated statements of operations for the year ended March 3, 2012

	Amount of Gain (Loss) Recognized in OCI on Derivative Instruments (Effective Portion)	Location of Gain Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain Reclassified from Accumulated OCI into Income (Effective Portion)
Currency Forward Contracts	$ 16	Revenue	$ (83)
Currency Option Contracts	$ 8	Revenue	$ (3)
Currency Forward Contracts	$ 5	Cost of sales	$ 11
Currency Option Contracts	$ 1	Cost of sales	$ —
Currency Forward Contracts	$ 6	Selling, marketing and administration	$ 12
Currency Option Contracts	$ 2	Selling, marketing and administration	$ —
Currency Forward Contracts	$ 10	Research and development	$ 15
Currency Option Contracts	$ 3	Research and development	$ —

	Amount of Gain (Loss) Recognized in OCI on Derivative Instruments (Ineffective Portion)	Location of Loss Reclassified from Accumulated OCI into Income (Ineffective Portion)	Amount of Loss Reclassified from Accumulated OCI into Income (Ineffective Portion)
Currency Forward Contracts	$ —	Selling, marketing and administration	$ (2)

The following table show the impact of derivative instruments designated as cash flow hedges on the consolidated statements of operations for the year ended February 26, 2011:

	Amount of Gain Recognized in OCI on Derivative Instruments (Effective Portion)	Location of Gain Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain Reclassified from Accumulated OCI into Income (Effective Portion)
Currency Forward Contracts	$ (73)	Revenue	$ 17
Currency Option Contracts	$ (1)	Revenue	$ —
Currency Forward Contracts	$ 13	Cost of sales	$ 10
Currency Forward Contracts	$ 17	Selling, marketing and administration	$ 13
Currency Forward Contracts	$ 23	Research and development	$ 16

As part of its risk mitigation strategy, the Company may maintain net monetary asset and/or liability balances in foreign currencies. The Company enters into foreign exchange forward contracts to hedge certain monetary assets and liabilities that are exposed to foreign currency risk. The principal currencies hedged include the Canadian dollar, Euro, and British Pound. These contracts are not subject to hedge accounting, and any gains or losses are recognized in income each period, offsetting the change in the U.S. dollar value of the asset or liability. The maturity dates of these instruments range from March 2012 to August 2012. As at March 3, 2012, net unrealized losses of $14 million were recorded in respect of these instruments (February 26, 2011 – net unrealized losses of $46 million; February 27, 2010 – net unrealized gains of $29 million). Unrealized gains associated with these contracts were recorded in other current assets and selling, marketing and administration. Unrealized losses were recorded in accrued liabilities and selling, marketing and administration.

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

	As at			
	March 3, 2012		February 26, 2011	
	Balance Sheet Classification	Fair Value	Balance Sheet Classification	Fair Value
Currency forward contracts - asset	Other current assets	$ 13	Other current assets	$ 6
Currency forward contracts - liability	Accrued liabilities	$ 28	Accrued liabilities	$ 52

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 March 3, 2012:

	Location of Gain (Loss) Recognized in Income on Derivative Instruments	Amount of Gain (Loss) in Income on Derivative Instruments
Currency Forward Contracts	Selling, marketing and administration	$ (74)
Currency Option Contracts	Selling, marketing and administration	$ 4

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 26, 2011:

	Location of Gain (Loss) Recognized in Income on Derivative Instruments	Amount of Gain (Loss) in Income on Derivative Instruments
Currency Forward Contracts	Selling, marketing and administration	$ (40)
Currency Option Contracts	Selling, marketing and administration	$ 1

Credit

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 March 3, 2012, 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 30% (February 26, 2011 – 59%; February 27, 2010 – 24%).

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 March 3, 2012, no single issuer represented more than 9% of the total cash, cash equivalents and investments (February 26, 2011, no single issuer represented more than 19% of the total cash, cash equivalents and investments).

Interest Rate

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

16. SEGMENT DISCLOSURES

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

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

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Revenue			
Canada	$ 1,260	$ 1,408	$ 844
United States	4,182	7,823	8,620
United Kingdom	1,919	2,218	1,447
Other	11,074	8,458	4,042
	$18,435	$ 19,907	$ 14,953
Revenue			
Canada	6.8%	7.1%	5.6%
United States	22.7%	39.3%	57.7%
United Kingdom	10.4%	11.1%	9.7%
Other	60.1%	42.5%	27.0%
	100.0%	100.0%	100.0%

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Revenue mix			
Devices	$13,794	$ 15,956	$ 12,116
Service	4,086	3,197	2,158
Software	318	294	259
Other	237	460	420
	$18,435	$ 19,907	$ 14,953

	As at	
	March 3, 2012	February 26, 2011
Property, plant and equipment, intangible assets and goodwill		
Canada	$ 5,382	$ 3,787
United States	555	707
United Kingdom	37	41
Other	364	275
	$ 6,338	$ 4,810
Total assets		
Canada	$ 8,693	$ 6,935
United States	2,337	3,390
United Kingdom	1,554	1,594
Other	1,147	956
	$13,731	$ 12,875

17. CASH FLOW INFORMATION

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

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Accounts receivable	$ 898	$ (1,352)	$ (481)
Other receivables	(168)	(117)	(45)
Inventories	(409)	42	48
Income taxes receivable	(135)	—	—
Other current assets	(143)	54	(40)
Accounts payable	(90)	216	167
Accrued liabilities	(135)	539	442
Income taxes payable	(179)	82	(266)
Deferred revenue	151	40	14
	$ (210)	$ (496)	$ (161)

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

	For the year ended		
	March 3, 2012	February 26, 2011	February 27, 2010
Interest paid during the year	$ —	$ —	$ —
Income taxes paid during the year	$ 684	$ 1,053	$ 1,082

(c) Additional information

Advertising expense, which includes media, agency and promotional expenses totalling $864 million (February 26, 2011 - $1.1 billion; February 27, 2010 - $791 million) is included in selling, marketing and administration expense for the fiscal year ended March 3, 2012.

Selling, marketing and administration expense for the fiscal year ended March 3, 2012 included $40 million with respect to foreign exchange losses (February 26, 2011 – loss of $5 million; February 27, 2010 – loss of $58 million). For the year ended February 27, 2010, the Company recorded a $54 million charge primarily relating to the reversal of foreign exchange gains previously recorded in fiscal 2009 on the revaluation of Canadian dollar denominated tax liability balances. Throughout fiscal 2009, foreign exchange gains were offset by foreign exchange losses incurred as a part of the Company's risk mitigation foreign currency hedging program. With the enactment of changes to the functional currency tax legislation by the Government of Canada in the first quarter of fiscal 2010, the Company changed the basis for calculating its income tax provision for its Canadian operations from Canadian dollars, to the U.S. dollar, its reporting currency with an effective date being the beginning of fiscal 2009. The gains realized on the revaluation of these tax liabilities previously denominated in Canadian dollars throughout fiscal 2009 were reversed upon enactment of the changes to the rules in the first quarter of fiscal 2010.

Exhibit 1.3

RESEARCH IN MOTION LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS AND FISCAL YEAR ENDED MARCH 3, 2012

April 9, 2012

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read together with the audited consolidated financial statements and the accompanying notes (the "Consolidated Financial Statements") of Research In Motion Limited ("RIM" or the "Company") for the fiscal year ended March 3, 2012. The Consolidated Financial Statements are presented in U.S. dollars and have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). All financial information in this MD&A is presented in U.S. dollars, unless otherwise indicated.

RIM has prepared this MD&A with reference to *National Instrument 51-102* "Continuous Disclosure Obligations" of the Canadian Securities Administrators. Under the U.S./Canada Multijurisdictional Disclosure System, the Company is permitted to prepare this MD&A in accordance with the disclosure requirements of Canada, which requirements are different from those of the United States. This MD&A provides information for the fiscal year ended March 3, 2012 and up to and including April 9, 2012.

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

Cautionary Note Regarding Forward-Looking Statements

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

- the Company's plans, strategies and objectives, and the anticipated opportunities and challenges in the coming quarters and fiscal 2013;
- the Company's guidance practices in the future;
- the Company's expectations regarding new product initiatives and timing, including the next generation of BlackBerry 10 smartphones;
- assumptions and expectations described in the Company's critical accounting policies and estimates;
- statements relating to the Company's earnings and gross margin expectations;
- anticipated demand for, and the Company's plans and expectations relating to, programs to drive sell-through of the Company's BlackBerry 7 smartphones and the BlackBerry PlayBook tablet;
- the Company's revenue, earnings, unit shipment, gross margin, operating expense, net subscriber and financial condition expectations in fiscal 2013;
- the Company's expectations with respect to the sufficiency of its financial resources;
- the Company's plans to streamline its operations and accelerate new product introductions, and its expectations relating to the benefits of its cost optimization program (the "Cost Optimization Program") and Cost Optimization and Resource Efficiency ("CORE") program;
- the Company's plans and expectations regarding advertising and promotional programs;

- the Company's estimates of purchase obligations and other contractual commitments; and
- any repurchases of common shares under the Company's share repurchase program.

The words "expect", "anticipate", "estimate", "may", "will", "should", "intend", "believe", "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by RIM in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that RIM believes are appropriate in the circumstances. Many factors could cause RIM's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors" section of RIM's Annual Information Form, which is included in RIM's Annual Report on Form 40-F:

Risks Related to the Company's Business and its Industry

- RIM's ability to enhance current products and services, or develop new products and services in a timely manner at competitive prices;
- intense competition within RIM's industry, including the possibility that strategic transactions by RIM's competitors or carrier partners could weaken RIM's competitive position or require RIM to reduce its prices to compete effectively;
- RIM's ability to establish new, and to build on existing relationships with its network carrier partners and distributors;
- the efficient and uninterrupted operation of RIM's network operations center and the networks of its carrier partners, and the risk of other business interruptions, including costs, potential liabilities, lost revenues and reputational damage associated with service interruptions;
- RIM's ability to manage inventory and asset risk;
- risks related to RIM's ability to implement and to realize the anticipated benefits of its Cost Optimization Program and CORE program;
- risks related to RIM's ability to maintain or increase its cash balance;
- the occurrence or perception of a breach of RIM's security measures, or an inappropriate disclosure of confidential or personal information;
- potential liabilities or costs related to the collection, storage, transmission, use and disclosure of user and personal information;
- dependence on key personnel and RIM's ability to attract and retain key personnel;
- RIM's ability to adapt to recent management changes and fill key vacant management positions;
- RIM's reliance on its suppliers for functional components, including the suppliers RIM has selected for its BlackBerry 10 smartphones, and the risk that suppliers will not be able to supply components on a timely basis or in sufficient quantities;
- RIM's ability to successfully maintain and enhance its brand;
- risks associated with RIM's expanding foreign operations;

- restrictions on import and use of RIM's products and services in certain countries due to encryption of the products and services;
- reliance on strategic alliances and relationships with third-party network infrastructure developers, software platform vendors and service platform vendors, including RIM's ability to promote and advance the development of an ecosystem of applications and services for the BlackBerry 10 smartphones and the BlackBerry PlayBook tablets;
- RIM's ability to expand and enhance BlackBerry ® App World™;
- RIM's reliance on third-party manufacturers for certain products and its ability to manage its production process;
- the continued quality and reliability of RIM's products and services and the potential effect of defects in products and services;
- general commercial litigation, class action and other litigation claims, including purported class action claims relating to RIM's operations;
- risks associated with litigation claims against the Company arising from the Company's practice of providing forward-looking guidance to its shareholders with respect to certain financial metrics, including the Company's practice of updating previous guidance where circumstances warrant;
- effective management of the Company's past growth and its ongoing development of service and support operations;
- potential charges relating to the impairment of goodwill or other long-lived assets recorded on RIM's balance sheet;
- risks as a result of actions of activist shareholders;
- government regulation of wireless spectrum and radio frequencies;
- reduced spending by customers due to the uncertainty of economic and geopolitical conditions;
- risks associated with acquisitions, investments and other business initiatives;
- foreign exchange risks as the Company transacts globally in currencies other than the U.S. dollar;
- regulation, certification and health risks, and risks relating to the misuse of RIM's products;
- tax liabilities, resulting from changes in tax laws or otherwise, associated with RIM's worldwide operations;
- changes in interest rates affecting RIM's investment portfolio and its revolving credit facility and the creditworthiness of its investment portfolio;
- proposed regulations relating to conflict minerals; and
- 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.

Risks Related to Intellectual Property

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

In the past, the Company has followed the practice of providing specific quantitative forward-looking guidance to its shareholders with respect to certain financial metrics for the subsequent fiscal quarter in its quarterly earnings press releases. On March 29, 2012, the Company announced that it will no longer provide

specific quantitative guidance. However, the Company is committed to providing a high level of disclosure and transparency and will continue to provide commentary that highlights the trends and uncertainties that RIM anticipates. Such statements relating to, among other metrics, RIM's revenue, gross margin and earnings expectations, are forward-looking statements that are intended to enable RIM's shareholders to view the anticipated financial 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. They are made by RIM in light of its experience, its perception of historical and anticipated business trends, current conditions in the business and anticipated future developments, including competition and new product initiatives and timing, as well as RIM's current assessments of the various risk factors identified above. As noted above and in the press releases containing such guidance, these forward-looking statements are subject to the inherent risk of difficulties in forecasting RIM's financial results for future periods, particularly over longer periods, given the rapid technological changes, evolving industry standards, intense competition and short product life cycles that characterize the wireless communications industry.

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

Overview

RIM, a global leader in wireless innovation, revolutionized the mobile industry with the introduction of the BlackBerry ® solution in 1999. BlackBerry products and services are currently used by over 77 million customers around the world. Founded in 1984 and based in Waterloo, Ontario, RIM operates offices in North America, Europe, Asia Pacific and Latin America. RIM's common shares are listed on the NASDAQ Global Select Market (NASDAQ: RIMM) and the Toronto Stock Exchange (TSX: RIM).

With the BlackBerry platform, RIM believes it offers a market-leading wireless 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.

RIM believes the global smartphone and tablet markets are still in their infancy. BlackBerry is the leading smartphone in several markets around the world. The primary regions contributing to the Company's recent growth are Latin America, Africa, Indonesia and parts of the Middle East and Western Europe. Some of RIM's main competitors include Apple Inc, Google Inc, HTC Corporation, Huawei Technologies Co., Ltd, Microsoft Corporation, Nokia Corporation, Samsung Electronics Co., Ltd, and ZTE Corporation.

RIM continues to focus on providing manageability and scalability solutions to BlackBerry users. With BlackBerry Balance, personal and work data are managed on a single device allowing work life balance management and information protection. BlackBerry Mobile Fusion gives information technology ("IT") departments the ability to manage BlackBerry devices and other platforms through a single interface that provides a unified view for managing all mobile devices.

RIM maintains a strong balance sheet with negligible debt and approximately $2.1 billion in cash, cash equivalents and investments as of March 3, 2012. In fiscal 2012, RIM had annual sales of $18.4 billion. Net income was $1.2 billion, or $2.22 per share.

RIM made a number of strategic acquisitions in recent years including Torch Mobile, The Astonishing Tribe, NewBay, Gist and Tungle that are intended to accelerate RIM's ability to innovate and deliver compelling products to market. In June 2011, RIM also participated in a successful bid for the Nortel Networks Corporation ("Nortel") patent portfolio as a part of a consortium of companies.

Sources of Revenue

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

RIM generates hardware revenues from sales, primarily to carriers and distributors, of BlackBerry handheld wireless devices, which provide users with the ability to send and receive wireless messages and data. RIM's BlackBerry handheld wireless devices also incorporate a mobile phone, web-browsing capability and enable the use of data functions such as calendar, address book, task and memo lists, and other functions associated with personal organizers. Certain BlackBerry handheld devices also include multimedia capabilities. During fiscal 2012, the Company launched new BlackBerry handheld devices that incorporate the BlackBerry 7 operating system in North America and other markets around the world. During the fourth quarter of fiscal 2012, the Company recorded pre-tax charges of approximately $267 million, or approximately $197 million after-tax, relating primarily to certain BlackBerry 7 products with its current portfolio of hardware devices (the "Q4 BlackBerry 7 Inventory Provision"). The charge was predominantly non-cash. See "Critical Accounting Policies and Estimates – Q4 BlackBerry 7 Inventory Provision".

During fiscal 2012, the Company launched the WiFi-enabled BlackBerry PlayBook tablet in 44 markets around the world. The BlackBerry PlayBook tablet represents the Company's first tablet product and features the new BlackBerry Tablet Operating System based on technology resulting from the Company's acquisition of QNX Software Systems in fiscal 2011. This operating system is expected to become the core of RIM's next generation of BlackBerry 10 smartphones. Other features of the BlackBerry PlayBook tablet include a seven-inch high definition display, a dual core 1 GHZ processor, dual high definition cameras and other high performance multimedia capabilities, true multitasking, advanced security features and an uncompromised web browsing experience that supports Adobe Flash. On July 21, 2011, the BlackBerry PlayBook tablet received Federal Information Processing Standard 140-2 certification, making the BlackBerry PlayBook tablet the first tablet certified for deployment within U.S. federal government agencies. This certification demonstrates RIM's continuing commitment and ability to meet the needs of security conscious organizations. The Company has recently undertaken a high level of promotional activity in retail-channels to drive sell-through of the BlackBerry PlayBook tablet to end customers as a result of several factors, including recent shifts in the competitive dynamics of the tablet market and a delay in the release of the BlackBerry PlayBook OS 2.0 software. On February 21, 2012, the BlackBerry PlayBook OS 2.0 software was released worldwide and was well-received. The PlayBook OS 2.0 release included some highly anticipated new capabilities and applications, and over 70% of PlayBook users upgraded to the new software within 30 days of release. In the third quarter of fiscal 2012, the Company recorded a pre-tax provision of approximately $485 million, approximately $356 million after tax (the "PlayBook Inventory Provision"), related to its inventory valuation of BlackBerry PlayBook tablets. See "Critical Accounting Policies and Estimates – PlayBook Inventory Provision". The charge was predominantly non-cash.

RIM generates service revenues from billings to its BlackBerry subscriber account base primarily from a monthly infrastructure access fee charged to a carrier or reseller, which the carrier or reseller in turn bills the BlackBerry subscriber. The BlackBerry subscriber account base is the total of all subscriber accounts that have an active status at the end of a reporting period. Each carrier instructs RIM to create subscriber accounts and determines whether each subscriber account should have an active status. Each carrier is charged a service fee for each subscriber account each month, with substantially all of such service fees having no regard to the amount of data traffic that the subscriber account passes over the BlackBerry architecture.

If a carrier instructs RIM to deactivate a subscriber account, then RIM no longer includes that subscriber account in its BlackBerry subscriber account base and ceases billing the carrier with respect to such account from the date of notification of its deactivation. On a quarterly basis, RIM may make an estimate of pending deactivations for certain carriers that do not use a fully-integrated provisioning system. It is, however, each carrier's responsibility to report changes to its subscriber account status on a timely basis to RIM. The number of subscriber accounts is a non-financial metric and is intended to highlight the change in RIM's subscriber base and should not be relied upon as an indicator of RIM's financial performance.

An important part of RIM's BlackBerry wireless solution is the software that is installed at the corporate or small- and medium-size enterprise server level, and in some cases, on personal computers. Software revenues include fees from: (i) licensing RIM's BlackBerry® Enterprise Server™ ("BES") software; (ii) BlackBerry® Client Access Licenses ("CALs"), which are charged for each subscriber using the BlackBerry service via a BES; (iii) maintenance and upgrades to software; and (iv) technical support.

Revenues are also generated from sales of accessories, non-warranty repairs, BlackBerry App World sales and gains and losses on revenue hedge contracts.

Cost Optimization Program and CORE

On June 16, 2011, the Company announced the Cost Optimization Program to streamline operations across the organization. This realignment has focused on eliminating redundancies and reallocating resources to enable the Company to focus on areas that offer the highest growth opportunities and align with RIM's strategic objectives, such as accelerating new product introductions. The Company believes that a more efficient cost structure will better enable it to respond to new market opportunities and changes in the competitive environment. On July 25, 2011, the Company announced that it would be reducing its global workforce across all functions by approximately 2,000 employees and that all impacted employees would receive severance packages and outplacement support. The Company incurred approximately $125 million in total pre-tax charges related to the Cost Optimization Program, as described in greater detail below. Substantially all of the pre-tax charges are one-time employee termination benefits and the identification and elimination of redundant facilities. As of the end of fiscal 2012, the Cost Optimization Program, which was focused on headcount reductions and facilities redundancies, was substantially complete. The Company will continue to make any remaining payments for employee termination benefits during fiscal 2013. The payments for charges relating to redundant facilities will continue to be made until the end of the term of the facilities leases.

As part of the Company's continuous effort to streamline its operations and increase efficiency, the Company has also commenced the CORE program. The CORE program is a Company-wide initiative with the objective of improving the Company's operations. The program includes, among other things, a review of the Company's research and development process to maximize the Company's return on investment, the implementation of stock keeping units ("SKUs") rationalization, an evaluation of the product development cycle to improve yield, warranty return rates and reduce manufacturing costs, an assessment of the Company's sales and marketing initiatives to maximize sales efforts and effectively leverage its marketing windows, and a comprehensive review of RIM's organizational structure to clearly define accountabilities for all key business, business processes and to eliminate fragmentation and inefficiencies. The Company is currently targeting the CORE program to drive approximately $1.0 billion in savings by the end of fiscal 2013 based on current run rates and the Company expects initial savings to be driven primarily by optimizing the cost position of the Company's products and services, and improved overall resource effectiveness and organizational efficiency.

Non-GAAP Financial Measures

As noted above, 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 29, 2012, the Company announced financial results for fiscal 2012, which included certain non-GAAP financial measures, including adjusted revenue, adjusted gross margin, adjusted gross margin percentage, adjusted net income and adjusted diluted earnings per share that exclude the impact of the pre-tax charges in fiscal 2012 related to the PlayBook Inventory Provision, the Q4 BlackBerry 7 Inventory Provision, the service interruption that occurred in the third quarter of fiscal 2012 (the "Q3 Service Interruption") which resulted in the loss of service revenue and the payment of service credits of approximately $54 million, approximately $40 million after tax, the Cost Optimization Program, and the non-cash goodwill impairment charge described below (the "Q4 Goodwill Impairment Charge") of approximately $355 million, approximately $346 million after tax. The term "non-GAAP financial measure" is used to refer to a numerical measure of a company's historical or future financial performance, financial position or cash flows that: (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with U.S. GAAP in a company's statement of income, balance sheet or statement of cash flows; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. 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 revenue, adjusted gross margin, adjusted gross margin percentage, adjusted net income and adjusted diluted earnings per share 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 to the most directly comparable U.S. GAAP measures was included in the Company's press release, dated March 29, 2012.

Fiscal 2012 Operating Results – Executive Summary

The following table sets forth certain consolidated statement of operations data, which is expressed in millions of dollars, for the periods indicated, except for share and per share amounts, as well as certain consolidated balance sheet data, as at March 3, 2012, February 26, 2011 and February 27, 2010, which is expressed in millions of dollars.

	As at and for the Fiscal Year Ended				
	March 3, 2012	February 26, 2011	Change 2012/2011	February 27, 2010	Change 2011/2010
	(in millions, except for share and per share amounts)				
Revenue[1]	$ 18,435	$ 19,907	$ (1,472)	$ 14,953	$ 4,954
Cost of sales[2,3,4]	11,856	11,082	774	8,369	2,713
Gross margin	6,579	8,825	(2,246)	6,584	2,241
Operating expenses					
Research and development[3]	1,559	1,351	208	965	386
Selling, marketing and administration[3]	2,604	2,400	204	1,907	493
Amortization	571	438	133	310	128
Impairment of Goodwill[5]	355	—	355	—	—
Litigation[6]	—	—	—	164	(164)
	5,089	4,189	900	3,346	843
Income from operations	1,490	4,636	(3,146)	3,238	1,398
Investment income	21	8	13	28	(20)
Income before income taxes	1,511	4,644	(3,133)	3,266	1,378
Provision for income taxes	347	1,233	(886)	809	424
Net income	$ 1,164	$ 3,411	$ (2,247)	$ 2,457	$ 954
Earnings per share					
Basic	$ 2.22	$ 6.36	$ (4.14)	$ 4.35	$ 2.01
Diluted	$ 2.22	$ 6.34	$ (4.12)	$ 4.31	$ 2.03
Weighted-average number of shares outstanding (000's)					
Basic	524,101	535,986		564,492	
Diluted	524,190	538,330		569,759	
Total assets	$ 13,731	$ 12,875	$ 856	$ 10,205	$ 2,670
Total liabilities	$ 3,631	$ 3,937	$ (306)	$ 2,602	$ 1,335
Total long-term liabilities	$ 242	$ 307	$ (65)	$ 170	$ 137
Shareholders' equity	$ 10,100	$ 8,938	$ 1,162	$ 7,603	$ 1,335

(1) During fiscal 2012, the Company experienced the Q3 Service Interruption, which resulted in the loss of service revenue and the payment of penalties of approximately $54 million related to the unavailability of the Company's network.

(2) During fiscal 2012, the Company recorded the pre-tax PlayBook Inventory Provision of approximately $485 million. See "Critical Accounting Policies and Estimates – PlayBook Inventory Provision".

(3) Cost of sales, research and development and selling, marketing and administration expenses included approximately $125 million in total pre-tax charges related to the Cost Optimization Program to streamline operations across the Company during fiscal 2012. Included in cost of sales, research and development, and selling, marketing and administration expenses for fiscal 2012, was approximately $14 million, $23 million and $88 million, respectively, of charges related to the Cost Optimization Program. See "Overview – Cost Optimization Program and CORE".

(4) During the fourth quarter of fiscal 2012, the Company recorded the pre-tax Q4 BlackBerry 7 Inventory Provision of approximately $267 million. See "Critical Accounting Policies and Estimates – Q4 BlackBerry 7 Inventory Provision".

(5) During the fourth quarter of fiscal 2012, the Company performed a goodwill impairment test and based on the results of that test, the Company recorded a pre-tax Q4 Goodwill Impairment Charge of approximately $355 million.

(6) In fiscal 2010, the Company settled all Visto Corporation ("Visto") outstanding worldwide patent litigation (the "Visto Litigation"). The key terms of the settlement involved the Company receiving a perpetual and fully-paid license on all Visto patents, a transfer of certain Visto intellectual property, a one-time payment by the Company of $268 million and the parties executing full and final releases in respect of the Visto Litigation. Of the total payment by the Company, $164 million was expensed as a litigation charge in fiscal 2010. The remainder of the payment was recorded as intangible assets.

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

	For the Fiscal Year Ended				
	March 3, 2012	February 26, 2011	Change 2012/2011	February 27, 2010	Change 2011/2010
Revenue	100.0%	100.0%	—	100.0%	—
Cost of sales	64.3%	55.7%	8.6%	56.0%	(0.3%)
Gross margin	35.7%	44.3%	(8.6%)	44.0%	0.3%
Operating expenses					
Research and development	8.5%	6.8%	1.7%	6.5%	0.3%
Selling, marketing and administration	14.1%	12.1%	2.0%	12.8%	(0.7%)
Amortization	3.1%	2.2%	0.9%	2.1%	0.1%
Impairment of Goodwill	1.9%	—	1.9%	—	—
Litigation	—	—	—	1.1%	(1.1%)
	27.6%	21.1%	6.5%	22.5%	(1.4%)
Income from operations	8.1%	23.2%	(15.1%)	21.5%	1.7%
Investment income	0.1%	—	0.1%	0.2%	(0.2%)
Income before income taxes	8.2%	23.2%	(15.0%)	21.7%	1.5%
Provision for income taxes	1.9%	6.2%	(4.3%)	5.4%	0.8%
Net income	6.3%	17.0%	(10.7%)	16.3%	0.7%

Revenue for fiscal 2012 was $18.4 billion, a decrease of $1.5 billion, or 7.4%, from $19.9 billion in fiscal 2011. The number of BlackBerry devices sold decreased by approximately 3.3 million, or 6.3%, to approximately 49.0 million in fiscal 2012, compared to approximately 52.3 million in fiscal 2011. Device revenue decreased by $2.2 billion, or 13.5%, to $13.8 billion, reflecting a lower number of devices sold, as well as a lower average sale price per unit. Service revenue increased by $0.9 billion, or 27.8% to $4.1 billion, reflecting the increase in net new BlackBerry subscriber accounts since the end of fiscal 2011. Software revenue increased by $23 million to $317 million in fiscal 2012 and other revenue decreased by $223 million to $237 million in fiscal 2012.

The Company's net income for fiscal 2012 was $1.2 billion, a decrease of $2.2 billion, or 64.7%, compared to net income of $3.4 billion in fiscal 2011. The $2.2 billion decrease in net income in fiscal 2012 reflects a similar decrease in gross margin. The decrease in gross margin also reflects the impact of charges related to the Q3 Service Interruption, the PlayBook Inventory Provision, the Cost Optimization Program and the Q4 BlackBerry 7 Inventory Provision. Excluding the impact of the charges noted above, the decrease in gross margin resulted primarily from the decreased number of device shipments, as well as the mix of BlackBerry handheld devices sold during fiscal 2012, which were weighted towards in-life products with lower average selling prices and gross margins. This was partially offset by an increase of service revenue as a result of additional subscriber accounts.

Basic earnings per share ("basic EPS") and diluted earnings per share ("diluted EPS") were $2.22 in fiscal 2012 compared to $6.36 basic EPS and $6.34 diluted EPS in fiscal 2011, a 65.0% decrease in diluted EPS compared to fiscal 2011.

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

Critical Accounting Policies and Estimates

General

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

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

Revenue Recognition

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, the product has been delivered or the services have been provided to the customer, the sales price is fixed or determinable and 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 from the sale of BlackBerry wireless hardware products (e.g., BlackBerry handheld devices and BlackBerry PlayBook tablets) is recognized when title has transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. For hardware products for which the software is deemed essential to the functionality of the hardware, the Company recognizes revenue in accordance with general revenue recognition accounting guidance.

The Company sells its BlackBerry PlayBook tablet with the right to receive unspecified software upgrade rights on a "when-and-if available" basis. These upgrade rights are related specifically to the product's essential operating system software. In these instances, the amount allocated to the unspecified software upgrade rights are deferred and recognized rateably over the 24-month estimated life of the BlackBerry PlayBook tablet.

The Company records reductions to revenue for estimated commitments related to price protection, right of return and for customer incentive programs. Price protection is accrued as a reduction to revenue based on estimates of price reductions, provided the price reduction can be reliably estimated and all other revenue recognition criteria have been met. The Company also records reductions to revenue for a right of return based on contractual terms and conditions and, if the expected product returns can be reasonably and reliably estimated, based on historical experience. Where a general right of return cannot be reasonably and reliably estimated, the Company recognizes revenue when the product sells through the distribution channel. The estimated cost of the customer incentive programs is accrued as a reduction to revenue based on historical experience, and is recognized at the later of the date at which the Company has sold the product or the date at which the program is offered. If historical experience cannot support a breakage rate, the maximum rebate amount is deferred and adjusted when incentive programs end.

Service

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

Software

Revenue from licensed software is recognized at the inception of the license term and in accordance with industry-specific software revenue recognition 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

Revenue from the sale of accessories is recognized when title has transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. Revenue from repair and maintenance programs is recognized when the service is delivered, which is when the title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled.

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) handheld devices with services, (ii) tablets with unspecified software upgrades on a when-and-if available basis, and (iii) software with technical support services.

For the Company's arrangements involving multiple deliverables of handheld devices with services, the consideration from the arrangement is allocated to each respective element based on its relative selling price, using vendor-specific objective evidence of selling price ("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 best estimated selling price ("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.

The BlackBerry PlayBook tablet includes the right to receive free unspecified software upgrade rights on a when-and-if available basis. This upgrade right to the product's embedded operating system software is considered an undelivered element at the time of sale of the BlackBerry PlayBook tablet and falls within the general revenue recognition guidance. The consideration from the arrangement is allocated to each respective element based on its relative selling price. As neither the BlackBerry PlayBook tablet nor the upgrade right are sold on a standalone basis and no TPE exists for these deliverables, the allocation of revenue is based on the Company's BESP. The consideration for the delivered hardware and the related essential software operating system are recognized at the time of sale provided that the four revenue recognition criteria have been met. The consideration allocated to the unspecified software upgrade rights is deferred and recognized rateably over the 24-month estimated life of the tablets.

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, 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 is $6 per BlackBerry PlayBook tablet. If the Company's quarterly pricing reviews and internal control procedures indicate market facts and circumstances have changed, the Company's BESP for hardware products, services and unspecified software upgrade rights related to the Company's tablets could change. On an annual basis, the Company also reviews internal statistical data to estimate the useful life of the Company's devices and tablets in market. If the estimated life of these hardware products should change, the amortization period for any deferred service revenues or deferred unspecified software upgrade right revenues would also change to reflect new market realities.

Allowance for Doubtful Accounts and Bad Debt Expense

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

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

Inventories and Inventory Purchase Commitments

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

The Company's policy for the valuation of inventory, including the determination of obsolete or excess inventory, requires management to estimate the future demand for the Company's products within specific time horizons. Inventory purchases and purchase commitments are based upon such forecasts of future demand and scheduled rollout of new products. The business environment in which RIM operates is subject

to rapid changes in technology and customer demand. The Company performs an assessment of inventory during each reporting period, which includes a review of, among other factors, demand requirements, component part purchase commitments of the Company and certain key suppliers, product life cycle and development plans, component cost trends, product pricing and quality issues. If customer demand subsequently differs from the Company's forecasts, requirements for inventory write-offs that differ from the Company's estimates could become necessary. If management believes that demand no longer allows the Company to sell inventories above cost or at all, such inventory is written down to net realizable value or excess inventory is written off.

PlayBook Inventory Provision

On December 2, 2011, the Company announced that it would record a pre-tax PlayBook Inventory Provision in the third quarter of fiscal 2012 of approximately $485 million, approximately $356 million after tax. The charge was predominantly non-cash. As previously disclosed, RIM had a high level of BlackBerry PlayBook inventory. The Company believed that an increase in promotional activity was required to drive sell-through to end customers. This was due to several factors, including recent shifts in the competitive dynamics of the tablet market and a delay in the release of the BlackBerry PlayBook OS 2.0 software. As a result, RIM recorded the PlayBook Inventory Provision in the third quarter of fiscal 2012 that reflected the current market environment and allowed it to expand upon the aggressive level of promotional activity recently employed by the Company in order to drive BlackBerry PlayBook tablet adoption.

Based on the positive response to the promotions in select markets, RIM believes this strategy will accelerate adoption of its QNX-based platform by consumers and enterprises, as well as help to drive the development of a vibrant application ecosystem in advance of its next generation of BlackBerry 10 smartphones. RIM sold into the channels approximately 1.3 million BlackBerry PlayBook tablets in fiscal 2012 and sell-through to end customers were estimated at approximately 1.1 million units. Since the launch of the new promotions across consumer and enterprise channels in the United States and Canada late in the third quarter of fiscal 2012, the Company has seen a significant increase in demand for the BlackBerry PlayBook tablet.

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

Q4 BlackBerry 7 Inventory Provision

During the fourth quarter of fiscal 2012, the Company recorded the Q4 BlackBerry 7 Inventory Provision consisting of pre-tax charges of approximately $267 million, or approximately $197 million after-tax, relating primarily to certain BlackBerry 7 products in its current portfolio of hardware devices. The charge was predominantly non-cash. The charges represent the Company's estimates of provisions required to sell through existing inventory in the channel and the level of excess and obsolete inventory, based on estimated inventory levels of certain BlackBerry 7 products as of March 3, 2012. The Company also experienced a decrease in its forward-looking demand relating to certain BlackBerry 7 products and as such, recorded a reduction in the carrying value of its inventory, as well as increased its estimate of the excess inventory and contractual liabilities with its manufacturing partners for units or materials relating to those products.

Goodwill

Goodwill represents the excess of the acquisition price over the fair value of identifiable net assets acquired. Goodwill is allocated as at the date of the business combination. Goodwill is not amortized, but is tested for impairment annually, during the fourth quarter, or more frequently if events or changes in circumstances indicate goodwill is more likely than not 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 of 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 goodwill impairment test prescribed by U.S. GAAP requires the Company to identify reporting units and to determine estimates of the fair values of the Company's reporting units as of the date it tests for impairment. Determining the fair value of the Company's reporting units for the purpose of testing the potential impairment of individual assets and goodwill requires significant judgment by management. Different judgments could yield different results. For purposes of the Company's goodwill impairment test, the Company has conducted an assessment and concluded that it operates as 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 estimated fair value. The estimated fair value is determined utilizing a market-based approach, based on the quoted market price of the Company's common shares, adjusted by an appropriate control premium. When the carrying amount of a reporting unit exceeds its estimated fair value, goodwill of the reporting unit is considered to be impaired, and the second step is necessary.

In the second step of the goodwill impairment test, the implied fair value of the reporting unit's goodwill is compared with its carrying amount to measure the amount of the impairment loss, if any. The implied fair value of goodwill is determined in the same manner as the value of goodwill is determined in a business combination using the fair value of the reporting unit as if it were the acquisition price. When the carrying amount of the reporting unit goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate line item in the consolidated statements of operations. Establishing an implied fair value of goodwill requires the Company to make estimates for key inputs into complex valuation models and to apply significant judgment in the selection of estimates, assumptions and methodologies required to complete the analysis. Specific examples of these areas include, but are not limited to, development of multi-year business cash flow forecasts, the selection of discount rates and the identification and valuation of unrecorded assets.

Intangible Assets

Intangible assets with definite lives are stated at cost less accumulated amortization and the Company reviews these assets for impairment when events or changes in circumstances indicate that the carrying amount of the intangible assets might not be recoverable. The Company is currently amortizing its intangible assets with definite lives over periods generally ranging between two to ten 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. See "Cautionary Note Regarding Forwarding-Looking Statements – Risks Related to the Company's Business and its Industry – Potential charges relating to the impairment of goodwill or other long-lived assets recorded on RIM's balance sheet".

Litigation

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

Royalties

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

Warranty

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

The Company's estimates of costs are based upon historical experience and expectations of future return rates and unit warranty repair cost. To the extent that the Company experiences changes in warranty activity, or changes to costs associated with servicing those obligations, revisions to the estimated warranty liability would be required. For further details on the Company's warranty expense experience and estimates for fiscal 2012, refer to Note 12 to the Consolidated Financial Statements.

Income Sensitivity

The Company estimates that a 10% change to either the current average unit warranty repair cost or the current average warranty return rate, measured against the device sales volumes currently under warranty as at March 3, 2012, would have resulted in adjustments to warranty expense and pre-tax income of approximately $41 million, or 3.5% of consolidated annual net income.

Investments

The Company's cash equivalents and investments, other than cost method investments of $37 million and equity method investments of $48 million, consist of money market and other debt securities, and are classified as available-for-sale for accounting purposes and are carried at fair value with unrealized gains and losses recorded in accumulated other comprehensive income 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 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; and
- Level 3 - Significant unobservable inputs which are supported by little or no market activity.

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

The carrying amounts of the Company's cash and cash equivalents, accounts receivable, other receivables, accounts payable and accrued liabilities approximate fair value due to their short maturities.

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.

For further details on the valuation methods and inputs used by the Company to determine the fair value of its investments, refer to Note 5 to the Consolidated Financial Statements.

Given the current market conditions and economic uncertainties, management exercises significant judgment in determining the fair value of the Company's investments and the investment's classification level within the three-tier fair value hierarchy. As at March 3, 2012, the Company had approximately 95% of its available-for-sale investments measured at fair value classified in Level 2.

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

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

Income Taxes

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

Significant judgment is required in evaluating the Company's uncertain tax positions and provision for income taxes. The Company uses a two-step process in assessing its uncertain tax positions. The two-step process separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold by determining if the weight of available evidence indicates that it is more likely than not to be sustained upon examination. The second step is measuring a tax position that has met the recognition threshold as the largest amount of benefit that is more than 50% likely of being realized upon settlement. The Company continually assesses the likelihood and amount of potential adjustments and adjusts the income tax provisions, income tax payable and deferred taxes in the period in which the facts that give rise to a revision become known. The Company recognizes interest and penalties related to uncertain tax positions as interest expense that is netted and reported within investment income. For further details, refer to Note 8 to the Consolidated Financial Statements.

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

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

Stock-Based Compensation

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

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

In connection with its stock option review and the restatement of prior year financial statements, the Company applied judgment in choosing whether to revise measurement dates for prior option grants. While the Company believes it made appropriate judgments in determining the correct measurement dates for its stock option grants in connection with the restatement, the issues surrounding past stock option grants and financial statement restatements are complex and guidance in these areas may continue to evolve.

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

The Company has a Deferred Share Unit Plan (the "DSU Plan"), adopted by the Board of Directors on December 20, 2007, under which each non-executive director will be credited with Deferred Share Units ("DSUs") in satisfaction of all or a portion of the cash fees otherwise payable to them for serving as a director of the Company. Grants under the DSU Plan replace the stock option awards that were historically granted to non-executive members of the Board of Directors. At a minimum, 60% of each non-executive director's annual retainer will be satisfied in the form of DSUs. Each 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 common shares over the five trading days preceding the redemption date. Alternatively, subject to receipt of shareholder approval, the Company may elect to redeem DSUs by way of common 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 grant, and remeasured at each reporting period, until settlement.

For further details on the Company's stock-based compensation, refer to Note 9 to the Consolidated Financial Statements.

Impact of Accounting Pronouncements Not Yet Implemented

In September 2011, the Financial Accounting and Standards Board ("FASB") issued an amendment to Topic 350, Intangibles - Goodwill and Other, to simplify how entities test goodwill for impairment. The most significant amendment in this update is the option of a qualitative test for impairment, by providing entities the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (as defined as likelihood greater than 50%) that the fair value of a reporting unit is less than its carrying value. An entity has an unconditional option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the two step test and may resume performing the qualitative assessment in any subsequent period. The amendment is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted. The Company will adopt the guidance in the first quarter of fiscal 2013 and is currently evaluating the impact that the adoption of this guidance will have on its results of operations, financial condition and disclosures.

In June 2011, the FASB issued authoritative guidance which is expected to improve the comparability, consistency, and transparency of financial reporting as well as increase the prominence of items reported in other comprehensive income. The guidance amends previous literature by eliminating the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity, among other amendments. The guidance now provides entities with the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In December 2011, the FASB issued an update to defer the requirement for entities to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. The new authoritative guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2011 and should be applied retrospectively, with early adoption permitted. The Company will adopt the guidance in the first quarter of fiscal 2013 and is currently evaluating the impact that the adoption of this guidance will have on its results of operations, financial condition and disclosures.

In May 2012, the FASB, as a result of work performed with the International Accounting and Standards Board ("IASB"), issued authoritative guidance to achieve common fair value measurement and disclosure requirements in U.S. GAAP and IFRS. The guidance is expected to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The guidance presents certain amendments to clarify existing fair value measurements and disclosure requirements such as clarifying the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified in a reporting entity's shareholders' equity and clarifying that a reporting entity should disclose quantitative information about the unobservable inputs used in a fair value measurements that is categorized within Level 3 of the fair value hierarchy. Furthermore, the guidance amends previous literature by requiring additional disclosures about fair value measurements, specifically requesting more information about the valuation processes used for fair value measurements categorized within Level 3 of the fair value hierarchy as well as presenting sensitivity of the fair value measurements to changes in unobservable inputs in Level 3 valuations. The guidance also amends previous literature around measuring the fair value of financial instruments that are managed within a portfolio as well as the application of premiums and discounts in a fair value measurement. The new authoritative guidance is effective for interim and annual periods beginning after December 15, 2011. The Company will adopt the guidance in the first quarter of fiscal 2013 and is currently evaluating the impact that the adoption of this guidance will have on its results of operations, financial condition and disclosures.

Results of Operations - Fiscal 2012 Compared to Fiscal 2011 and Fiscal 2010

Fiscal year ended March 3, 2012 compared to fiscal year ended February 26, 2011

Revenue

Revenue for fiscal 2012 was $18.4 billion, a decrease of $1.5 billion, or 7.4%, from $19.9 billion in fiscal 2011.

A comparative breakdown of the significant revenue streams is set forth in the following table:

	For the Fiscal Year Ended					
	March 3, 2012		February 26, 2011		Change 2012/2011	
Millions of BlackBerry handheld devices sold	49.0		52.3		(3.3)	(6.3%)
Millions of BlackBerry PlayBook tablets sold	1.3		—		1.3	100%
Revenue *(in millions)*						
Hardware	$13,794	74.8%	$15,956	80.2%	$(2,162)	(13.5%)
Service [(1)]	4,086	22.2%	3,197	16.1%	889	27.8%
Software	318	1.7%	294	1.5%	24	8.2%
Other	237	1.3%	460	2.2%	(223)	(48.5%)
	$18,435	100.0%	$19,907	100.0%	$(1,472)	(7.4%)

(1) During the third quarter of fiscal 2012, the Company experienced the Q3 Service Interruption, which resulted in the loss of service revenue and the payment of penalties of approximately $54 million related to the unavailability of the Company's network.

Hardware revenue decreased by $2.2 billion, or 13.5%, to $13.8 billion, or 74.8% of consolidated revenue, in fiscal 2012 compared to $16.0 billion or 80.2% of consolidated revenue in fiscal 2011. This decrease in hardware revenue over the prior fiscal year was attributable to the mix of BlackBerry handheld devices sold during fiscal 2012, which were made up of devices that have lower average selling prices compared to those sold in fiscal 2011, as well as a lower volume of handheld shipments. The Company shipped approximately 49.0 million BlackBerry handheld devices in fiscal 2012 compared to 52.3 million devices in fiscal 2011. The decrease in the number of BlackBerry handheld devices was due to a number of factors, principally increased competition in the Company's industry, particularly in the United States, as well as delays in new product introductions. In the first quarter of fiscal 2012, the Company observed that its then-existing portfolio of BlackBerry handheld devices had been in market for close to a year and delivering new products on a timely basis had been more challenging than the Company had anticipated. RIM had been making progress on a development path for the next generation of BlackBerry handheld devices when it determined it needed to make more significant upgrades to both hardware and software to address the impact of increasing competition in the smartphone market, particularly in the United States. Consequently, the Company made the

decision to develop a new single hardware platform and the BlackBerry 7 operating system for its high-end BlackBerry lineup. These changes, among other things, affected both the hardware and software timelines and pushed out entry into carrier certification labs. As noted in the "Risk Factors" section of RIM's Annual Information Form, there are always risks and uncertainties in new product development and these changes presented extra challenges to carrier lab entry and the certification process. The mix of BlackBerry handheld devices in the first and second quarters of fiscal 2012 were heavily weighted towards its BlackBerry 6 handheld devices, particularly at the low end of the range, which had lower average selling prices and contribution margin than its BlackBerry 7 products. The Company also observed lower than expected shipments of its BlackBerry 6 handheld devices as customers worked through inventory and awaited the launch of the BlackBerry 7 handheld devices. However, delays in the product introduction timelines for its BlackBerry 7 handhelds devices also excluded RIM from some of the back-to-school programs it had expected to be a part of, which resulted in lower than anticipated shipments, revenue and earnings in the second quarter of fiscal 2012. While the BlackBerry Bold 9900 was well received by customers, certain other BlackBerry 7 product sales in fiscal 2012 were lower than expected due to competitive launches, the Q3 Service Interruption and BlackBerry 7 product launch delays.

Outside of North America, overall performance was strong although competitive shifts are making growth in international markets increasingly more challenging, and the Company is not satisfied with the performance of the business in the United States, as described in further detail below.

Contributing to hardware revenue in fiscal 2012 was the launch of the BlackBerry PlayBook tablet in the first quarter of the fiscal year. The number of BlackBerry PlayBook tablets shipped during fiscal 2012 was 1.3 million, of which approximately 1 million units were recognized as revenue during fiscal 2012 as the remaining units did not meet the criteria for revenue recognition as outlined in the "Critical Accounting and Estimates" section of this MD&A. The revenue for the units that were shipped in fiscal 2012 but not recognized will be recorded as revenue when all of the revenue recognition criteria are met. BlackBerry PlayBook tablet shipments were lower than anticipated during fiscal 2012 due to lower than anticipated sell-through to end users caused by several factors, including intense competition in the tablet market, especially in the United States, and shifts in the competitive dynamics of the market, as well as a delay in the release of BlackBerry PlayBook OS 2.0 software until February 2012. During the second half of fiscal 2012, the Company increased its promotional activity to encourage sell-through of the BlackBerry PlayBook tablets.

Service revenue increased by $0.9 billion, or 27.8%, to $4.1 billion or 22.2% of consolidated revenue in fiscal 2012, compared to $3.2 billion, or 16.1% of consolidated revenue in fiscal 2011, reflecting the Company's increase in net new BlackBerry subscriber accounts since the end of fiscal 2011. Partially offsetting this increase was the loss of revenue and penalty charges associated with the Q3 Service Interruption totaling approximately $54 million. BlackBerry tiered service plans, which are lower revenue per user than the Company's average, continued to drive growth in the Company's subscriber base, specifically in the Company's international markets, including Indonesia, South Africa and Venezuela. The international growth was offset by particularly weak results in fiscal 2012 in the United States where the Company experienced a net decrease in its subscriber base.

Software revenue includes fees from licensed BES software, CALs, technical support, maintenance and upgrades. Software revenue increased by $23 million, or 7.8%, to $318 million in fiscal 2012 from $294 million in fiscal 2011. The increase was primarily attributable to an increase in software upgrades and revenue from acquisitions, and this was partially offset by a decrease in BES, CALs and software licensing revenue.

Other revenue, which includes non-warranty repairs, accessories, BlackBerry App World and gains and losses on revenue hedging instruments, decreased by $223 million to $237 million in fiscal 2012 compared to $460 million in fiscal 2011. The majority of the decrease was attributable to decreases in non-warranty repairs and losses realized from revenue hedging. See "Market Risk of Financial Instruments – Foreign Exchange" for additional information on the Company's hedging instruments.

Sales outside the United States, the United Kingdom and Canada comprised approximately 60% of the total consolidated revenue during fiscal 2012. Sales in the United States represented approximately 23% of total consolidated revenue during the year, a decrease as a percentage of total consolidated revenue compared to the prior year resulting from factors described above, shifts in the competitive dynamics within the United States, an increase of in-life products that makes up the Company's product mix, as well as growth in international markets compared to fiscal 2011. Sales in the United Kingdom represented approximately 10% of total consolidated revenue and sales in Canada represented the remainder. During fiscal 2012, the Company experienced a significant decrease in its share of the smartphone market in the United States compared to fiscal 2011. Intense competition, the lack of a Long Term Evolution (LTE) product and a high end consumer offering in the United States is negatively impacting the Company's results in that market. The Company has also encountered challenges due to the impact of "bring-your-own-device" ("BYOD") strategies being adopted by some of its enterprise customers, as some 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.

Gross Margin

Consolidated gross margin decreased by $2.2 billion, or 25.5%, to $6.6 billion, or 35.7% of revenue, in fiscal 2012, compared to $8.8 billion, or 44.3% of revenue, in fiscal 2011.

During the fourth quarter of fiscal 2012, the Company recorded the Q4 BlackBerry 7 Inventory Provision consisting of pre-tax charges of approximately $267 million, or approximately $197 million after-tax, relating primarily to certain BlackBerry 7 products with its current portfolio of hardware devices. The non-cash charges represent the Company's estimates of provisions required to sell through existing inventory in the channel based on estimated inventory levels of certain BlackBerry 7 products, as well as related vendor liabilities as of March 3, 2012. The Company also experienced a decrease in its forward-looking demand relating to certain BlackBerry 7 products and as such, recorded a reduction in the carrying value of its inventory, and increased its estimate of the excess inventory and contractual liabilities with its manufacturing partners for units or materials relating to those products.

Excluding the impact of the charges related to the Q4 BlackBerry 7 Inventory Provision, the Cost Optimization Program, the PlayBook Inventory Provision and the charges related to the Q3 Service Interruption, consolidated gross margin decreased by $1.4 billion compared to fiscal 2011. The decline in consolidated gross margin percentage was primarily attributable to the decreased number of BlackBerry handheld device shipments in fiscal 2012 compared to fiscal 2011, as well as the mix of BlackBerry handheld devices sold during fiscal 2012, which were weighted towards in-life products with lower average selling prices and gross margins. The impact of the BlackBerry PlayBook sell-through programs conducted during the third and fourth quarters of fiscal 2012 further contributed to the year-over-year decline in the consolidated gross margin. The overall decline was partially offset by an increase in service revenue as a result of additional subscriber accounts, which comprised 22.2% of the total revenue mix for fiscal 2012 compared to 16.1% in fiscal 2011. Gross margin percentage for BlackBerry handheld devices and BlackBerry PlayBook tablets are generally lower than the Company's consolidated gross margin percentage.

Operating Expenses

The table below presents a comparison of research and development, selling, marketing and administration, amortization and litigation expenses for fiscal 2012 compared to fiscal 2011.

	For the Fiscal Year Ended *(in millions)*					
	March 3, 2012	% of Revenue	February 26, 2011	% of Revenue	Change 2012/2011	% of Change
Revenue	$18,435		$19,907		$(1,472)	(7.4%)
Operating expenses						
Research and development (1)	$ 1,559	8.5%	$ 1,351	6.8%	$ 208	15.4%
Selling, marketing and administration (1)	2,604	14.1%	2,400	12.1%	204	8.5%
Amortization	571	3.1%	438	2.2%	133	30.4%
Impairment of Goodwill	355	1.9%	—	—	355	100.0%
Total	$ 5,089	27.6%	$ 4,189	21.1%	$ 900	21.5%

(1) Research and development and selling, marketing and administration expenses for fiscal 2012 included charges of approximately $23 million and $88 million, respectively, related to the Cost Optimization Program.

Total operating expenses for fiscal 2012 as a percentage of revenue increased by 6.5% to 27.6% of revenue compared to fiscal 2011.

Research and Development Expenses

Research and development expenditures consist primarily of salaries and benefits for technical personnel, new product development costs, travel, office and building infrastructure costs and other employee costs.

Research and development expenditures increased by $208 million to $1.6 billion, or 8.5% of revenue, in fiscal 2012, compared to $1.4 billion, or 6.8% of revenue, in fiscal 2011. Excluding the impact of the charges related to the Cost Optimization Program, of which $23 million was attributable to research and development expenditures related primarily to employee termination benefits, research and development expenses increased by $185 million compared to fiscal 2011. The majority of the increase during fiscal 2012 compared to fiscal 2011 was attributable to higher materials usage, as well as an increase in salaries and benefits due to an increase in personnel associated with research and development activities.

Selling, Marketing and Administration Expenses

Selling, marketing and administration expenses consist primarily of salaries and benefits, marketing, advertising and promotion, external advisory fees, information technology costs, office and related staffing infrastructure costs and travel expenses.

Selling, marketing and administration expenses increased by $204 million to $2.6 billion for fiscal 2012 compared to $2.4 billion for fiscal 2011. As a percentage of revenue, selling, marketing and administration expenses increased to 14.1% in fiscal 2012 versus 12.1% in fiscal 2011. The increase in selling, marketing and administration expenses also reflects the impact of approximately $88 million relating to the Cost Optimization Program, which consisted of $53 million related to the identification and elimination of redundant facilities and $35 million related to employee termination benefits. Excluding the impact of the Cost Optimization Program, the $116 million increase in selling, marketing and administration expenses was attributable to an increase in foreign exchange losses, bad debt expenses, and consulting fees.

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 fiscal 2012 compared to fiscal 2011. Intangible assets are comprised of intellectual property and acquired technology.

	For the Fiscal Year Ended *(in millions)*					
	Included in Amortization			**Included in Cost of sales**		
	March 3, 2012	February 26, 2011	Change	March 3, 2012	February 26, 2011	Change
Property, plant and equipment	$ 359	$ 272	$ 87	$ 301	$ 225	$ 76
Intangible assets	212	166	46	651	264	387
Total	$ 571	$ 438	$ 133	$ 952	$ 489	$ 463

Amortization

Amortization expense relating to certain property, plant and equipment and intangible assets increased by $133 million to $571 million for fiscal 2012 compared to $438 million for fiscal 2011, which primarily reflects the impact of certain property, plant and equipment and intangible asset additions made during fiscal 2012.

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 increased by $463 million to $952 million for fiscal 2012 compared to $489 million for fiscal 2011. This primarily reflects the impact of certain intangible asset additions made during the latter part of fiscal 2011.

Impairment of Goodwill

As stated under "Critical Accounting Policies and Estimates – Goodwill", goodwill represents the excess of the acquisition price over the fair value of identifiable net assets acquired. Goodwill is tested annually, through a two step process, for impairment in the fourth quarter of each fiscal year, or more frequently if events or changes in circumstances indicate that goodwill is more likely than not impaired. During the fourth quarter of fiscal 2012, the Company used the two-step impairment test to identify potential goodwill impairment and measure the amount of the goodwill impairment loss to be recognized. In the first step, the fair value of the Company was determined using RIM's average market capitalization for the preceding five days from the impairment test date, plus a reasonable control premium, which was established based on recent market transactions. The results from the first step of the goodwill impairment test demonstrated that the carrying value of the Company exceeded its estimated fair value as at the balance sheet date and therefore the second step of the goodwill impairment test was performed.

In the second step of the impairment test, the Company calculated the impairment loss by estimating the implied fair value of goodwill and comparing it with its carrying value. Using the fair value determined in the first step as the acquisition price, the implied fair value of goodwill was calculated as the residual amount of the acquisition price after allocations made to the fair value of net assets, including recognized and unrecognized intangible assets. Based on the results of the second step of the goodwill impairment test, it was concluded that the carrying value of goodwill was impaired. Consequently, the Company recorded a goodwill impairment of $355 million, $346 million after tax, and reported this amount as a separate line item in the Consolidated Statements of Operations.

The Company will continue to evaluate the carrying value of goodwill on an annual basis in the fourth quarter of its fiscal year or more frequently, if possible indicators of impairment occur, such as 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 test of recoverability for a significant asset group.

As described above, 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 our results of operations, and changes in the Company's forecasts or market expectations relating to future results. See "Risk Factors – *The market price of the Company's common shares may be volatile"* in the Company's Annual Information Form. 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 share price performance or control premium applicable to the Company. A sustained decline in the Company's performance, the Company's market capitalization and future changes to the Company's assumptions and estimates used in the goodwill impairment, particularly the determination of an appropriate control premium, and the reasonableness of observing the average market price over a 5-day period, may result in an impairment of some or all of the goodwill on the Company's balance sheet; including any goodwill arising from the acquisition of Paratek Microwave, Inc., which was an acquisition that was completed five days following the end of fiscal 2012.

Investment Income

Investment income increased by $13 million to $21 million in fiscal 2012 from $8 million in fiscal 2011. Investment income in fiscal 2011 includes $17 million in impairment losses on the Company's auction rate securities and Lehman Brothers trust assets, without which investment income would have been $25 million. Excluding the impairment losses, the decrease primarily reflects the decrease in the Company's average cash, cash equivalents and investment balances compared to fiscal 2011, as well as a decrease in the average yield due compared to fiscal 2011. See "Financial Condition - Liquidity and Capital Resources", "Financial Condition – Lehman Brothers International (Europe)" and "Financial Condition – Auction Rate Securities".

Income Taxes

For fiscal 2012, the Company's income tax expense was $347 million, resulting in an effective tax rate of 23.0% compared to income tax expense of $1.2 billion and an effective tax rate of 26.6% for the same period last year. The Company's lower effective tax rate in fiscal 2012 reflects the geographic mix of earnings in jurisdictions with different tax rates, the favourable resolution of uncertain tax positions, and the higher proportional effect of tax incentives on earnings offset by the unfavourable impact of an impairment charge relating to non-deductible goodwill.

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

Net Income

Net income decreased by $2.2 billion to $1.2 billion in fiscal 2012 compared to net income of $3.4 billion in the prior fiscal year. Excluding the impact of charges related to the Q4 Goodwill Impairment Charge, the Q4 BlackBerry 7 Inventory Provision, the Cost Optimization Program, the PlayBook Inventory Provision and the charges related to the Q3 Service Interruption, net income decreased by $1.2 billion compared to fiscal 2011. The $1.2 billion decrease in net income primarily reflects a decrease in the Company's gross margin, which was negatively impacted by the decreased number of BlackBerry handheld device shipments in fiscal 2012 compared to fiscal 2011, as well as a change in the mix of BlackBerry handheld devices sold, which were weighted towards products with lower average selling prices and gross margins. In addition, an increase in operating expenses in the amount of $545 million also contributed to the decrease in net income compared to fiscal 2011. The impact of the BlackBerry PlayBook sell-through programs conducted during the third and fourth quarters of fiscal 2012 further contributed to the year-over-year decline in the consolidated gross margin. This decrease was partially offset by an increase in service revenue as a result of additional subscriber accounts, as well as a decrease of $886 million in the provision for income taxes.

Basic and diluted EPS was $2.22 in fiscal 2012, a decrease of 65.1% and 65.0%, respectively, compared to $6.36 basic EPS and $6.34 diluted EPS in fiscal 2011.

The weighted average number of common shares outstanding was 524 million common shares for both basic and diluted EPS for the fiscal year ended March 3, 2012 compared to 536 million common shares for basic EPS and 538 million common shares for diluted EPS for the fiscal year ended February 26, 2011.

Common Shares Outstanding

On April 4, 2012, there were 524 million voting common shares, options to purchase 4 million voting common shares, 8 million restricted share units and 0.1 million deferred share units outstanding.

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

Share Repurchase Program

On June 16, 2011, the Company's Board of Directors approved a share repurchase program to commence any time after July 10, 2011 to purchase for cancellation through the facilities of the NASDAQ Stock Market or, subject to regulatory approval, by way of private agreement up to 5% of RIM's outstanding common shares (representing approximately 26 million common shares as of the date hereof) (the "2012 Repurchase Program"). The 2012 Repurchase Program will remain in place for up to 12 months or until the purchases are completed or the program is terminated by RIM. No common shares have been repurchased under the 2012 Repurchase Program to date.

The actual number of shares purchased, the timing of purchases, and the price at which the shares would be bought under the 2012 Repurchase Program will depend on future market conditions and upon potential alternative uses for cash resources. There is no assurance that any shares will be purchased under the 2012 Repurchase Program and RIM may elect to suspend or discontinue the program at any time. See "Cautionary Note Regarding Forward-Looking Statements".

Fiscal year end February 26, 2011 compared to fiscal year ended February 27, 2010

Revenue

Revenue for fiscal 2011 was $19.9 billion, an increase of approximately $5.0 billion, or 33.1%, from $15.0 billion in fiscal 2010.

A comparative breakdown of the significant revenue streams is set forth in the following table:

	For the Fiscal Year Ended					
	February 26, 2011		February 27, 2010		Change 2011/2010	
Millions of BlackBerry handheld devices sold	52.3		36.7		15.6	43%
Revenue *(in millions)*						
Devices	$15,956	80.2%	$12,116	81.0%	$3,840	31.7%
Service	3,197	16.1%	2,158	14.4%	1,039	48.1%
Software	294	1.5%	259	1.7%	35	13.5%
Other	460	2.2%	420	2.9%	40	9.5%
	$19,907	100.0%	$14,953	100.0%	$4,954	33.1%

Device revenue increased by $3.8 billion, or 31.7%, to $16.0 billion, or 80.2% of consolidated revenue, in fiscal 2011 compared to $12.1 billion, or 81.0%, of consolidated revenue in fiscal 2010. This increase in device revenue over the prior year was primarily attributable to a volume increase of approximately 15.6 million units, or 43%, to approximately 52.3 million devices in fiscal 2011 compared to approximately 36.7 million devices in fiscal 2010.

Service revenue increased by $1.0 billion, or 48.1%, to $3.2 billion or 16.1% of consolidated revenue in fiscal 2011, compared to $2.2 billion, or 14.4% of consolidated revenue in fiscal 2010, reflecting the Company's increase in net new BlackBerry subscriber accounts since the end of fiscal 2010.

Software revenue includes fees from licensed BES software, CALs, technical support, maintenance and upgrades. Software revenue increased $35 million, or 13.5%, to $294 million in fiscal 2011 from $259 million in fiscal 2010. The increase was primarily attributable to software revenue earned from a business acquisition in the second quarter of fiscal 2011, as well as an increase in technical support, partially offset by a decrease in BES and CALs.

Other revenue, which includes non-warranty repairs, accessories and gains and losses on revenue hedging instruments, increased by $40 million to $460 million in fiscal 2011 compared to $420 million in fiscal 2010. The majority of the increase was attributable to gains realized from revenue hedging instruments partially offset by decreases in non-warranty repairs and freight revenue when compared to fiscal 2010. See "Market Risk of Financial Instruments – Foreign Exchange" for additional information on the Company's hedging instruments.

Gross Margin

Consolidated gross margin increased by $2.2 billion, or 34.0%, to $8.8 billion, or 44.3% of revenue, in fiscal 2011, compared to $6.6 billion, or 44.0% of revenue, in fiscal 2010. The increase in consolidated gross margin was primarily due to an increase in the number of device shipments and an increase in service revenues as a result of additional subscriber accounts, which comprised 16.1% of the total revenue mix for fiscal 2011 compared to 14.4% in fiscal 2010, partially offset by a lower percentage of revenue from device shipments which comprised 80.2% of total revenue mix in fiscal 2011 compared to 81.0% in the same period in fiscal 2010. Gross margin percentage for devices is generally lower than the Company's consolidated gross margin percentage.

Operating Expenses

The table below presents a comparison of research and development, selling, marketing and administration, amortization and litigation expenses for fiscal 2011 compared to fiscal 2010.

	For the Fiscal Year Ended *(in millions)*					
	February 26, 2011	% of Revenue	February 27, 2010	% of Revenue	Change 2011/2010	% of Change
Revenue	$19,907		$14,953		$4,954	33.1%
Operating expenses						
Research and development	$ 1,351	6.8%	$ 965	6.5%	$ 386	40.0%
Selling, marketing and administration [1]	2,400	12.1%	1,907	12.8%	493	25.9%
Amortization	438	2.2%	310	2.1%	128	41.3%
Litigation[2]	—	—	164	1.1%	(164)	(100.0%)
Total	$ 4,189	21.1%	$ 3,346	22.5%	$ 843	25.2%

(1) Selling, marketing and administration in fiscal 2010 included unusual charges of $96 million recognized in the first quarter of fiscal 2010. The unusual charges related to a charge for the payment on account of certain employee tax liabilities related to certain previously-exercised stock options with measurement date issues that were exercised during certain time periods and the foreign exchange impact of the enactment of functional currency tax legislation in Canada.

(2) In fiscal 2010, the Company settled the Visto Litigation. The key terms of the settlement involved the Company receiving a perpetual and fully-paid license on all Visto patents, a transfer of certain Visto intellectual property, a one-time payment by the Company of $268 million and the parties executing full and final releases in respect of the Visto Litigation. Of the total payment by the Company, $164 million was expensed as a litigation charge in the second quarter of fiscal 2010. The remainder of the payment was recorded as intangible assets.

Total operating expenses for fiscal 2011 as a percentage of revenue decreased by 1.4% to 21.1% of revenue compared to fiscal 2010.

Research and Development Expenses

Research and development expenditures increased by $386 million to $1.4 billion, or 6.8% of revenue, in fiscal 2011, compared to $965 million, or 6.5% of revenue, in fiscal 2010. The majority of the increase during fiscal 2011 compared to fiscal 2010 was attributable to salaries and benefits due to an increase in the headcount associated with research and development activities, as well as increased materials usage.

Selling, Marketing and Administration Expenses

Selling, marketing and administration expenses increased by $493 million to $2.4 billion for fiscal 2011 compared to $1.9 billion for fiscal 2010. As a percentage of revenue, selling, marketing and administration expenses decreased to 12.1% in fiscal 2011 versus 12.8% in fiscal 2010. Excluding the impact of $96 million of unusual charges during fiscal 2010, selling, marketing and administration expenses increased by $589 million. The majority of this increase was primarily attributable to increased expenditures for marketing, advertising and promotion, increased salary and benefits expenses primarily as a result of increased personnel as well as information technology costs, which was partially offset by reduced facilities expenditures in fiscal 2011 primarily due to the one-time charge recognized in fiscal 2010 in relation to the enactment of changes to the functional currency tax legislation discussed further below, and reduced facilities expenditures.

With the enactment of changes to the functional currency tax legislation by the Government of Canada in the first quarter of fiscal 2010, the Company changed the basis of calculating its income tax provision for its Canadian operations from Canadian dollars to the U.S. dollar, its reporting currency, with the effective date being the beginning of fiscal 2010. Gains realized on the revaluation of these tax liabilities previously denominated in Canadian dollars throughout 2009 were reversed upon enactment of the changes to the rules in the first quarter of fiscal 2010. Included in the total selling, marketing and administration for fiscal 2010 is a $54 million charge primarily relating to the reversal of foreign exchange gains previously recorded in fiscal 2009 on the revaluation of Canadian dollar denominated tax liability balances. Throughout fiscal 2009, foreign exchange gains were offset by foreign exchange losses incurred as a part of the Company's foreign currency hedging program.

Selling, marketing and administration expenses for fiscal 2010 also included a charge of $42 million for the payment on account of certain employee tax liabilities related to certain previously-exercised stock options with measurement date issues that were exercised during certain time periods. The Company's Board of Directors approved the payment on account of certain incremental personal tax liabilities of certain employees, excluding RIM's then Co-Chief Executive Officers, related to the exercise of certain stock options issued by the Company.

Amortization Expense

The table below presents a comparison of amortization expense relating to property, plant and equipment and intangible assets recorded as amortization or cost of sales for fiscal 2011 compared to fiscal 2010. Intangible assets are comprised of intellectual property and acquired technology.

	For the Fiscal Year Ended (in millions)					
	Included in Amortization			Included in Cost of sales		
	February 26, 2011	February 27, 2010	Change	February 26, 2011	February 27, 2010	Change
Property, plant and equipment	$ 272	$ 185	$ 87	$ 225	$ 160	$ 65
Intangible assets	166	125	41	264	146	118
Total	$ 438	$ 310	$ 128	$ 489	$ 306	$ 183

Amortization

Amortization expense relating to certain property, plant and equipment and certain intangible assets increased by $128 million to $438 million for fiscal 2011 compared to $310 million for fiscal 2010, which primarily reflects the impact of certain property, plant and equipment and intangible asset additions made during fiscal 2011.

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 increased by $183 million to $489 million for fiscal 2011 compared to $306 million for fiscal 2010, which primarily reflects the impact of certain property, plant and equipment and intangible asset additions made during fiscal 2011.

Litigation Expense

In fiscal 2010, the Company settled the Visto Litigation. The key terms of the settlement involved the Company receiving a perpetual and fully-paid license on all Visto patents, a transfer of certain Visto intellectual property, a one-time payment by the Company of $268 million and the parties executing full and final releases in respect of the Visto Litigation. Of the total payment by the Company, $164 million was expensed as a litigation charge in the second quarter of fiscal 2010. The remainder of the payment was recorded as intangible assets.

Investment Income

Investment income decreased by $20 million to $8 million in fiscal 2011 from $28 million in fiscal 2010. The decrease primarily reflects impairment charges recognized in the third quarter of fiscal 2011 of $17 million. The decrease was also partially attributed to slight decreases in yields due to lower interest rates when compared to fiscal 2010.

Income Taxes

For fiscal 2011, the Company's income tax expense was $1.2 billion, resulting in an effective tax rate of 26.6% compared to income tax expense of $809 million and an effective tax rate of 24.8% for fiscal 2010. The Company's effective tax rate reflects the geographic mix of earnings in jurisdictions with different tax rates.

On March 12, 2009, the Government of Canada enacted changes to the Income Tax Act (Canada) that allowed the Company to calculate its fiscal 2009 and subsequent fiscal year Canadian income tax expense based on the U.S. dollar (the Company's functional currency). As such, the Company recorded tax benefits of $145 million related to the enactment of the functional currency rules in the first quarter of fiscal 2010, resulting in the lower effective rate in fiscal 2010.

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

Net Income

Net income was $3.4 billion in fiscal 2011 compared to net income of $2.5 billion in fiscal 2010. The $954 million increase in net income in fiscal 2011 primarily reflects an increase in gross margin in the amount of $2.2 billion, as well as an increase in consolidated gross margin percentage, resulting primarily from the increased number of device shipments as well as an increase in service revenue as a result of additional subscriber accounts, which was partially offset by an increase of $843 million in the Company's operating expenses, and an increase of $424 million in the provision for income taxes. Included in net income in fiscal 2010 was the impact of unusual charges of $96 million, a $175 million income tax benefit, which related to the foreign exchange impact of the enactment of functional currency tax legislation in Canada, and a $164 million litigation charge, which related to the settlement of the Visto Litigation.

Basic EPS was $6.36 and diluted EPS was $6.34 in fiscal 2011, an increase of 46.2% and 47.1%, respectively, compared to $4.35 basic EPS and $4.31 diluted EPS in fiscal 2010. Diluted EPS of $4.31 for fiscal 2010 included approximately $0.06 from the impact of unusual charges of $96 million, an income tax benefit of $175 million recognized during the first quarter of fiscal 2010 and a litigation charge of $164 million recognized during the second quarter of fiscal 2010.

The weighted average number of common shares outstanding was 536 million common shares for basic EPS and 538 million common shares for diluted EPS for the fiscal year ended February 26, 2011 compared to 565 million common shares for basic EPS and 570 million common shares for diluted EPS for the fiscal year ended February 27, 2010.

Common Shares Outstanding

On March 22, 2011, there were 524 million common shares, options to purchase 5 million common shares, 3 million restricted share units and 51,500 deferred share units outstanding.

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

On November 4, 2009, the Company's Board of Directors authorized the repurchase of common shares up to an authorized limit of $1.2 billion (the "2010 Repurchase Program"). Pursuant to the 2010 Repurchase Program, the Company repurchased and cancelled 12.3 million common shares at a cost of $775 million during fiscal 2010. In the first three months of fiscal 2011, the Company repurchased and cancelled 5.9 million common shares at a cost of $410 million. There was a reduction of approximately $23 million to capital stock and the amount paid in excess of the per share paid-in capital of the common shares of $387 million was charged to retained earnings. Under the 2010 Repurchase Program, the Company repurchased and cancelled a total of 18.2 million common shares for an aggregate cost of $1.2 billion, resulting in the effective completion of the 2010 Repurchase Program.

On June 24, 2010, the Company's Board of Directors authorized a share repurchase program to purchase for cancellation up to approximately 31 million common shares (the "2011 Repurchase Program"). Pursuant to the 2011 Repurchase Program, the Company repurchased and cancelled 31.3 million common shares at a cost of $1.7 billion during the first nine months of fiscal 2011, resulting in the effective completion of the 2011 Repurchase Program. As a result of the repurchase and cancellation, there was a reduction of approximately $119 million to capital stock and the amount paid in excess of the per share paid-in capital of the common shares of $1.6 billion was charged to retained earnings.

The 31.3 million common shares purchased under the 2011 Repurchase Program together with the 18.2 million common shares purchased by the Company under the 2010 Repurchase Program, represent approximately 10% of the Company's public float of common shares.

Summary Results of Operations

Three months ended March 3, 2012 compared to the three months ended February 26, 2011

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 March 3, 2012 and February 26, 2011:

	For the Three Months Ended				
	March 3, 2012		February 26, 2011		Change Q4 Fiscal 2012/2011
	(in millions, except for share and per share amounts)				
Revenue	$ 4,190	100.0%	$ 5,556	100.0%	$ (1,366)
Cost of sales	2,789	66.6%	3,103	55.8%	(314)
Gross margin	1,401	33.4%	2,453	44.2%	(1,052)
Operating expenses					
Research and development	386	9.2%	383	6.9%	3
Selling, marketing and administration	650	15.5%	705	12.7%	(55)
Amortization	152	3.6%	125	2.2%	27
Impairment of Goodwill	355	8.5%	—	—	355
	1,543	36.8%	1,213	21.8%	330
Income/ (Loss) from operations	(142)	(3.4%)	1,240	22.3%	(1,382)
Investment income	5	0.1%	3	0.1%	2
Income/ (Loss) before income taxes	(137)	(3.3%)	1,243	22.4%	(1,380)
Provision for/ (recovery of) income taxes	(12)	(0.3%)	309	5.6%	(321)
Net income/ (loss)	$ (125)	(3.0%)	$ 934	16.8%	$ (1,059)
Earnings/ (Loss) per share					
Basic	$ (0.24)		$ 1.79		$ (2.03)
Diluted	$ (0.24)		$ 1.78		$ (2.02)
Weighted-average number of shares outstanding (000's)					
Basic	524,160		522,764		
Diluted	524,160		524,334		

Revenue

Revenue for the fourth quarter of fiscal 2012 was $4.2 billion, a decrease of $1.4 billion, or 24.6%, from $5.6 billion in the fourth quarter of fiscal 2011.

A comparative breakdown of the significant revenue streams is set forth in the following table:

	For the Three Months Ended					
	March 3, 2012		February 26, 2011		Change Q4 Fiscal 2012/2011	
Millions of BlackBerry handheld devices sold	11.1		14.9		(3.8)	(25.5%)
Millions of BlackBerry PlayBook tablets sold	0.5		—		0.5	100.0%
Revenue *(in millions)*						
Hardware	$2,866	68.4%	$4,481	80.7%	$(1,615)	(36.0%)
Service	1,142	27.3%	898	16.2%	244	27.2%
Software	80	1.9%	81	1.5%	(1)	(1.2%)
Other	102	2.4%	96	1.6%	6	6.3%
	$4,190	100.0%	$5,556	100.0%	$(1,366)	(24.6%)

Hardware revenue decreased by $1.6 billion, or 36.0%, to $2.9 billion, or 68.4% of consolidated revenue, in the fourth quarter of fiscal 2012 compared to $4.5 billion, or 80.7%, of consolidated revenue in the fourth quarter of fiscal 2011. This decrease in device revenue was attributable to a decrease in device average sales prices compared to the fourth quarter of fiscal 2011, as well as a volume decrease of handheld devices in the fourth quarter of fiscal 2012 compared to the fourth quarter of fiscal 2011. The Company shipped approximately 11.1 million BlackBerry handheld devices in the fourth quarter of fiscal 2012 compared to 14.9 million devices in the fourth quarter of fiscal 2011. The decrease in volume was attributable to increased competition in the Company's industry. The number of BlackBerry PlayBook tablets shipped during the fourth quarter of fiscal 2012 was 0.5 million, of which 0.1 million units were recognized as revenue during fiscal 2012 as the remaining units did not meet the criteria for revenue recognition as outlined in the "Critical Accounting and Estimates" section of this MD&A. The revenue for the units that were shipped in fiscal 2012 but not recognized will be recorded as revenue when all of the revenue recognition criteria are met. Also contributing to this decrease was the impact of the BlackBerry PlayBook tablet sell-through programs that were conducted during the fourth quarter of fiscal 2012. BlackBerry 7 product sales in fiscal 2012 were lower than expected due to competitive launches, the Q3 Service Interruption and BlackBerry 7 product launch delays. Additionally, while the BlackBerry Bold 9900 was well received in its market segment of full QWERTY professionals, the Company did not have a highly competitive offering in the rapidly growing market for full-touch-based devices in the fourth quarter of fiscal 2012. The Company expects revenue in the first quarter of fiscal 2013 to show a sequential decrease compared to the fourth quarter of fiscal 2012 based on lower unit volumes, a less favourable product mix with lower average sales prices, and the adoption of new pricing initiatives to drive the sell-through and sell-in for BlackBerry 7 handheld devices.

Service revenue increased by $244 million, or 27.2%, to $1.1 billion, or 27.3% of consolidated revenue in the fourth quarter of fiscal 2012, compared to $898 million, or 16.2% of consolidated revenue, in the fourth quarter of fiscal 2011, primarily reflecting the Company's increase in BlackBerry subscriber accounts since the fourth quarter of fiscal 2011 and the 14th week in the fourth quarter of fiscal 2012. Given that many of the Company's competitors recover their infrastructure and services expense in alternate manners, the Company is facing greater pressure to reduce its monthly infrastructure access fees. In addition, the infrastructure access fees charged by the Company may also fall under pressure if the new products it launches do not utilize the network infrastructure in the same way or to the same extent as the Company's existing products. The Company is focused on developing an integrated services offering that leverages RIM's strengths such as BBM, security and manageability that will generate service revenues. However, if the Company is unable to resist these competitive pressures or is unable to develop a compelling integrated services offering that will generate service revenues and enable the Company to recover the costs associated with its network infrastructure, this could have a material adverse affect on the Company's results of operations and financial condition.

Software revenue decreased by $1 million, or 1.2%, to $80 million in the fourth quarter of fiscal 2012 from $81 million in the fourth quarter of fiscal 2011. This decrease was primarily attributable to a decrease in BES and CALs.

Other revenue increased by $6 million to $102 million in the fourth quarter of fiscal 2012 compared to $96 million in the fourth quarter of fiscal 2011. The majority of the increase was attributable to gains realized from revenue hedging instruments, partially offset by a decrease in non-warranty repairs revenue. See "Market Risk of Financial Instruments – Foreign Exchange" for additional information on the Company's hedging instruments.

Sales outside the United States, the United Kingdom and Canada comprised approximately 68% of the Company's total consolidated revenue during the fourth quarter of fiscal 2012, compared to 61% in the fourth quarter of fiscal 2011. Sales in the United States represented approximately 17% of total consolidated revenue during the quarter, a decrease compared to prior quarters resulting from factors described above, shifts in the competitive dynamics within the United States, an increase of in-life products that makes up the Company's product mix, as well as growth in international markets compared to the fourth quarter of fiscal 2011. Sales in the United Kingdom represented approximately 10% of total consolidated revenue and sales in Canada represented the remainder. During the fourth quarter of fiscal 2012, the Company experienced a decrease in its share of the smartphone market in the United States compared to the third quarter of fiscal 2012. Intense competition, the lack of a LTE product and a high-end consumer offering in the United States is negatively impacting the Company's results in that market. The Company expects net subscribers in the United States to remain under pressure, and will be looking to international markets to help maintain and grow its subscriber base. However, the Company does not expect to grow the subscriber base at the same rate that it experienced in fiscal 2012. In addition, growth in international markets are generally based on lower-tiered plans and attract lower subscriber fees per user.

Gross Margin

Consolidated gross margin decreased by $1.1 billion, or 42.9%, to $1.4 billion, or 33.4% of revenue, in the fourth quarter of fiscal 2012, compared to $2.5 billion, or 44.2% of revenue, in the fourth quarter of fiscal 2011. The decrease of $1.1 billion includes pre-tax charges of approximately $267 million relating to the Q4 BlackBerry 7 Inventory Provision. The charges represent the Company's estimates of provisions required to sell through existing inventory in the channel based on estimated inventory levels of certain BlackBerry 7 products as of March 3, 2012. The Company also experienced a decrease in its forward looking demand relating to certain BlackBerry 7 products and as such, recorded a reduction in the carrying value of its inventory and increased its estimate of the excess inventory and contractual liabilities with its

manufacturing partners for units or materials relating to those products. The Company has also encountered challenges due to the impact of BYOD strategies being adopted by some of its enterprise customers, as some 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. The Company expects that the anticipated launch of BlackBerry 10 smartphones will strengthen its position in the BYOD enterprise segment. The Company will also continue to seek partnerships that will further enable RIM to have a complete BYOD offering.

Excluding the impact of the Q4 BlackBerry 7 Inventory Provision, the decrease in consolidated gross margin was $785 million or 32.0%. The decrease in consolidated gross margin percentage was due to a lower volume of BlackBerry handheld devices shipped and a shift in the mix of BlackBerry handheld devices sold during the fourth quarter of fiscal 2012, which were weighted towards in-life products with lower average selling prices and gross margins. This decrease is partially offset by higher service revenue as a result of additional subscriber accounts, which comprised 27.3% of total revenue mix in fiscal 2012 compared to 16.2% in fiscal 2011. As noted above, gross margin percentage for devices is generally lower than the Company's consolidated gross margin percentage.

In the first quarter of fiscal 2013, the Company expects the product mix shifting even further towards lower priced handsets to support growth in prepaid and entry level markets as well as the late stage of the product life cycle for the Company's current portfolio of smartphones. The Company also plans on adopting more aggressive pricing initiatives in smartphones to increase the sell-through and sell-in of BlackBerry 7 smartphones. Based on these trends and the Company's more aggressive selling initiatives for Blackberry 7 smartphones, the Company expects smartphone gross margins to face ongoing pressure, which it anticipates will be partially offset by a higher percentage of service revenue as a proportion of consolidated revenue.

Operating Expenses

The table below presents a comparison of research and development, selling, marketing and administration, and amortization expenses for the quarter ended March 3, 2012, compared to the quarter ended November 26, 2011 and the quarter ended February 26, 2011. The Company believes that it is meaningful to also provide a comparison between the fourth quarter of fiscal 2012 and the third quarter of fiscal 2012 given that RIM's quarterly operating results vary substantially.

	For the Three Months Ended (in millions)					
	March 3, 2012	% of Revenue	November 26, 2011	% of Revenue	February 26, 2011	% of Revenue
Revenue	$4,190		$5,169		$5,556	
Operating expenses						
Research and development	$ 386	9.2%	$ 369	7.1%	$ 383	6.9%
Selling, marketing and administration	650	15.5%	567	11.0%	705	12.7%
Amortization	152	3.6%	146	2.8%	125	2.2%
Impairment of Goodwill	355	8.5%	—	—	—	—
Total	$1,543	36.8%	$1,082	20.9%	$1,213	21.8%

Operating expenses for the fourth quarter of fiscal 2012 as a percentage of revenue increased by 15.9% to 36.8% of revenues when compared to the third quarter of fiscal 2012.

Research and Development Expense

Research and development expenses increased by $17 million to $386 million, or 9.2% of revenue, in the fourth quarter of fiscal 2012, compared to $369 million, or 7.1% of revenue, in the third quarter of fiscal 2012. The majority of the increase was attributable to salaries and benefits due to an increase in personnel associated with research and development activities, as well as an increase in materials usage.

Research and development expenses increased by $3 million in the fourth quarter of fiscal 2012 or 0.8%, compared to $383 million in the fourth quarter of fiscal 2011. The majority of the increase was primarily attributable to an increase in building facilities costs, as additional space is being occupied by the research and development functions compared to the fourth quarter of fiscal 2011. This increase was partially offset by general cost reductions achieved through the Cost Optimization and CORE programs.

Selling, Marketing and Administration Expenses

Selling, marketing and administration expenses increased by $83 million to $650 million for the fourth quarter of fiscal 2012 compared to $567 million for the third quarter of fiscal 2012. As a percentage of revenue, selling, marketing and administration expenses increased to 15.5% in the fourth quarter of fiscal 2012 compared to 11.0% in the third quarter of fiscal 2012. The net increase of $83 million was attributable to increases in salary and benefits, which was primarily as a result of increased personnel, as well as increases in marketing, advertising and promotion.

Selling, marketing and administration expenses decreased by $55 million for the fourth quarter of fiscal 2012 compared to $705 million in the fourth quarter for fiscal 2011. The decrease of $55 million was primarily attributable to a decrease in marketing expense, which was the result of a shift from traditional forms of marketing towards direct marketing programs with the Company's carrier partners. The decrease was partially offset by an increase in salaries and benefits.

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 March 3, 2012 compared to the quarter ended February 26, 2011. 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**		
	March 3, 2012	February 26, 2011	Change	March 3, 2012	February 26, 2011	Change
Property, plant and equipment	$ 94	$ 78	$ 16	$ 77	$ 66	$ 11
Intangible assets	58	47	11	160	120	40
Total	$ 152	$ 125	$ 27	$ 237	$ 186	$ 51

Amortization

Amortization expense relating to certain property, plant and equipment and certain intangible assets increased by $27 million to $152 million for the fourth quarter of fiscal 2012 compared to $125 million for the comparable period in fiscal 2011, which primarily reflects the impact of certain property, plant and equipment and intangible asset additions made during fiscal 2012.

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 increased by $51 million to $237 million for the fourth quarter of fiscal 2012 compared to $186 million for the comparable period in fiscal 2011. The increase primarily reflects the impact of certain property, plant and equipment and intangible asset additions made during fiscal 2012.

In the second quarter of fiscal 2012, the Company formed part of a consortium of certain technology companies that entered a successful bid for all of Nortel's remaining patents and patent applications. The purchase includes more than 6,000 patents and patent applications spanning wireless, wireless 4G, data networking, voice, internet and other patents. The Company received clearance from the United States Department of Justice on February 13, 2012 allowing the Company to obtain the rights to certain intellectual property, and as at March 3, 2012, the majority of the Company's interest in this transaction was reclassified as intangible assets. The Company expects this transaction to increase its total amortization expenses, however, the Company does not expect the increase to be significant.

Impairment of Goodwill

As stated under "Critical Accounting Policies and Estimates – Goodwill", goodwill represents the excess of the acquisition price over the fair value of identifiable net assets acquired. Goodwill is tested annually, through a two-step process, for impairment in the fourth quarter of each fiscal year, or more frequently if events or changes in circumstances indicate that goodwill is more likely than not impaired. During the fourth quarter of fiscal 2012, the Company used the two-step impairment test to identify potential goodwill impairment and measure the amount of the goodwill impairment loss to be recognized. In the first step, the fair value of the Company was determined using RIM's average market capitalization for the preceding five days from the impairment test date, plus a reasonable control premium, which was established based on recent market transactions. The results from the first step of the goodwill impairment test demonstrated that the carrying value of the Company exceeded its estimated fair value as at the balance sheet date and therefore the second step of the goodwill impairment test was performed.

In the second step of the impairment test, the Company calculated the impairment loss by estimating the implied fair value of goodwill and comparing it with its carrying value. Using the fair value determined in the first step as the acquisition price, the implied fair value of goodwill was calculated as the residual amount of the acquisition price after allocations made to the fair value of net assets, including recognized and unrecognized intangible assets. Based on the results of the second step of the goodwill impairment test, it was concluded that the carrying value of goodwill was impaired. Consequently, the Company recorded a goodwill impairment of $355 million and reported this amount as a separate line item in the Consolidated Statements of Operations.

The Company will continue to evaluate the carrying value of goodwill on an annual basis in the fourth quarter of its fiscal year or more frequently, if possible indicators of impairment occur, such as 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 test of recoverability for a significant asset group.

As described above, 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 our results of operations, and changes in the Company's forecasts or market expectations relating to future results. See "Risk Factors – *The market price of the Company's common shares may be volatile"* in the Company's Annual Information Form. 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 share price performance or control premium applicable to the Company. A sustained decline in the Company's performance, the Company's market capitalization and future changes to the Company's assumptions and estimates used in the goodwill impairment, particularly the determination of an appropriate control premium, and the reasonableness of observing the average market price over a 5-day period, may result in an impairment of some or all of the goodwill on the Company's balance sheet; including any goodwill arising from the acquisition of Paratek Microwave, Inc., which was an acquisition that was completed five days following the end of fiscal 2012.

Investment Income

Investment income increased by $2 million to $5 million in the fourth quarter of fiscal 2012 from $3 million in the fourth quarter of fiscal 2011. The increase primarily reflects a realized gain on the sale of investment, which was previously accounted for as a cost-based investment.

Income Taxes

For the fourth quarter of fiscal 2012, the Company's income tax recovery was $12 million, resulting in an effective tax rate of 8.8% compared to income tax expense of $309 million and an effective tax rate of 24.8% for the same period last year. The Company's lower effective tax rate in the fourth quarter of fiscal 2012 primarily reflects the unfavourable impact of an impairment charge relating to non-deductible goodwill partially offset by the geographic mix of income in jurisdictions with different tax rates and the higher proportional effect of tax incentives on earnings.

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

Net Income

The Company's net loss for the fourth quarter of fiscal 2012 was $125 million, a decrease of $1.0 billion, compared to net income of $934 million in the fourth quarter of fiscal 2011. Excluding the impact of charges related to the Q4 Goodwill Impairment Charge and the Q4 BlackBerry 7 Inventory Provision, the decrease in net income in the fourth quarter of fiscal 2012 was approximately $516 million compared to the same period in fiscal 2011. This decrease primarily reflects a decrease in gross margin, resulting from a lower volume of BlackBerry handheld devices shipped and a shift in the mix of BlackBerry handheld devices sold during the fourth quarter of fiscal 2012, which were weighted towards in-life products with lower average selling prices and gross margins. The decrease was partially offset by a decrease in the provision for income taxes, as well as a decrease in operating expenses as a result of the Company's Cost Optimization and CORE programs.

Basic and diluted loss per share were both $0.24 in the fourth quarter of fiscal 2012 compared to $1.79 basic EPS and $1.78 diluted EPS in the fourth quarter of fiscal 2011.

The weighted average number of shares outstanding was 524 million common shares for basic and diluted EPS for the quarter ended March 3, 2012 compared to 523 million common shares for basic EPS and 524 million common shares for diluted EPS for the fourth quarter of fiscal 2011.

The Company believes it is extremely important to focus on increasing sales of its BlackBerry 7 handheld devices ahead of its BlackBerry 10 launch and throughout the remainder of fiscal 2013. In order to drive increased demand for BlackBerry 7 products and services in the United States, the Company commenced a comprehensive advertising and promotional program in the fourth quarter of fiscal 2012. This is expected to create pressure on earnings in the coming fiscal quarters as the Company invests in an attempt to maintain and grow the BlackBerry brand and awareness of the BlackBerry 7 product family. The Company has also increased its spending on advertising and promotional activities in a number of key global markets. The Company also plans to aggressively incentivize sales of BlackBerry 7 handheld devices through the implementation of programs to both drive upgrades from older BlackBerry products to BlackBerry 7 handheld devices, and to onboard feature phone customers to BlackBerry 7 for their first smartphone experience. The Company anticipates that these investments will also lay the groundwork for the launch of

its BlackBerry 10 smartphones, which is currently expected to occur in the latter part of calendar year 2012. See "Cautionary Note Regarding Forward-Looking Statements".

The Company is in the process of completing the largest platform and organizational transition in the Company's history and believes that these transitions will better position the Company to achieve growth and to continue to be a leading company in the wireless communications industry. As part of the ongoing efforts, the Company is also re-evaluating its product portfolio, operations, manufacturing and research and development strategy. The Company currently anticipates introducing new devices in the smartphone and tablet markets, as well as services and capabilities that better leverage its infrastructure.

The Company has also commenced the CORE initiative in the fourth quarter of fiscal 2012 which includes, among other things, a comprehensive review of product management and the number of SKUs offered, the realization of supply chain and bill of material efficiencies, marketing and advertising spending, partnership and licensing opportunities, organizational and management structure as well as opportunities to leverage the BlackBerry infrastructure.

The Company expects the next several quarters to be challenging for its business. Based on the Company's performance expectation for the first quarter of fiscal 2013, diluted EPS is expected to be lower compared to the fourth quarter of fiscal 2012, excluding the impact of charges related to the Cost Optimization Program and the Q4 Goodwill Impairment Charge, and the Company expects that there will be continuing downward pressure on earnings in the coming quarters as it continues to invest in marketing programs and works through the transition to the QNX-based platform that will be used in the next-generation of BlackBerry 10 smartphones, as well as the Company's fixed costs being spread over a lower volume of shipments. See "Cautionary Note Regarding Forward-Looking Statements".

Selected Quarterly Financial Data

The following table sets forth RIM's unaudited quarterly consolidated results of operations data for each of the eight most recent quarters, including the quarter ended March 3, 2012. The information in the table below has been derived from RIM's unaudited interim consolidated financial statements that, in management's opinion, have been prepared on a basis consistent with the audited consolidated financial statements of the Company and include all adjustments necessary for a fair presentation of information when read in conjunction with the audited consolidated financial statements of the Company. RIM's quarterly operating results have varied substantially in the past and may vary substantially in the future. Accordingly, the information below is not necessarily indicative of results for any future quarter.

	Fiscal Year 2012				Fiscal Year 2011			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
	(in millions, except per share data)							
Revenue[1]	$4,190	$5,169	$4,168	$4,908	$5,556	$5,495	$4,621	$4,235
Gross margin[2,3,4]	$1,401	$1,410	$1,612	$2,156	$2,453	$2,394	$2,055	$1,923
Operating expenses	1,543	1,082	1,205	1,259	1,213	1,138	973	865
Investment income (loss), net	5	2	7	7	3	(11)	6	10
Income before income taxes	(137)	330	414	904	1,243	1,245	1,088	1,068
Provision for (recovery of) income taxes	(12)	65	85	209	309	334	291	299
Net income	$ (125)	$ 265	$ 329	$ 695	$ 934	$ 911	$ 797	$ 769
Earnings (Loss) per share								
Basic	$(0.24)	$ 0.51	$ 0.63	$ 1.33	$ 1.79	$ 1.74	$ 1.46	$ 1.39
Diluted	$(0.24)	$ 0.51	$ 0.63	$ 1.33	$ 1.78	$ 1.74	$ 1.46	$ 1.38
Research and development	$ 386	369	381	423	$ 383	$ 357	$ 323	$ 288
Selling, marketing and administration	650	567	683	704	705	666	546	483
Amortization	152	146	141	132	125	115	104	94
Impairment of Goodwill[5]	355	—	—	—	—	—	—	—
Operating expenses	$1,543	$1,082	$1,205	$1,259	$1,213	$1,138	$ 973	$ 865

(1) During fiscal 2012, the Company experienced the Q3 Service Interruption, which resulted in the loss of service revenue and the payment of penalties of approximately $54 million related to the unavailability of the Company's network.

(2) During fiscal 2012, the Company recorded the pre-tax PlayBook Inventory Provision of approximately $485 million. See "Critical Accounting Policies and Estimates – PlayBook Inventory Provision".

(3) Cost of sales, research and development and selling, marketing and administration expenses included approximately $125 million in total pre-tax charges related to the Cost Optimization Program to streamline operations across the Company during fiscal 2012. Included in cost of sales, research and development, and selling, marketing and administration expenses for fiscal 2012, was approximately $14 million, $23 million and $88 million, respectively, of charges related to the Cost Optimization Program. See "Overview – Cost Optimization Program and CORE".

(4) During the fourth quarter of fiscal 2012, the Company recorded the pre-tax Q4 BlackBerry 7 Inventory Provision of approximately $267 million. See "Critical Accounting Policies and Estimates – Q4 BlackBerry 7 Inventory Provision".

(5) During the fourth quarter of fiscal 2012, the Company performed a goodwill impairment test and based on the results of that test, the Company recorded a pre-tax Q4 Goodwill Impairment Charge of approximately $355 million.

Financial Condition

Liquidity and Capital Resources

Cash, cash equivalents, and investments decreased by $587 million to $2.1 billion as at March 3, 2012 from $2.7 billion as at February 26, 2011. The majority of the Company's cash, cash equivalents, and investments are denominated in U.S. dollars as at March 3, 2012. Cash, cash equivalents, and investments increased by $609 million in the fourth quarter of fiscal 2012.

A comparative summary of cash, cash equivalents, and investments is set out below:

	As at *(in millions)*		
	March 3, 2012	February 26, 2011	Change
Cash and cash equivalents	$1,527	$ 1,791	$ (264)
Short-term investments	247	330	(83)
Long-term investments	337	577	(240)
Cash, cash equivalents, and investments	$2,111	$ 2,698	$ (587)

The decrease in cash, cash equivalents, and investments is primarily due to net cash flows used in investing activities, which were partially offset by net cash flows provided by operating activities, as set out below:

	For the Fiscal Year Ended *(in millions)*	
	March 3, 2012	February 26, 2011
Net cash flows provided by (used in):		
Operating activities	$ 2,912	$ 4,009
Investing activities	(3,024)	(1,698)
Financing activities	(149)	(2,087)
Effect of foreign exchange gain (loss) on cash and cash equivalents	(3)	16
Net increase in cash and cash equivalents	(264)	$ 240

Cash flows for the fiscal year ended March 3, 2012

Operating Activities

Net cash flows provided by operating activities were $2.9 billion for fiscal 2012 compared to net cash flows provided by operating activities of $4.0 billion in fiscal 2011. The decrease in fiscal 2012 was mainly attributable to a decrease in net income, as well as net changes in working capital compared to the prior fiscal year. The table below summarizes the current assets, current liabilities, and working capital of the Company:

	As at *(in millions)*		
	March 3, 2012	February 26, 2011	Change
Current assets	$7,056	$ 7,488	$ (432)
Current liabilities	3,389	3,630	(241)
Working capital	$3,667	$ 3,858	$ (191)

The decrease in current assets of $432 million at the end of fiscal 2012 from the end of fiscal 2011 was primarily due to a decrease in accounts receivable of $893 million and partially offset by an increase of $409 million in inventory. At the end of fiscal 2012, accounts receivable was approximately $3.1 billion, the decrease of $893 million is primarily due to decreased revenues, which was partially offset by an increasing international mix of business where payment terms tend to be longer as well as the timing of shipments in the quarter. Days sales outstanding increased to 68 days in the fourth quarter of fiscal 2012 from 65 days at the end of fiscal 2011.

As at the end of fiscal 2012, inventory was approximately $1.0 billion; the increase of $409 million was primarily due to an increase in the level of raw material components on hand to support upcoming product launches, an increase in certain inventory costs, as well as lower shipments in fiscal 2012.

The decrease in current liabilities of $241 million at the end of fiscal 2012 from the end of fiscal 2011 was primarily due to decreases in accrued liabilities, accounts payable and income taxes payable. As at March 3, 2012, the accrued liabilities balance was approximately $2.4 billion, a decrease of $129 million from the end of fiscal 2011 primarily due to decreases in accrued personnel costs, derivative liabilities, and accrued royalties.

The decrease in accounts payable of $88 million was primarily due to the timing of purchases during the fourth quarter of fiscal 2012 compared to the fourth quarter of fiscal 2011. Income taxes payable decreased by $179 million when compared to the same period in the prior year due to a decrease in taxable income.

Investing Activities

During the fiscal year ended March 3, 2012, cash flows used in investing activities were $3.0 billion and included property, plant and equipment additions of $902 million, intangible asset additions of $2.2 billion, and business acquisitions of $226 million, offset by cash flows provided by transactions involving the proceeds on sale or maturity of short-term investments and long-term investments, net of the costs of acquisitions, in the amount of $321 million. For the same period of the prior fiscal year, cash flows used in investing activities were $1.7 billion and included property, plant and equipment additions of $1.0 billion, intangible asset additions of $557 million, and business acquisitions of $494 million, offset by cash flows provided by transactions involving the proceeds on sale or maturity of short-term investments and long-term investments, net of the costs of acquisitions, in the amount of $392 million.

Property, plant and equipment additions for the fiscal year ended March 3, 2012 were lower as compared to the fiscal year ended February 26, 2011, as a result of the Cost Optimization and CORE programs. During the fiscal year ended March 3, 2012, the additions to intangible assets consisted of licenses acquired in relation to amended or renewed licensing agreements relating to 3G and 4G technologies, certain patents acquired as a result of patent assignment and transfer agreements, as well as agreements with third parties for the use of intellectual property, software, messaging services and other BlackBerry related features, as well as intangible assets associated with business acquisitions. Business acquisitions during fiscal 2012 related to the purchase of a company whose proprietary software will be incorporated into the Company's software. Business acquisitions during fiscal 2011 related to the purchase of a company whose acquired technology is being incorporated through a BlackBerry application, a subsidiary of TAT The Astonishing Tribe, QNX Software Systems, as well as the purchase of a company whose proprietary software will be incorporated into the Company's software, the purchase of a company whose acquired technologies will enhance document access and handling capacities, and the purchase of a company whose acquired technologies will enhance the Company's ability to manage application store fronts and data collection.

Financing Activities

Cash flows used in financing activities were $149 million for fiscal 2012 and were primarily attributable to the purchases of common shares on the open market by a trustee selected by the Company in connection with its Restricted Share Unit Plan, which are classified on the balance sheet for accounting purposes as treasury stock, in the amount of $156 million. Cash flows used in financing activities were $2.1 billion for fiscal 2011 and were primarily attributable to the common share repurchase programs described above in the amount of $2.1 billion, as well as the purchases of common shares on the open market by a trustee selected by the Company in connection with its Restricted Share Unit Plan, which are classified on the balance sheet for accounting purposes as treasury stock, in the amount of $76 million, partially offset by proceeds from the issuance of common shares in the amount of $67 million.

Auction Rate Securities

Auction rate securities are debt instruments with long-term nominal maturity dates for which the interest rates are reset through a dutch auction process, typically every 7, 28 or 35 days. Interest is paid at the end of each auction period, and the auction normally serves as the mechanism for securities holders to sell their existing positions to interested buyers. As at March 3, 2012, the Company held $41 million in face value of investment grade auction rate securities for which auctions are not taking place. The interest rate for these securities has been set at the maximum rate specified in the program documents and interest continues to be paid every 28 days as scheduled. As a result of the continuing lack of liquidity in these securities, the Company recognized through investment income, in the third quarter of fiscal 2011, an other-than-temporary impairment charge of $6 million. The Company did not record any further other-than-temporary impairment in fiscal 2012. The Company used a multi-year investment horizon to value these securities 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 return to normal levels or a solution to the liquidity of the securities is determined, and does not consider the principal or interest amounts on these securities to be materially at risk at this time. The auction rate securities are classified as long-term investments on the balance sheet given the uncertainty as to when market liquidity for auction rate securities will return to normal.

Lehman Brothers International (Europe)

Since March 1, 2005, the Company has maintained an investment account with Lehman Brothers International (Europe) ("LBIE"). As of September 30, 2008, the date of the last account statement received by the Company, the Company held in the account $81 million in combined cash and aggregate principal amount of fixed-income securities issued by third parties unrelated to LBIE or any other affiliate of Lehman Brothers Holdings Inc ("LBHI"). Due to the insolvency proceedings instituted by LBHI and its affiliates, including LBIE, commencing on September 15, 2008, the Company's regular access to information regarding the account has been disrupted. Following the appointment of the Administrators to LBIE the Company has asserted a trust claim in specie (the "Trust Claim") over the assets held for it by LBIE for the return of those assets in accordance with the insolvency procedure in the United Kingdom. In the first quarter of fiscal 2010, the Company received a Letter of Return (the "Letter") from the Administrators of LBIE relating to the Trust Claim. The Letter noted that, based on the work performed to date, the Administrators had identified certain assets belonging to the Company within the records of LBIE and that they are continuing to investigate the records for the remaining assets included in the Trust Claims. An additional asset was identified as belonging to the Company in the fourth quarter of fiscal 2010. In the fourth quarter of fiscal 2010, the Company signed the 'Form of Acceptance' and 'Claim Resolution Agreement', which are the necessary steps to have the identified assets returned. On June 8, 2010, the Company received a Claim Amount Notice from LBIE identifying amounts to be paid out in respect to certain identified assets. On August 10, 2010, the Company received a payment net of fees in the amount of $38 million representing monies for three of the identified assets listed in the Claim Amount Notice. The Company currently has trust claims filed with the Administrators totalling $47 million for unreturned assets and continues to maintain it has a valid trust claim on those assets. Based on communications with the Administrators, publicly available information published by the Administrators, as well as the passage of time and the uncertainty associated with the Administrator not having specifically identified these funds as trust funds, the Company recorded an other-than-temporary impairment charge to investment income in the amount of $11 million during the third quarter of fiscal 2011. The Company did not record any further other-than-temporary impairments in fiscal 2012.

As at March 3, 2012, the carrying value of the Company's claim on LBIE assets is $36 million. The Company continues to work with the Administrators for the return of the remaining assets, identified or not specifically identified, along with the past interest accrued on these assets since LBIE began its administration proceedings. The Company will continue to take all actions it deems appropriate to defend its rights to these holdings.

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 March 3, 2012:

	(in millions)				
	Total	Less than One Year	One to Three Years	Four to Five Years	Greater than Five Years
Operating lease obligations	$ 301	$ 56	$ 86	$ 66	$ 93
Purchase obligations and commitments	4,902	4,502	400	—	—
Total	$5,203	$ 4,558	$ 486	$ 66	$ 93

Purchase obligations and commitments amounted to approximately $4.9 billion as of March 3, 2012, with purchase orders with contract manufacturers representing approximately $4.1 billion of the total. The Company also has commitments on account of capital expenditures of approximately $836 million included in this total, primarily for manufacturing, facilities and information technology, including service operations. The remaining balance consists of purchase orders or contracts with suppliers of raw materials, as well as other goods and services utilized in the operations of the Company. The expected timing of payment of these purchase obligations and commitments is estimated based upon current information. The timing of payments and actual amounts paid may be different depending upon the time of receipt of goods and services, changes to agreed-upon amounts for some obligations or payment terms.

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

The Company has a $500 million senior unsecured revolving credit facility (the "Facility") with a syndicate of commercial banks for working capital, capital expenditures, acquisitions, investments and general corporate purposes. As at March 3, 2012, the Company had utilized $8 million of the Facility for outstanding letters of credit. The Facility can be increased to $1.0 billion at the Company's request, subject to receiving additional credit commitments from new or existing commercial banks within the syndicate.

Cash, cash equivalents, and investments were $2.1 billion as at March 3, 2012. The Company believes its financial resources, together with expected future income and available borrowings under the Facility, are sufficient to meet funding requirements for current financial commitments, for future operating and capital expenditures not yet committed, and also provide the necessary financial capacity to meet current and future expectations.

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, (the "U.S. Exchange Act") and under applicable Canadian securities laws.

Legal Proceedings

The Company is involved in litigation in the normal course of its business, both as a defendant and as a plaintiff. The Company 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 – Risks Related to Intellectual Property" and "Risk Factors - Risks Related to the Company's Business and its Industry - *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 RIM's Annual Information Form for the fiscal year ended March 3, 2012, which is included in RIM's Annual Report on Form 40-F.

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

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

On May 13, 2010, FlashPoint filed a complaint with the U.S. International Trade Commission ("ITC") against the Company, as well as three other defendants, alleging infringement of U.S. Patent Nos. 6,134,606; 6,163,816; and 6,262,769. These patents are generally directed to digital camera and imaging technologies. The ITC set the trial for April 7-13, 2011. The initial determination was scheduled to be provided on July 13, 2011 and the target date for completion of the investigation was November 14, 2011. The Company and FlashPoint settled all outstanding litigation on March 30, 2011 for an amount immaterial to the Consolidated Financial Statements.

On June 20, 2008, St. Clair Intellectual Property Consultants, Inc. ("St. Clair") filed a patent infringement lawsuit against the Company and other defendants in the U.S. District Court for the District of Delaware. The patents in suit include U.S. Patent Nos. 5,138,459; 6,094,219; 6,233,010 and 6,323,899. These patents are generally directed to image processing in digital cameras. On October 31, 2011, the Court held a hearing to address summary judgment motions filed by both sides. Proceedings are ongoing.

On November 16, 2010, St. Clair filed a second complaint against the Company and other defendants in the District of Delaware. The patents in suit include U.S. Patent Nos. 5,630,163; 5,710,929; 5,758,175; 5,892,959; 6,079,025 and 5,822,610. These patents are generally directed to power management. The complaint seeks an injunction and money damages. The claim construction hearing was held on December 16, 2011, and the trial will begin sometime after November 9, 2012. Proceedings are ongoing.

On October 31, 2008, Mformation Technologies, Inc. filed a patent infringement lawsuit against the Company in the U.S. District Court for the Northern District of California. The patents-in-suit include U.S. Patent Nos. 6,970,917 and 7,343,408. These patents are generally directed to remote device management functionality. A claim construction hearing was held on November 20, 2009. On February 26, 2010, the Court issued a claim construction order. A trial date was set for September 2011, but then later vacated. On August 31, 2011, the Court requested additional claim construction briefings. The Court held a hearing on September 26, 2011 for oral argument on the additional claim construction as well as motions for summary judgment and then took the issues under advisement. On December 19, 2011, the Court issued an order on the parties' summary judgment motions and the additional claim construction. Jury selection is set for June 14, 2012, with trial to begin on June 19, 2012. Proceedings are ongoing.

On November 17, 2008, Spansion, Inc. and Spansion LLC ("Spansion") filed a complaint with the ITC against Samsung Electronics Co., Ltd. and other related Samsung companies (collectively "Samsung") and other proposed respondents, including the Company, who purchase flash memory chips from Samsung, alleging infringement of U.S. Patent Nos. 6,380,029 ("the '029 Patent"); 6,080,639 ("the '639 Patent"); 6,376,877 ("the '877 Patent") and 5,715,194 ("the '194 Patent"). The patents relate generally to flash memory chips. The complaint did not seek monetary damages, but requests that the ITC issue orders prohibiting RIM products containing certain flash memory chips made by Samsung from being imported into the U.S. and sold in the U.S. On March 16, 2010 and April 7, 2010, the administrative law judge ("ALJ") presiding over the case granted consent motions from Spansion to terminate the ITC investigation in part as to the '029 Patent and the '639 Patent, respectively, thereby leaving only two patents remaining in the case. From May 3, 2010 to May 14, 2010, a trial was held regarding the '877 Patent and the '194 Patent. On October 22, 2010, the ALJ issued his initial determination finding no violation. On December 23, 2010, the ITC decided not to review the ALJ's initial determination, thereby letting stand the ALJ's finding of no violation. The investigation has been terminated.

On August 6, 2010, Spansion LLC filed a second complaint with the ITC against Samsung and other respondents, including the Company, which use Samsung flash memory, alleging infringement of U.S. Patent Nos. 7,018,922; 6,900,124; 6,369,416; and 6,459,625. All the patents-at-issue are generally directed to flash memory chips. The complaint did not seek monetary damages, but requested that the ITC issue orders prohibiting certain RIM products containing Samsung flash memory chips from being imported into the U.S. and sold in the U.S. The ALJ had set a trial date of June 20, 2011 and a target date for completion of the investigation of January 12, 2012. Samsung and Spansion settled all outstanding litigation around June 16, 2011, resulting in the dismissal of all outstanding litigation against the Company.

On November 20, 2008, the Company filed a lawsuit for declaratory judgment of non-infringement, invalidity and unenforceability against four Eastman Kodak ("Kodak") patents in the U.S. District Court for the Northern District of Texas (Dallas Division). The patents-in-suit include U.S. Patent Nos. 5,493,335, 6,292,218 ("the '218 Patent") and 6,600,510 ("the '510 Patent") which are generally directed to digital camera technologies and U.S. Patent No. 5,226,161 which is directed to data sharing in applications. Kodak counterclaimed for infringement of these same patents seeking an injunction and monetary damages. The claim construction hearing was held on March 23, 2010. On July 23, 2010, Kodak dismissed the '510 Patent from the case without prejudice. The Court set an initial trial date in December 2010. The Court also ordered mediation to seek to settle the case. Mediation was unsuccessful and on November 29, 2010 the Court reset the trial date for August 1, 2011. On July 20, 2011, the Court again reset the trial date for the three-week docket beginning on March 5, 2012. On January 19, 2012, following federal rules, Judge Kinkeade stayed the proceedings because Kodak declared bankruptcy. The Company filed an unopposed motion with the bankruptcy court to lift the stay. On March 9, 2012, the bankruptcy court granted the Company's motion to lift the stay of the case pending in the Northern District of Texas. Proceedings are ongoing.

On January 14, 2010, Kodak filed a complaint with the ITC against the Company and Apple Inc. alleging infringement of the '218 Patent and requesting the ITC to issue orders prohibiting certain RIM products from being imported into the U.S. and sold in the U.S. On February 23, 2010, the ITC published a Notice of Investigation in the Federal Register. The ALJ set a trial date of September 1, 2010 and a target date for completion of the investigation by the ITC of May 23, 2011. A claim construction hearing was held on May 24-25, 2010. The Chief Judge issued his claim construction order as an Initial Determination on June 22, 2010. In accordance with the ALJ's ruling, the trial was held and lasted for six days. On January 24, 2011, the ALJ ruled that the Company's products do not infringe the '218 Patent and that the only asserted claim is invalid as obvious. Kodak and the ITC Staff separately petitioned for ITC review on February 7, 2011. The Company also filed a contingent petition for review on February 7, 2011. On March 25, 2011, the ITC issued a public notice advising that the ITC would review Chief Judge Luckern's decision. The ITC delayed the target date for completion of the investigation by the ITC. The new target date was June 23, 2011. On July 8, 2011, the ITC issued an Opinion with its review of Chief Judge Luckern's decision. The ITC remanded issues concerning both infringement and validity. The remand proceedings were assigned to a different ALJ, Administrative Law Judge Pender, as Chief Judge Luckern retired from the bench. Acting Chief Judge Bullock initially set October 30, 2011 as the target date for the new ALJ to determine how much additional time is necessary for the remand proceedings and to set a new final target date and later extended this date to December 30, 2011. On December 16, 2011, ALJ Pender determined that he will reopen the record to permit limited additional discovery and extended the target date to September 21, 2012 to allow time for the parties to complete this discovery and remand briefing. On January 26, 2012, Judge Pender decided not to reopen the record due to fact that certain issues had become moot. Proceedings are ongoing.

On May 5, 2009, Fractus, S.A. ("Fractus") filed a lawsuit against the Company and eight other defendants in the U.S. District Court for the Eastern District of Texas alleging infringement of nine patents (U.S. Patent Nos. 7,015,868; 7,123,208; 7,148,850; 7,202,822; 7,312,762; 7,394,432; 7,397,431; 7,411,556; and 7,528,782). These patents generally relate to antennae technology. The complaint sought an injunction and monetary damages. The Court issued a claim construction order on November 9, 2010. The Company and Fractus settled on April 6, 2011 for an amount immaterial to the Consolidated Financial Statements.

On August 21, 2009, Xpoint Technologies ("Xpoint") filed a lawsuit against the Company and twenty-eight other defendants, in the U.S. District Court for the District of Delaware alleging infringement of U.S. Patent No. 5,913,028. The patent is generally directed to data traffic delivery. The complaint sought an injunction and monetary damages. The Company and Xpoint settled on April 4, 2011 for an amount immaterial to the Consolidated Financial Statements.

On September 23, 2009, SimpleAir, Inc. filed a lawsuit against the Company and ten other defendants in the U.S. District Court for the Eastern District of Texas alleging infringement of U.S. Patent Nos. 6,021,433; 7,035,914; 6,735,614; and 6,167,426. The patents are generally directed to the generation, processing and/or delivery of content, notifications and updates for computing devices. The complaint seeks an injunction and monetary damages. The claim construction hearing occurred on June 17, 2011, and the trial is scheduled to begin on December 5, 2011. The Court issued its Markman decision on September 2, 2011. On October 27, 2011, the Court continued the trial date, setting it for April 23, 2012. Proceedings are ongoing.

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

On March 3, 2010, Smartphone Technologies LLC ("Smartphone") filed a lawsuit against the Company and 12 other defendants in the U.S. District Court for the Eastern District of Texas alleging infringement of U.S. Patent Nos. 6,950,645; 7,076,275; 5,742,905; 7,506,064; 6,533,342; 6,711,609 and RE40,459. On October 15, 2010, Smartphone amended its complaint alleging infringement of three additional patents U.S. Patent Nos. 6,505,215; 6,728,786 and 7,693,949. The patents are generally directed to phone features relating to dialing and background task management, device power management, telephonic and data networking, displaying Internet content, and synchronization. The complaint sought an injunction and monetary damages. During a scheduling conference held on September 7, 2010, the Markman hearing was scheduled for September 8, 2011 and the jury selection for trial was set for March 5, 2012. The Company and Smartphone settled all outstanding litigation on August 1, 2011 for an amount immaterial to the Consolidated Financial Statements.

On March 31, 2010, MobileMedia Ideas LLC ("MMI") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Marshall Division) alleging infringement of U.S. Patent Nos. 5,479,476; 5,845,219; 6,055,439; 6,253,075; 6,427,078; RE.39231; 5,732,390; 5,737,394; 6,070,068; 6,389,301; 6,446,080; and 7,349,012. The patents are generally directed to mobile telephone technologies including mobile telephone user interfaces, call control, speech signal transmission and imaging. The complaint seeks an injunction and monetary damages. The claim construction hearing was scheduled for January 11, 2012, and trial was scheduled to begin July 12, 2012. On August 30, 2011, the case was transferred from the Eastern District of Texas to the Northern District of Texas (Dallas). On November 4, 2011, MMI filed an amended complaint in the Northern District of Texas, alleging infringement of four additional patens: U.S. Patent Nos. 5,490,170; 6,049,796; 6,871,048; and, 6,441,828. The amended complaint seeks an injunction, money damages and other relief that the Court may deem proper under the circumstances. Proceedings are ongoing.

On June 30, 2010, Bandspeed Inc. filed a lawsuit against the Company as well as 36 other defendants in the U.S. District Court for the Eastern District of Texas (Marshall Division) alleging infringement of U.S. Patent Nos. 7,027,418 and 7,570,614. The patents are generally directed to a method for selecting communication channels using frequency hopping. The complaint seeks an injunction and monetary damages. The claim construction hearing is scheduled for October 23, 2012, and trial is scheduled to begin July 1, 2013. On August 15, 2011, the case was transferred from the Eastern District of Texas to the Western District of Texas (Austin Division), where a lawsuit involving the same patents is currently pending against a number of parties, including Cambridge Silicon Radio Limited ("CSR"). On December 15, 2011, the Court issued an order requiring Bandspeed to amend its complaint to identify all allegedly infringing products, and allow possible impleader of other chip manufacturers or suppliers. On January 24, 2012, the Court issued an order setting the deadline for impleader to February 23, 2012. However, no other chip manufacturers or suppliers were impleaded. The trial is currently scheduled to begin January 13, 2013, involving Bandspeed and CSR only. Dates for claim construction and the trial have not yet been set with respect to any other defendant, including the Company. Proceedings are ongoing.

On August 4, 2010, EON Corporation IP Holdings LLC ("EON") filed a lawsuit against the Company as well as 16 other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division) alleging infringement of U.S. Patent No. 5,592,491. The patent is generally directed to a two-way communication network and a method for communicating between subscriber units and a local base station repeater cell. The complaint seeks an injunction and monetary damages. The claim construction hearing was held on January 5, 2012, and trial is scheduled to begin October 1, 2012. On February 8, 2012 Magistrate Judge Love issued his report and recommendation on claim construction. Proceedings are ongoing.

On September 23, 2010 EON filed suit in the U.S. District Court for the District of Delaware against the Company and 16 other defendants alleging infringement of U.S. Patent No. 5,663,757. This patent is generally directed to software controlled multi-mode interactive TV. The complaint seeks an injunction and money damages. The claim construction hearing is scheduled for May 3, 2013, and trial is scheduled to begin August 12, 2013. Proceedings are ongoing.

On September 2, 2010, Innovative Sonic Limited filed suit against the Company in the U.S. District Court for Eastern District of Texas (Tyler Division) asserting infringement of U.S. Patent Nos. 6,925,183; RE 40,077; and 7,436,795. The patents are generally directed to window based polling and timing as well as security keys in a wireless communication system. The complaint seeks an injunction and monetary damages. The claim construction hearing was scheduled for November 10, 2011, and trial was scheduled to begin June 4, 2012. Subsequently, the case was transferred from the Eastern District of Texas to the Northern District of Texas (Dallas Division). The Dallas Court issued a scheduling order stating that it does not intend to hold a Markman hearing and set a trial date in March 2013. Proceedings are ongoing.

On September 7, 2010, Wordcheck Tech LLC filed a lawsuit against the Company as well as over 40 other defendants in the U.S. District Court for Eastern District of Texas (Tyler Division) asserting infringement of U.S. Patent No. 6,782,510. The patent is generally directed to a word checking tool. The complaint seeks an injunction and monetary damages. The claim construction hearing is scheduled for September 6, 2012, and trial is scheduled to begin July 8, 2013. The Company and Wordcheck settled all outstanding litigation on November 2, 2011 for an amount immaterial to the Consolidated Financial Statements.

On September 8, 2010, Eatoni Ergonomics, Inc. ("Eatoni") filed a motion to vacate a June 8, 2010 arbitration award and a March 2007 arbitration award in the U.S. District Court for the Southern District of New York in a lawsuit filed on November 19, 2008 against the Company alleging that: the Company breached the March 2007 arbitration award; the license to the Company for Eatoni's U.S. Patent 6,885,317 (the "'317 Patent") is invalid; the Company infringed the '317 Patent; and the Company monopolized the reduced QWERTY market with its Sure Type line of devices. The original lawsuit to which this matter relates was filed on April 28, 2005 and settled on September 26, 2005 through mediation. A subsequent arbitration proceeding was held in February 2007 with an arbitration award issued in March 2007. An arbitration related to the current Court action was held in December 2009 with an arbitration award issued on June 8, 2010. On December 5, 2011, the judge dismissed the amended complaint against the Company with prejudice. On December 22, 2011, Eatoni filed a Notice of Appeal. On February 15, 2012, Eatoni filed its Appeal Brief.

On October 20, 2010, TQP Development LLC ("TQP") filed a lawsuit against the Company and 10 other defendants in the U.S. District Court for the Eastern District of Texas (Marshall Division). The complaint alleges infringement of U.S. Patent No. 5,412,730. The patent generally relates to encryption technology. The complaint seeks an injunction and money damages. The Company and TQP settled all outstanding litigation on November 2, 2011 for an amount immaterial to the Consolidated Financial Statements.

On October 28, 2010, Alfred Levine ("Levine") amended his complaint to add the Company to a suit filed in the U.S. District Court for the Eastern District of Texas (Marshall Division). Fourteen other defendants are named in the suit. The complaint alleged infringement of U.S. Patents Nos. 6,243,030 and 6,140,943. The patents are generally directed to wireless navigation systems. The complaint sought an injunction and monetary damages. The Company and Levine settled on June 13, 2011 for an amount immaterial to the Consolidated Financial Statements.

On January 5, 2011, Advanced Display Technologies of Texas, LLC filed a lawsuit against the Company as well as over eight other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division), asserting infringement of U.S. Patent Nos. 5,739,931 and 6,261,664. These patents are generally directed to display technologies. The complaint seeks an injunction and monetary damages. The claim construction hearing is scheduled for March 31, 2012, and trial is scheduled to begin on July 1, 2013. Proceedings are ongoing.

On February 23, 2011, Summit 6 LLC filed a lawsuit against the Company as well as five other defendants in the U.S. District Court for the Northern District of Texas (Dallas Division) asserting infringement of U.S. Patent Nos. 7,765,482 and 6,895,557. These patents are generally directed to web-based media submission tools. The complaint seeks an injunction and monetary damages. Trial is scheduled to begin on November 5, 2012. Proceedings are ongoing.

On February 24, 2011, Golden Bridge Technology, Inc. filed a lawsuit against the Company as well as over 20 other defendants in the U.S. District Court for the District of Delaware, asserting infringement of U.S. Patent Nos. 6,574,267 and 7,359,427. These patents are generally directed to 3G wireless technologies. On August 16, 2011, the Court stayed the case to allow for mediation. The complaint seeks an injunction and monetary damages. Proceedings are ongoing.

On March 6, 2011, Mr. Marco Luzzatto filed a lawsuit against two of the Company's carriers in Israel, Pelephone Communications Limited and Partner Communications Company Limited. Luzzatto accused various BlackBerry handsets of infringing Israeli Patent No. 121 225 that is generally directed to use of customized ringtones. Pursuant to Master Supply Agreement indemnification provisions, the Company agreed to indemnify the carriers. The Company and Luzzatto settled on August 29, 2011 for an amount immaterial to the Consolidated Financial Statements.

On March 11, 2011, OGMA, LLC ("OGMA") filed a lawsuit against the Company as well as 13 other defendants in the U.S. District Court for the Eastern District of Texas (Marshall Division). The complaint asserted infringement of U.S. Patent No 6,150,947 generally directed to programmable motion-sensitive sound effect devices. The complaint sought monetary damages and other relief the Court decides is just and appropriate. The Company and OGMA settled on May 6, 2011 for an amount immaterial to the Consolidated Financial Statements.

On March 15, 2011, Unified Messaging Solutions, LLC ("Unified Messaging Solutions") filed a lawsuit against the Company as well as 19 other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division). The complaint asserted infringement of U.S. Patent Nos. 6,857,074; 7,836,141; 7,895,306; and 7,895,313 generally directed to web-based messaging service technology. The complaint sought monetary damages and further relief as the Court may deem just and appropriate. The Company and Unified Messaging Solutions settled on August 2, 2011 for an amount immaterial to the Consolidated Financial Statements.

On March 16, 2011, MOSAID Technologies Incorporated ("MOSAID") filed a lawsuit against the Company as well as 20 other defendants in the U.S. District Court for the Eastern District of Texas (Marshall Division.) MOSAID asserted that the defendants infringe 7 patents: US Patent Nos. 5,131,006; 5,151,920; 5,422,887; 5,706,428; 6,563,786; 6,563,786 and 6,992,972. The patents are generally directed to IEEE 802.11 technology. The claim construction is scheduled for February 18, 2012, and the trial is scheduled to begin August 4, 2014. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 18, 2011, Content Delivery Solutions, LLC ("Content Delivery Solutions") filed a lawsuit against the Company, as well as nine other defendants in the U.S. District Court for the Western District of Texas (Austin) asserting infringement of U.S. Patent Nos. 6,058,418 and 6,393,471; however only one of these patents has been asserted against the Company (U.S. Patent No. 6,393,471). The patents generally relate to marketing data delivery technology. The complaint sought an injunction and money damages. On April 18, 2011, Content Delivery Solutions filed an amended complaint asserting infringement by the Company and other of its co-defendants of U.S. Patent No. 6,098,180 directed to data delivery technology. The Company and Content Delivery Solutions settled all outstanding litigation on August 2, 2011 for an amount immaterial to the Consolidated Financial Statements.

On March 18, 2011, Imperium (IP) Holdings, Inc., filed a complaint against the Company as well as six other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division) asserting infringement of U.S. Patent Nos. 6,271,884; 6,838,651; 6,838,715; 7,064,768; and 7,109,535; however, only three of these patents have been asserted against the Company (U.S. Patent Nos. 6,271,884; 6,838,715 and 7,109,535). The complaint seeks an injunction and monetary damages. The claim construction is scheduled for May 31, 2012, and the trial is scheduled to begin January 7, 2013. Proceedings are ongoing.

On March 30, 2011, TierraVision, Inc. filed a lawsuit against the Company as well as two other defendants in the U.S. District Court for the Southern District of California asserting infringement of U.S. Patent No. Re 41,983, generally relating to compression method technology. The complaint seeks an injunction and money damages. On September 16, 2011, the Court issued an order severing the lawsuit into three separate actions, one for each defendant. On February 21, 2012, the Court issued an order staying the action against the Company pending reexamination of the patent-in-suit. Proceedings are ongoing.

On March 30, 2011, H-W Technology L.C. ("H-W") filed a lawsuit against the Company as well as nineteen other defendants in the U.S. District Court for the Northern District of Texas (Dallas Division) asserting infringement of U.S. Patent No. 7,525,955 generally relating to technologies involving converging data and voice services. The complaint seeks an injunction and money damages. The Company and H-W settled all outstanding litigation on February 16, 2012 for an amount immaterial to the Consolidated Financial Statements.

On April 19, 2011, Hybrid Audio LLC filed a lawsuit against the Company as well as seven other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division) asserting infringement of U.S. Patent No. Re: 40,281 which is generally directed to MPEG-1 Layer III technology. The complaint seeks an injunction and money damages. The claim construction hearing is scheduled for June 6, 2012 and the trial is scheduled to begin June 3, 2013. Proceedings are ongoing.

On May 13, 2011, MyPort IP, Inc. ("MyPort") filed a lawsuit against the Company as well as six other defendants in the U.S. District Court for the Eastern District of Texas (Tyler Division) asserting infringement of U.S. Patent No. 7,778,440 which is generally directed to a forensic communication method. The complaint seeks money damages. The Company and MyPort settled all outstanding litigation on January 12, 2012 for an amount immaterial to the Consolidated Financial Statements.

On June 15, 2011, Dolby International AB ("Dolby") filed a lawsuit against the Company in the U.S. District Court for the Northern District of California asserting infringement of U.S. Patent Nos. 6,978,236; 7,003,451; 7,382,886; 7,469,206; and 7,590,543 which are generally relate to High Efficiency Advanced Audio Coding (HE AAC) technologies. The complaint seeks money damages and other relief as is just and proper. Dolby also filed a companion case in Germany. On August 2, 2011, the Company and a subsidiary of Dolby, Via Licensing Corporation, entered into a license agreement for an amount immaterial to the Consolidated Financial Statements. This agreement resolves all disputes at issue in the litigations. The pending Dolby suits were dismissed in September 2011.

On July 1, 2011, GPNE Corp. filed a lawsuit against the Company as well as nine other defendants in the U.S. District Court for the District of Hawaii asserting infringement of U.S. Patent Nos. 7,555,267; 7,570,594; and 7,792,492 which are generally directed to GPRS technology. The complaint seeks money damages and other relief that the Court may deem proper under the circumstances. The claim construction is scheduled for August 13, 2012. No trial date has been set. On March 9, 2012 the Company's motion to transfer the case to Dallas was granted. Proceedings are ongoing.

On August 1, 2011, Tahir Mahmood filed a lawsuit against the Company in the U.S. District Court for the Southern District of New York seeking correction of inventorship of U.S. Patent No. 6,219,694, which is generally directed to the Company's redirector technology; and, claims for conversion, unfair competition, and unjust enrichment. The complaint seeks correction of inventorship, an injunction, money damages, punitive damages and other relief that the Court may deem proper under the circumstances. On January 24, 2012, the Court granted the Company's motion for summary judgment as to Tahir Mahmood's claims for conversion, unfair competition and unjust enrichment. The Court denied the Company's motion for summary judgment as to Tahir Mahmood's claims for correction of inventorship.

On February 3, 2012, Tahir Mahmood filed a new complaint against the Company in the U.S. District Court for the Southern District of New York seeking correction of inventorship of U.S. Patent Nos. 7,386,588; 6,463,464; and, 6,389,457, as well as "such other RIM patents the Court may deem proper;" and, claims for fraud, breach of fiduciary duty, conversion, unfair competition and unjust enrichment. The complaint seeks correction of inventorship, injunctive relief, money damages, punitive damages and other relief that the Court may deem proper under the circumstances. Proceedings are ongoing.

On August 26, 2011, Synchronoss Technologies, Inc. ("Synchronoss") filed a lawsuit against Newbay Software, Ltd and Newbay Software, Inc. (together, "Newbay") in the U.S. District Court for the District of New Jersey. Synchronoss alleges that Newbay infringes U.S. Patent Nos. 6,671,757; 7,505,762; and, 7,587,446. The patents are generally directed to data synchronization and transfer for mobile devices. The complaint seeks an injunction, money damages and other relief that the Court may deem proper under the circumstances. Proceedings are ongoing.

On August 31, 2011, Openwave Systems Inc. ("Openwave") filed a request that the ITC commence an investigation of alleged unlawful importation by the Company and that the ITC issue orders prohibiting certain RIM products from being imported into the U.S. and sold in the U.S. Openwave alleges that the

Company infringes U.S. Patents Nos. 6,233,608; 6,289,212; 6,405,037; 6,430,409; and 6,625,447. The patents are generally related to wireless data management. Trial has been set for October 15, 2012 and the target date is March 12, 2013. Proceedings are ongoing. Openwave also filed a companion complaint in the U.S. District Court for the District of Delaware regarding the same patents. On October 17, 2011 the Delaware Court stayed the case pending the ITC investigation.

On September 6, 2011, Inductive Design Inc. ("Inductive") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Beaumont Division), along with ten other defendants. Although in the suit Inductive asserted three patents U.S. Patent Nos. 6,346,861; 6,395,637; and 6,661,325, Inductive alleged that the Company infringes only U.S. Patent No. 6,395,637. The patents are generally directed to single chip radio and Bluetooth technologies. The complaint seeks money damages and other relief that the Court may deem proper under the circumstances. The Company and Inductive settled all outstanding litigation on November 29, 2011 for an amount immaterial to the Consolidated Financial Statements.

On September 7, 2011, Negotiated Data Solutions Inc., filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Marshall Division) along with five other defendants asserting infringement of U.S. Patent Nos. 5,361,261; 5,533,018; 5,566,169; and 5,594,734, which are generally directed to isochronous capability or frame based transmission of data. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On September 7, 2011, ClassCo Inc., filed a lawsuit against the Company in the U.S. District Court for the Northern District of Illinois (Eastern Division) along with ten other defendants alleging infringement of U.S. Patent Nos. 6,970,695 and 7,206,572, which are generally directed to calling party announcement technologies. The complaint seeks money damages and other relief that the Court may deem proper under the circumstances. The Company and ClassCo Inc. settled all outstanding litigation on November 28, 2011 for an amount immaterial to the Consolidated Financial Statements.

On September 8, 2011, Lochner Technologies filed a lawsuit against the Company and 21 other defendants in the U.S. District Court for the Eastern District of Texas alleging infringement of U.S. Patent No. 7,035,598. The patents are generally directed to a computer system composed of a storage and control unit and an input/output unit, and a wireless link between the units. The complaint seeks an injunction and money damages. The Company answered the complaint on December 14, 2011. Proceedings are ongoing.

On September 8, 2011, Hopewell Culture and Design, LLC ("Hopewell") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Marshall Division) along with 10 other defendants. Hopewell alleges that the Company infringes U.S. Patent No. 7,171,625 generally directed to an apparatus for interacting with content represented by an active visual display element. The complaint seeks money damages, punitive damages, attorney fees, and other relief that the Court may deem proper under the circumstances. The Company answered the complaint on February 10, 2012. Proceedings are ongoing.

On September 9, 2011, Personal Audio, LLC ("Personal Audio") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Beaumont Division), along with 4 other defendants. Personal Audio alleges that the Company infringes U.S. Patent No. 6,199.076 generally directed towards navigating media playlists. The complaint sought an injunction and money damages. The Company and Personal Audio, LLC settled all outstanding litigation with an agreement having an effective date of December 9, 2011 for an amount immaterial to the Consolidated Financial Statements.

On September 12, 2011, WiAV Networks, LLC filed a lawsuit against the Company and one other defendant in the U.S. District Court for the Northern District of Texas alleging infringement of U.S. Patent Nos. 6,480,497 and 5,400,338. The patents are generally directed to coordinate-based roaming node and a packet radio mesh network. The complaint seeks an injunction and money damages. The Company answered the complaint on October 27, 2011. The claim construction hearing was scheduled for September 20, 2012, and trial was scheduled to begin September 23, 2013. Proceedings are ongoing.

On September 13, 2011, Brandywine Communications Technologies LLC ("Brandywine") filed a lawsuit against the Company in the U.S. District Court for the Middle District of Florida (Orlando Division), along with 13 other defendants asserting infringement of U.S. Patent Nos. 5,719,922 and 6,236,717, which are generally directed to voice data answering machine technologies. The complaint seeks money damages and other relief that the Court deems just and proper. On February 17, 2011, the Court severed the claims against all defendants and dismissed the action, ordering Brandywine to pursue the claims in separate actions. On February 21, 2012, Brandywine filed a new complaint against the Company in the Orlando Division. Brandywine re-alleges that the Company infringes U.S. Patent Nos. 5,719,922 and 6,236,717. Proceedings are ongoing.

On September 13, 2011, Profectus Technology, LLC ("Profectus") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Tyler Division) along with 15 other defendants. Profectus alleges that the Company infringes U.S. Patent No. 6,975,308 generally directed to a digital picture display frame. The complaint seeks money damages, and other relief that the Court may deem proper under the circumstances. The Company's answer was filed on January 20, 2012. Proceedings are ongoing.

On September 15, 2011, LVL Patent Group, LLC ("LVL") filed a lawsuit against the Company in the U.S. District Court for the District of Delaware. LVL alleges that the Company infringes U.S. Patent Nos. 5,805,676; 5,987,103; and 6,044,382. The patents are generally directed to transaction processing system technologies. The complaint seeks an injunction, money damages and other relief that the Court may deem proper under the circumstances. The court scheduled a claim construction hearing for November 8, 2013 and set a trial in April 2014. Proceedings are ongoing.

On September 15, 2011, Development Innovation Group, LLC ("DIG") filed a lawsuit against the Company in the U.S. District Court for the Southern District of California along with 27 other defendants. DIG alleges that the Company infringes U.S. Patent Nos. 6,138,245, 6,278,887, and 6,212,408 generally directed to wired device synchronization, display and backlight control, and voice commands, respectively. The complaint seeks an injunction and money damages. DIG filed a motion to discuss the lawsuit on February 21, 2012 due to a license grant for an amount immaterial to the Consolidated Financial Statements. The parties are still negotiating a release.

On October 7, 2011, GrafTech International Holdings, Inc. ("GTI") filed a lawsuit against the Company in the U.S. District Court for the Northern District of Texas (Dallas Division). GTI alleges that the Company infringes U.S. Patent Nos. 6,482,520 and 6,982,874 generally directed to exfoliated graphite sheets for heat dissipation. The Company filed its answer on February 27, 2012. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On November 17, 2011, Graphics Properties Holdings, Inc. ("GPH") filed a complaint with the ITC against the Company along with 12 other defendants. GPH alleges that the Company infringes U.S. Patent Nos., 6,650,327 (the "'327 Patent") and 6,816,145 (the "'145 Patent") generally relating to display technology. GPH also alleges that the Company infringes U.S. Patent No. 5,717,881 (the "'881 Patent") generally relating to data processing. The complaint seeks orders prohibiting certain RIM products from being imported into the U.S. and sold in the U.S. Proceedings are ongoing. GPH withdrew the Complaint and filed a new one to correct deficiencies on March 5, 2012.

On November 23, 2011, GPH filed a lawsuit against the Company in the U.S. District Court for the District of Delaware, alleging infringement of the '327, '145, and '881 Patents. The complaint seeks an injunction and money damages. Proceedings are ongoing.

On December 2, 2011, Garnet Digital, LLC ("Garnet Digital") filed a lawsuit against the Company in the U.S. District Court for the Eastern District of Texas (Tyler Division) along with 31 other defendants. Garnet alleges that the Company infringes U.S. Patent No. 5,379,421 generally directed to using a terminal for accessing remote database information. The complaint seeks money damages, a permanent injunction, and other relief that the Court may deem proper under the circumstances. The Company and Garnet Digital settled all outstanding litigation on January 29, 2012 for an amount immaterial to the Consolidated Financial Statements.

On December 2, 2011, Digitude Innovations LLC ("Digitude") filed a request that the ITC commence an investigation of alleged unlawful importation by the Company, as well as seven other companies. With respect to allegations against the Company, Digitude requests that the ITC issue orders prohibiting certain RIM products from being imported into the U.S. and sold in the U.S. Digitude alleges that the Company infringes U.S. Patents Nos. 5,926,636 ("the '636 patent"); 5,929,655 ("the '655 patent"); 6,208,879 ("the '879 patent"); and 6,456,841 ("the '841 patent"). The patents are generally related to network management, I/O circuit design and application screen selection. On December 2, 2011, Digitude also filed a companion complaint in the United States District Court for the District of Delaware regarding the same patents. The Company and Digitude settled all outstanding litigation on March 29, 2012 for an amount immaterial to the Consolidated Financial Statements.

On December 6, 2011, Advanced Video Technologies LLC ("AVT") filed a lawsuit against the Company in the U.S. District Court for the Southern District of New York. AVT alleges that the Company infringes U.S. Patent No. 5,781,788 generally directed to a single-chip video codec. The complaint seeks an injunction, money damages and other relief that the Court may deem proper under the circumstances. Proceedings are ongoing.

On January 20, 2012, WI-LAN USA, Inc. and WI-LAN, Inc. filed a lawsuit against the Company in the United States District Court for the Southern District of Florida alleging infringement of U.S. Patent Nos. 5,515,369 and 6,232,969. The patents are generally directed to Bluetooth and character selection display interface. The complaint seeks an injunction and money damages. On February 21, 2012, WI-LAN USA, Inc. and WI-LAN, Inc. filed an amendment to the complaint, alleging infringement of U.S. Patent No. 6,240,088. The patent is generally directed to a message review feature. The Company's answer is due on March 19, 2012. Proceedings are ongoing.

On February 17, 2012, Pragmatus AV, LLC ("Pragmatus") filed a complaint with the ITC against the Company along with 7 other defendants. Pragmatus alleges that the Company infringes U.S. Patent Nos. 5,854,893 (the "'893 Patent"), 6,237,025 (the "'025 Patent"), 6,351,762 (the "'762 Patent) and 7,185,054 (the "'054 Patent") generally relating to telephone and video conferencing. The Complaint seeks orders prohibiting certain RIM devices from being imported into the U.S. and sold in the U.S. Proceedings are ongoing.

On February 17, 2012, Pragmatus filed a lawsuit against the Company in the United States District Court for the District of Delaware, alleging infringement of the '893, '0-25, '762, and '054 Patents. The Complaint seeks an injunction and money damages. Proceedings are ongoing.

On March 9, 2012, Iswitch, LLC ("Iswitch") filed a complaint in the United States District Court for the Eastern District of Texas against the Company. Iswitch alleges that the Company infringes U.S, Patent No. 7,225,334 generally directed to voice over IP technology. The Complaint seeks money damages and all other relief to which the Court may deem the Plaintiff be entitled. Proceedings are ongoing.

On March 15, 2012 Varia Holdings LLC ("Varia") filed a lawsuit against the Company in the United States District Court for the District of Delaware. The complaint alleges infringement of U.S. Patent No 7,167,731 generally directed to emoticon input technologies. The complaint seeks money damages and any and all other relief to which Varia may be entitled.

On March 16, 2012 Data Carriers, LLC ("Data Carriers") filed a lawsuit against the Company in the United States District Court for the District of Delaware alleging infringement of U.S. Patent No. 5,388,198 generally directed to proactive presentation of automating features to a computer user. The complaint seeks money damages and any and all other relief to which Data Carriers may be entitled.

On March 30, 2012 Unifi Scientific Batteries, LLC ("USB") filed a lawsuit against the Company in the US District Court for the Eastern District of Texas (Tyler Division), along with 4 other defendant groups including Samsung and Texas Instruments. USB asserted that the Company infringes U.S. Patent 6,791,298 generally directed to battery charging technology. The complaint seeks money damages, an injunction, and other relief that the Court deems just and proper.

On April 2, 2012, NXP B.V. ("NXP") filed a lawsuit against the Company in the US District court for the Middle District of Florida (Orlando Division). NXP asserted that the Company infringes U.S. Patent Nos. 7,330,455; 6,434,654; 6,501,420; 5,597,668; 5,639,697; and 5,763,955. NXP alleges that its patents are generally directed to certain wireless technologies including 802.11 and GPS, as well as certain methods of manufacture for semiconductor devices. The complaint seeks money damages, an injunction, and other relief that the Court deems just and proper.

Between May and August 2011, several purported class action lawsuits were filed against the Company and certain of its present or former officers in the U.S. District Court for the Southern District of New York, two of which have been voluntarily dismissed. On January 6, 2012, Judge Richard S. Sullivan consolidated the remaining three actions and appointed both lead plaintiff and counsel. On April 5, 2012, plaintiff filed the Consolidated Amended Class Action Complaint, alleging that during the period from December 16, 2010 through June 16, 2011, the Company and certain of its officers made materially false and misleading statements regarding the Company's financial condition and business prospects, and seek unspecified damages. The Company believes that the allegations are without merit and intends to vigorously defend itself.

As of October 2011, several purported class action lawsuits were filed against the Company in various jurisdictions alleging that subscribers to BlackBerry services had suffered losses relating to the Q3 Service Interruption. The Company believes that a class action proceeding in these circumstances is without merit and intends to vigorously defend itself.

In December 2011, the Company was served with four purported class actions relating to third party (Carrier IQ) recording software allegedly installed on smartphones. The Company believes that a class action proceeding in these circumstances is without merit and intends to vigorously defend itself. Two of the four actions have already been dismissed and the Company is in discussions with counsel for the other two representative plaintiffs to seek the dismissal of those cases as well

Also in December 2011, a purported class action was filed against the Company relating to promotional activities in respect of the BlackBerry PlayBook tablet. The Company believes that a class action proceeding in these circumstances is without merit and intends to vigorously defend itself.

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 2012 were transacted in U.S. dollars. Portions of revenues are denominated in Canadian dollars, Euros and British Pounds. Purchases of raw materials are primarily transacted in U.S. dollars. Other expenses, consisting of the majority of salaries, certain operating costs and manufacturing overhead are incurred primarily in Canadian dollars. At March 3, 2012, approximately 38% of cash and cash equivalents, 30% of accounts receivables and 11% of accounts payable are denominated in foreign currencies (February 26, 2011 – 59%, 25% and 8%, respectively). These foreign currencies primarily include the Canadian dollar, Euro and British Pound. As part of its risk mitigation strategy, the Company maintains net monetary asset and/or liability balances in foreign currencies and engages in foreign currency hedging activities using derivative financial instruments, including currency forward contracts and currency options. The Company does not use derivative instruments for speculative purposes. The principal currencies hedged include the Canadian dollar, Euro and British Pound.

The Company enters into forward and option contracts to hedge exposures relating to foreign currency anticipated transactions. These contracts have been designated as cash flow hedges with the effective portion of the change in fair value initially recorded in accumulated other comprehensive income and subsequently reclassified to income when the hedged exposure affects income. Any ineffective portion of the derivative's gain or loss is recognized in current period income. The cash flow hedges were fully effective at March 3, 2012. As at March 3, 2012, the net unrealized gains on these forward contracts was approximately $51 million (February 26, 2011 – net unrealized losses of $21 million). Unrealized gains associated with these contracts were recorded in other current assets and accumulated other comprehensive income. Unrealized losses were recorded in accrued liabilities and accumulated other comprehensive income.

The Company enters into forward and option 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; as a result, gains or losses are recognized in income each period, generally offsetting the change in the U.S. dollar value of the hedged asset or liability. As at March 3, 2012, net unrealized losses of $14 million were recorded in respect of this amount (February 26, 2011 – net unrealized losses of $46 million). Unrealized gains associated with these contracts were recorded in other current assets and selling, marketing and administration. Unrealized losses were recorded in accrued liabilities and selling, marketing and administration.

Interest Rate

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

Credit and Customer Concentration

The Company has historically been dependent on an increasing number of significant telecommunication carriers and distribution partners and on larger more complex contracts with respect to sales of the majority of its products and services. The Company has experienced significant sales growth, resulting in the growth in its carrier customer base in terms of numbers, sales and accounts receivable volumes, and in some instances, new or significantly increased credit limits. The Company, in the normal course of business, monitors the financial condition of its customers and reviews the credit history of each new customer. The Company establishes an allowance for doubtful accounts that corresponds to the specific credit risk of its customers, historical trends, and economic circumstances. The allowance as at March 3, 2012 is $16 million (February 26, 2011 - $2 million). The Company also places insurance coverage for a portion of its accounts receivable balances. While the Company sells to a variety of customers, one customer comprised 13% of accounts receivable as at March 3, 2012 (February 26, 2011 – one customer comprised 15%). There are no customers that comprise of more than 10% of the Company's fiscal 2012 revenue (fiscal 2011 revenue – two customers comprised 11% each).

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 March 3, 2012, 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 30% (February 26, 2011 – 59%).

The Company is exposed to market price and credit risk on its investment portfolio. The Company reduces this risk by investing in liquid, investment grade securities and by limiting exposure to any one entity or group of related entities. As at March 3, 2012, no single issuer represented more than 9% of the total cash, cash equivalents and investments (February 26, 2011 – no single issuer represented more than 19% of the total cash, cash equivalents and investments).

Market values are determined for each individual security in the investment portfolio. The Company assesses declines in the value of individual investments for impairment to determine whether the decline is other-than-temporary. The Company makes this assessment by considering available evidence, including changes in general market conditions, specific industry and individual company data, the length of time and the extent to which the fair value has been less than cost, the financial condition, the near-term prospects of the individual

investment and the Company's ability and intent to hold the debt securities to maturity. During fiscal 2011, the Company recorded an other-than-temporary impairment charge on its auction rate securities in the amount of $6 million, and an other-than-temporary impairment charge on its LBIE bankruptcy trust claim in the amount of $11 million. The Company did not record any additional other-than-temporary impairments during fiscal 2012.

On August 5, 2011, Standard & Poor's ("S&P") downgraded its rating of long-term U.S. sovereign debt. None of the U.S. treasury bills/notes or U.S. government sponsored enterprise notes held by the Company as of March 3, 2012 were impacted by this ratings downgrade, and all such investments maintain their investment-grade ratings. The AA+ rating provided by S&P remains a significantly high credit quality, and other ratings agencies still view the U.S. government as an AAA debtor. As such, the Company does not believe that there are any credit losses on its U.S. treasury bills/notes or U.S. government sponsored enterprise notes and the fair values ascribed. None of the Company's U.S. treasury bills/notes or U.S. government sponsored enterprise notes are in unrealized loss positions and no other-than-temporary impairment has occurred.

Disclosure Controls and Procedures and Internal Controls

Disclosure Controls and Procedures

As of March 3, 2012, 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 13(a)-15(e) and 15(d)-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 13(a)-15(f) and 15(d)-15(f) under the U.S. Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisitions, use or dispositions of the Company's assets that could have a material affect on the Company's financial statements.

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

Management assessed the effectiveness of the Company's internal control over financial reporting as of March 3, 2012. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on this assessment, management believes that, as of March 3, 2012, 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 March 3, 2012, 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 **Research In Motion Limited** [the "Company"] for the year ended March 3, 2012 of our reports dated April 9, 2012 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 and 333-177149 pertaining to the Company's stock option plans of our reports dated April 9, 2012 with respect to the consolidated financial statements of the Company included herein, and the effectiveness of internal control over financial reporting.



Kitchener, Canada,
April 9, 2012.

Chartered Accountants
Licensed Public Accountants

Exhibit 31.1

Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Thorsten Heins, certify that:

1. I have reviewed this annual report on Form 40-F of Research In Motion Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent function):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 9, 2012

/s/ Thornsten Heins

Name: Thorsten Heins
Title: Chief Executive Officer

I, Brian Bidulka, certify that:

1. I have reviewed this annual report on Form 40-F of Research In Motion Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent function):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 9, 2012

/s/ Brian Bidulka

Name: Brian Bidulka
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 Research In Motion Limited (the "Registrant") on Form 40-F for the year ended March 3, 2012, as filed with the Commission on the date hereof (the "Report"), Thorsten Heins, as Chief Executive Officer of the Registrant, and Brian Bidulka, as Chief Financial Officer of the Registrant, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Thornsten Heins
Name: Thorsten Heins
Title: Chief Executive Officer
Date: April 9, 2012

/s/ Brian Bidulka
Name: Brian Bidulka
Title: Chief Financial Officer
Date: April 9, 2012

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.

RIM Code of Business Standards and Principles

An Introduction from Thorsten Heins

Dear Fellow Employee:

RIM is committed to fostering and maintaining strong principles and standards of business behavior and integrity. In conducting business for RIM, members of the board of directors, officers, employees and independent contractors of RIM must not only comply with applicable laws, but must also engage in and promote honest and ethical conduct in all that we do, including following our Code of Business Standards and Principles.

Our Code sets forth the standards by which we conduct our operations. It applies to all members of the board of directors, officers, employees and independent contractors, and each of us will be asked annually to acknowledge that we have read, understand and will comply with our Code. While our basic standards and principles are included for you to understand and apply, our Code is not a substitute for good judgment and cannot cover every situation we may encounter in our daily work. When in doubt, we encourage you to seek guidance from the resources referred to in our Code knowing that if you make a report in good faith, you will be protected from retaliation.

Our Code will be enforced fairly and consistently, regardless of our position in the Company. The reputation and success of RIM is highly dependent on maintaining these high standards of conduct. Thank you for your continued commitment to RIM's business standards and principles.

Thorsten Heins

President and Chief Executive Officer, Research In Motion

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Making a Difference: The Purpose Behind Our Code

How does a company achieve success?

At RIM, success happens when everyone shares the goals we want to achieve.

Think about it. We each work at RIM because we believe in our products and appreciate what RIM stands for and offers to the world. We want to be a part of the RIM story, and have the skills to make our great company even better. But no matter how skilled, none of us can achieve success alone. We all need to work together to create something great. We also need to understand that how we achieve our goals can be as important as the end results.

This is why we created RIM's Code of Business Standards and Principles—what we like to call our Code.

Our Code is a statement of principles designed to help us do our jobs in a legal and ethical manner. It does not address every situation, nor set out every rule for conduct. It is not a substitute for your responsibility to exercise good judgment and act ethically. Instead, it outlines the behaviors expected of each of us and illustrates the importance of taking personal responsibility for all that we do for RIM. By understanding and valuing our Code, we can each support our Company's commitment to integrity.

When we all share and uphold our Code, not only can we create our best and most innovative work, but we also do it with pride and integrity. This makes an impression on our colleagues, our customers, our investors, our business partners and our community.

What is the result?

SUCCESS.

We Live Our Code

Whether we are members of the board of directors, officers, employees or independent contractors of RIM or any of its subsidiaries or affiliates—we are all responsible for living by the values that define RIM and upholding our commitments to those invested in our success. This means all of us must obey the law, act ethically, and know and follow our Code in all that we do for RIM. If, however, local laws require us to do something different from what the Code requires, we must follow those laws. We must also follow other RIM policies, procedures and guidelines that apply to our work, some of which are referenced here.

We will be asked, on an annual basis, to acknowledge that we have read, understand and will continue to comply with the Code. Failure to read or acknowledge our Code does not exempt us from our responsibilities. We must still comply with the Code, as well as applicable laws, regulations and RIM policies that apply to our jobs.

Our Company takes Code violations very seriously. Anyone who violates our Code could be subject to disciplinary action, up to and including termination. Code violations may also result in civil and criminal penalties, including fines or jail sentences. For these reasons, it is important to report any suspected violation of the Code immediately so that RIM may address the issue.

RIM Managers Have Additional Responsibilities

If you are a manager or a team lead, you are expected to lead through example. You also have a duty to:

- Make sure your employees know where to access the Code
- Make sure your employees complete any required training on the Code and policies, procedures and guidelines that affect their jobs
- Keep ethical behaviors in mind when interviewing candidates and seek individuals who exhibit a commitment to RIM's business standards and principles
- Recognize and encourage ethical behavior
- Find opportunities to discuss ethical conduct, difficult decisions or other complex situations with your team when they arise
- Create an environment that encourages employees to come to you with concerns

If you are unsure how to answer an employee's question, or respond to any potentially unethical or illegal behaviors, seek advice from the resources referred to in this Code.

RIM Suppliers

We seek out partners who share our vision of doing business the right way. This means we expect our suppliers to comply with the applicable laws and regulations of the countries in which they operate. In addition, our suppliers must conduct their operations in an ethical, socially and environmentally responsible manner consistent with the *RIM Supplier Code of Conduct*. In selecting and retaining our suppliers, RIM considers whether a supplier can openly, objectively and willingly demonstrate this commitment. If a supplier is unwilling or unable to make such a commitment, or fails to improve unacceptable performance, we may choose to suspend or even terminate our relationship. For more information, please see the *RIM Supplier Code of Conduct*.

We Actively Seek Guidance and Report Concerns

Our responsibility to know and follow our Code includes asking questions when in doubt about how it applies to a given situation. It also includes reporting potential violations immediately so that RIM may address the issue. RIM encourages and empowers us to report any issues or concerns we may have. In doing so, we foster our Company's success by not allowing potentially unethical behavior to interfere with our efficiency, innovation and progress.

You can turn to any of the following resources with questions or concerns:

- Your manager or team lead (usually the best place to start)
- Your Organizational Development Business Partner
- The Legal Department at legalcompliance@rim.com
- The Finance Department

If you do not feel comfortable addressing your questions or concerns to the resources mentioned above, you may raise your issue by telephone or in writing through RIM Ethics Link at www.rimethicslink.com. A hotline number for your region is also available on RIM Ethics Link 24 hours a day, seven days a week. Translators are also available, when needed. You may make your report anonymously, if allowed by local law. RIM will not attempt to identify you if you choose to remain anonymous. To the extent required by local law, anyone accused of misconduct has a right to be informed of the nature and substance of the information reported and to correct errors. Keep in mind that anonymous reports are more difficult for our Company to investigate, so whenever possible, you are encouraged to share your identity.

RIM will investigate all reports promptly, thoroughly and fairly, and will take appropriate action when necessary.

We Do Not Tolerate Retaliation

An important part of maintaining an ethical culture is promoting an environment in which we are comfortable asking questions and making reports about potentially unethical behavior. For this reason, RIM does not tolerate acts of retaliation against anyone who makes a good faith report of suspected unethical or illegal conduct. The same is true of anyone participating in the investigation of a report. A "good faith" report means that the reporter's intentions are honest, and there is a reasonable basis for making the report. It does not matter if the specific circumstances reported actually amount to misconduct. However, making knowingly false or dishonest reports is a violation of our Code, and could be subject to disciplinary action, up to and including termination.

We Work to Protect RIM's Assets and Information

RIM 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. RIM assets include valuable proprietary information, such as:

- Intellectual property
- Confidential information
- Sales and marketing strategies
- Financial data
- Other trade secrets

Our assets also include physical property, like:

- Cash
- Equipment
- Facilities
- Supplies
- Product inventory

Protecting RIM assets and information is critical to our Company's 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.

RIM assets and information, including connections to the Internet, should only be used for legitimate business purposes. At times, limited personal use of RIM assets, such as BlackBerry® smartphones, company e-mail or Internet connections, may be permitted. However, such personal use must be limited in duration and cannot interfere with our work. RIM assets must never be used 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.

When using RIM assets such as telephones, fax machines, desktop or laptop computers or BlackBerry smartphones, we should not expect that any of the information we send or receive is private. Where allowed by local law, our Company may monitor our use of any RIM assets to ensure such use is in line with the principles set forth in our Code.

For more information, please see the *RIM Corporate Security Policy* as well as other directives such as our *Acceptable Use of RIM Systems and Data Directive,* available at http://go/security

Confidential Information and Inadvertent Disclosure

Information is one of RIM's most valuable assets. As RIM employees, we may have access to information that is confidential or proprietary to RIM. This information belongs to our Company. It includes RIM technologies, business and marketing plans, financial data, internal e-mail communications, existing and future product information and any other information generally considered confidential in our industry. If you have any questions on whether information is confidential, consult the *RIM Information Classification Directive* available at http://go/security. You may also contact the Legal Department at legalcompliance@rim.com.

The *RIM Employee/Consultant Confidentiality and Intellectual Property Agreement* you previously signed or acknowledged defines our shared duty to protect RIM's information. Disclosing RIM's confidential information, even accidentally, can seriously harm our Company's competitive advantage. Therefore, we must be extremely careful to avoid disclosure of such information—including inadvertent disclosure. Do not discuss confidential information in public places where others may overhear you. Such places include airports and airplanes, train stations, coffee shops, hotel lobbies, or while attending conferences or other industry events. In addition, do not discuss RIM's confidential information on blogs or social media networks, and never leave confidential information unattended. This applies to your computer or your BlackBerry smartphone. Since there is no way of knowing who may be listening or watching, we must be sensitive to our environments. Never take any risks that could jeopardize the security of RIM's confidential information.

When disclosing confidential information within RIM, you must only share it with colleagues who truly need to know the information to do their jobs. You should immediately report any unauthorized disclosure of RIM confidential information—even inadvertent—and other security incidents to Corporate Security at security@rim.com or to the IT Service Desk, as well as your manager.

Also exercise extreme caution before intentionally disclosing any information considered confidential or proprietary in nature. Do not disclose RIM confidential information to anyone outside of RIM unless:

- You have obtained your manager's approval or already have the authority to do so
- The disclosure is limited only to such confidential information as is necessary to fulfill RIM's particular business purpose

- There is a signed and valid non-disclosure agreement in place (be sure to forward the original signed copy of the agreement to the NDA Mailbox via http://go/nda)

For more information on completing and submitting non-disclosure agreements, please visit http://go/nda or contact the Legal Department at legalcompliance@rim.com.

Q: Marcella, a Software Architect, travels frequently for her job. While at the airport awaiting her flight, she checks her email and returns phone calls on her pre-released BlackBerry smartphone. Her conversations are usually brief, but sometimes turn to detailed discussions of confidential RIM protocols. Such in-depth calls are rare, and Marcella believes that no one is listening to her conversations in the noisy terminal. As long as she limits the frequency of these calls, is it okay for Marcella to discuss confidential matters in a public place?

A: No. Marcella has no way of confirming whether anyone is listening to her conversations, and if she is compromising confidential RIM information. Marcella must not discuss confidential information in such situations. Additionally, while it is acceptable for Marcella to respond to emails on her RIM-issued BlackBerry smartphone, she 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 our work, we 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.

Intellectual Property Rights and Open Source Software

As RIM employees, we may have access to or even develop RIM intellectual property (IP). Our Company protects its innovation and technology through a combination of patents, designs, copyrights, trade secrets, confidentiality procedures and contractual arrangements. As part of the *RIM Employee/Consultant Confidentiality and Intellectual Property Agreement* you previously signed or acknowledged, virtually all IP developed in the course of your employment belongs to RIM. You also have an obligation to disclose to RIM any development of IP. This includes any IP that you develop and believe does not belong to RIM—often referred to as “excluded developments.” For more information on when and how to disclose IP that you develop, please discuss this with any of the resources listed in this Code.

RIM has established policies and procedures to ensure that any use of open source software within our Company occurs in a controlled manner and with appropriately managed risk. While there may be advantages to leveraging open source software, we must use it with care to avoid any potential negative impact to RIM’s IP rights. Careless use of open source software could have serious consequences. If you want to use or contribute any open source software, you must obtain approval as described in the *RIM Software Group Open Source Policy*.

Q: Ramon, a RIM developer, is thinking about developing a smartphone application in his spare time. He has an innovative idea that he thinks could be very profitable for him. In his excitement, Ramon would like to begin work right away. Is there anything he should do before starting development?

A: Yes. While it is tempting to begin work right away, Ramon should disclose his intention to develop the application before he starts development, so that it can be discussed in light of the *RIM Employee/Consultant Confidentiality and Intellectual Property Agreement,* and other parts of this Code. He should contact the legal department at legalcompliance@rim.com.

We Avoid Conflict of Interest Situations

Performing with integrity for RIM means we actively avoid conflict of interest situations. A "conflict of interest" arises when we—or an immediate family member who resides with us—takes an action or has an interest that may interfere with or impact RIM's interests or our position at RIM. Such conflicts of interest could make it difficult for us to perform our work objectively and efficiently, and ultimately could negatively affect our Company's overall success. Each of us needs to avoid any situation that creates a conflict of interest, or even the appearance of a conflict, unless we make a full disclosure of all facts and circumstances, and obtain the approval described below.

To determine if a conflict of interest exists, or would appear to exist, we should consider:

- The nature of our responsibilities at RIM and our ability to affect the outcome of a transaction or business arrangement
- The nature of responsibility of the other individual or party, and their ability to affect the outcome of a transaction or business arrangement

If you know of a possible conflict, you must disclose all facts and circumstances immediately to your manager and seek formal written approval before proceeding. Members of the board of directors and officers must obtain approval from the Audit & Risk Management Committee of the board of directors. All other employees must obtain approval from the Chief Financial Officer, the Chief Legal Officer, or anyone he or she may designate. You can seek these approvals by disclosing a real or potential conflict of interest, by contacting the Legal Department at legalcompliance@rim.com. The following sections provide additional guidance on some of the more common situations where a conflict, or potential conflict, may arise.

Giving and Accepting Gifts or Entertainment

Business gifts and entertainment may be appropriate courtesies that build a strong business relationship between RIM and those with whom we do business. However, a conflict can easily arise if these courtesies suggest that favorable treatment was given or received, or are otherwise used to influence a business decision. For this reason, we may only give or receive gifts, meals or entertainment from existing and potential suppliers, customers or other business partners if they are:

- Reasonable
- Infrequent
- In good taste
- Unsolicited
- Of the type customarily offered to others having a similar relationship
- Not cash or cash equivalents
- In compliance with applicable laws and regulations

Even if we give or receive gifts that meet the criteria above, we must always remember to do nothing that could create even the appearance of bias. As discussed below, there are additional considerations and requirements that apply to giving gifts to public officials.

Q: Claudette works in sales and has regular contact with many RIM customers. She has recently closed a large deal with a new customer after a long contracting process. Since the customer has already agreed to do business with RIM, the customer doesn't see the harm in sending over an expensive watch to Claudette as a token of goodwill. May Claudette accept this gift?

A: No. A gift of this value does not meet the criteria for an acceptable gift, and could appear to influence further business decisions made with regard to this customer. Claudette will need to politely inform this customer that the gift could create a potential conflict of interest and that she cannot accept it.

Q: Maneesh works in RIM's procurement group. A RIM supplier with whom he works closely often invites him out for meals. He has accepted occasional dinner invitations over the past several years, but the offers have become more frequent. Maneesh does not want to compromise business, but he also doesn't feel comfortable accepting this distributor's invitations. What should Maneesh do?

A: Maneesh is right to feel uncomfortable—frequent invitations from our suppliers can easily lead to the appearance of bias. Maneesh must politely inform this distributor that while the occasional, moderately priced meal is welcome, too many invitations could create a potential conflict of interest. He must also raise the issue to his manager for additional support. Remember, even appropriate gifts and entertainment may become inappropriate when offered on a frequent basis.

Doing Business with Friends and Family

At times, we may find ourselves working alongside members of our families, or even close friends of ours. It is important that we conduct ourselves appropriately in these situations, and avoid allowing our personal relationships to improperly influence, or appear to improperly influence, our business decisions. As a rule, we should never have direct decision-making authority over a family member or other person with whom we have a significant personal relationship. This includes situations where we might have authority or influence over that person's employment, performance review, salary administration, promotion, assignment of work or other employment-related decisions. We should also avoid even indirect reporting relationships with such persons that could appear to result in preferential treatment or favoritism.

Just because someone you are close to—whether it is your spouse/partner, relative or close friend—is or becomes a RIM employee, customer, supplier, competitor, or has another business relationship with RIM, does not necessarily mean there is a conflict of interest. However, you must make full disclosure of significant personal relationships to your Organizational Development Business Partner at any time that it arises during the course of your employment.

If you have any questions or concerns, please consult your manager or your Organizational Development Business Partner for guidance.

Outside Activities

It is important that we feel good about RIM and the work we do here. Our Company understands that some of us may want to engage in outside activities. This includes participating on a board of directors or advisory board, conducting an outside business or engaging in part-time employment while working in our current position at RIM. However, our commitment to RIM means we must never participate in outside activities that are so demanding that they interfere with our ability to fulfill our responsibilities to our Company.

If you are considering taking on any outside activity that may pose a real or potential conflict of interest, seek approval as noted above before doing so. This is particularly important for those of us at a manager-level or above, who have additional job responsibilities within RIM.

Q: Judith is an ambitious RIM employee involved in many outside activities. In addition to her work for RIM, she also works part-time as a start-up consultant for a variety of technology companies unrelated to the business of RIM. She is also an active member of an advisory board for a telecommunications venture capital company. Her outside endeavors do not interfere with her job responsibilities at RIM. Does Judith still have a duty to disclose her activities?

A: Yes. While Judith may pursue outside activities that do not interfere with her job duties, she must still disclose these activities for consideration. Judith may not realize it, but she could be creating a conflict of interest situation by advising future RIM suppliers, business partners or competitors. We should always come forward with this information so that our Company can help us avoid potential conflicts.

Corporate Opportunities

RIM enables each of us to be successful. In return, it is our responsibility to help RIM be the best it can be. This means, in part, that we never take personal advantage of a business or investment opportunity that we become aware of through our work for RIM. Unless and until RIM has been able to evaluate such an opportunity and has chosen not to pursue it, we must avoid it. Even after RIM has chosen not to pursue the opportunity, we must seek approval before acting on the opportunity ourselves. For guidance on how to deal with corporate opportunities, contact the Legal Department at legalcompliance@rim.com.

Holding Outside Financial Interests

RIM respects our right to manage our personal finances. However, some outside financial interests may improperly influence—or could be perceived by others to influence—your performance of your job at RIM. This influence may arise, for example, because of the amount of your investment or the particular organization in which you invested, such as a RIM competitorcustomer, supplier or other business partner. It is not typically a conflict of interest to make investments in RIM 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

  The amount of the investment is not so significant to you that it would affect your business judgment on behalf of RIM

If you, or a member of your immediate family who resides with you, own(s) or seek(s) to own any such financial interest, promptly disclose the matter and seek the approvals noted above.

Q: Richard has worked for RIM for many years in its procurement department. His wife, Annabelle, is about to make an investment in a company that is a current supplier to RIM. The investment will use up much of Richard's and Annabelle's savings. Does Richard have a responsibility to disclose this information to RIM?

A: Yes. Annabelle's potential investment in a supplier creates a potential conflict of interest situation for Richard. This is particularly the case since the nature of Richard's work puts him in a position to interact frequently with RIM suppliers. Added to this, much of his savings will be involved. However, it is not always the size of the investment that matters. The nature of the investment is often more likely to create conflict. Richard should disclose the fact that he and his wife are about to invest in this company.

Disclosing Actual or Potential Conflicts

Keep in mind that simply having a conflict of interest is not a violation of our Code—but failure to disclose and obtain the appropriate approvals for the conflict is a violation. If you have any questions about whether something may be a conflict of interest, raise it with your manager, team lead and the Legal Department at legalcompliance@rim.com.

Conducting Global Business with Our Customers and Business Partners with Integrity

RIM has an excellent reputation for quality and service—a reputation we cannot maintain without the support and commitment of our customers, suppliers and other business partners. We conduct our business worldwide with integrity, and seek out others who do the same. We seek to purchase quality materials that allow us to develop and distribute premium products. Our products are marketed and sold with honesty and conviction. Together with our valued partners, we promote, offer and deliver innovation on a global scale.

We Adhere to Competition Laws

RIM competes vigorously in the marketplace, but does so honestly, fairly and in accordance with all 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. We have a responsibility to fully support and comply with competition laws that apply to our work. In following these rules, we can help to ensure that our Company maintains its reputation for fairness and integrity in the marketplace.

To comply with these laws, we must avoid the following practices:

- Discussing the allocation of markets or customers with any competitors, or agreeing not to serve certain markets or customers
- Discussing prices, price-related information or any other aspect of competitive strategy with competitors, including promotional spending or terms, costs, product supply, marketing, territories or other sensitive marketing information
- Acting in any way that could be viewed as an attempt to exclude present or potential competitors or control markets
- Bid-rigging and other improper or collusive tendering and procurement practices

If any RIM competitor or business partner discusses any of these topics—regardless of whether the discussion seems indirect, or is merely a casual chat—stop the conversation immediately, and report the incident to the Legal Department at legalcompliance@rim.com. Be particularly careful when attending industry conferences or trade shows to avoid even the appearance that your business decisions reflect an improper influence, or deal with unfair business practices. If you find yourself involved in a conversation that turns to the sharing of business practices, even remotely, it is best to excuse yourself immediately or terminate the conversation.

Generally, competition laws are very complex, and violations may carry severe consequences for the individuals involved and for our Company. Certain violations are criminal offenses, and may include prison time for those found guilty by a court. If you have marketing, sales or purchasing responsibilities, or if you have contact with competitors, you should be particularly familiar with the applicable laws that pertain to your work. If you need further guidance, contact the Legal Department at legalcompliance@rim.com.

Q: Grayson is attending an industry conference on behalf of RIM. He meets with his old college friend, Annie, who now works for a major RIM competitor. Annie tells Grayson that, if RIM charges a certain price for the newest BlackBerry smartphone model, she will ensure her company charges the same price for its competing smartphone. Grayson knows he can't agree to this, but isn't sure what he should do in this situation. What actions should he take?

A: First, Grayson must make it very clear to Annie that he 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 Grayson and RIM—as well as for Annie and her company. Then, Grayson must promptly report the incident to the Legal Department at legalcompliance@rim.com.

Participating in the Larger Telecommunications Community

As a leader in wireless telecommunications and technologies, our Company possesses a unique perspective and valuable expertise. We exchange ideas and knowledge with our stakeholders and other industry participants, where appropriate. Specifically, RIM actively engages with regulatory bodies, and participates in industry associations and technology standards bodies that seek to drive innovation and promote access to our technologies for people across the globe.

We Market Our Products with Integrity

As part of the RIM culture, it is imperative that we promote our products in ways that are consistent with our brand's reputation for integrity, reliability and craftsmanship. We will market our products and services based on their unique characteristics, innovation and quality. We will not engage in any false or misleading advertising, or otherwise misrepresent our products and services. Our reputation, which is paramount to our success in the industry, depends on the best practices of fair dealing.

We Do Not Allow Bribes and Other Improper Payments

RIM 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. We do not "buy" business from public officials or other persons that we deal with in the course of our daily business. Our business dealings with public officials and other representatives must have a legitimate business purpose. These interactions must also comply with all applicable anti-corruption laws. This means that we may never make, promise, offer or authorize a bribe, kickback, facilitation payment or other improper payment in connection with RIM's business. Consequences for violating anti-corruption laws are severe. They include fines and possible jail time for anyone who makes, or attempts to make, such payments. For more information about anti-corruption laws and improper payments, please see our *Prevention of Improper Payments Policy.* You may also contact the Legal Department at legalcompliance@rim.com.

Q: It can be difficult to meet RIM's high ethical standards and maintain our competitive standing at the same time. Chantal is certain to lose a big contract if she refuses to pay a small bribe to a foreign government official. She wants to do what's best for RIM, but isn't sure what to do—is it better to sacrifice our values to secure business, or uphold our integrity and lose money?

A: Most anti-corruption laws do not allow bribery, no matter how small the bribe is. RIM would much rather lose business if gaining it requires bribery or other unethical means. No contract is worth violating the law or our high standards of business ethics. The potential long-term damage to our reputation and integrity is much more harmful than the short-term gain of winning the contract. Chantal must also report the incident to the Legal Department at legalcompliance@rim.com.

Who is Considered a "Public Official"?

In order to understand and comply with the anti-corruption laws that govern our work, it is important to know who qualifies as a public official. A "public official" is anyone who is an officer or employee of a national, state, provincial or local

government such as a mayor, minister, police officer and judge. They can also be employees of government-owned or controlled companies and agencies. In all cases, we are not permitted to make, promise or authorize improper payments to these individuals or other persons that we deal with in the course of our daily business.

What Constitutes a "Bribe"?

A "bribe" is an offer or promise to provide cash payments, gifts, travel, entertainment, favors, business courtesies or anything of value. Bribes are offered or provided with the intent of improperly influencing business decisions.

For detailed information about public officials and improper payments, please see our *Prevention of Improper Payments Policy*.

We Comply with International Trade Control Laws and Regulations

As a global company, RIM has offices around the world that engage in a wide variety of activities including sales, marketing, research and development and manufacturing. In addition, we also deliver hardware, software, services and technical information around the world to our partners and customers. As a result of this global presence and business, our Company needs to abide by all laws and regulations that apply to the import and export of hardware, software, services and technical information.

An "export" can occur through the physical delivery, email, or download from a network of a product, software, or technology from one country to another. An export can also occur when we disclose or provide software, services or technical information to a citizen of another country, regardless of where the person is located. Before engaging in an export activity, you must verify the eligibility of both the location of delivery and the recipient. You must also make sure all required licenses and permits are obtained prior to the export.

An "import" is the transfer of goods into a country through physical or intangible means from a foreign or external source or another RIM location. Imports are also subject to various laws and regulations, and may require the payment of duties and taxes, as well as the submission of certain filings including an import permit.

From time to time, governments use economic sanctions and trade embargoes to further various foreign policy and national security objectives. RIM complies with applicable sanction or embargo orders. If you are unsure whether a transaction complies with all applicable sanction and trade embargo programs, contact the Legal Department at legalcompliance@rim.com.

Consequences for violating trade control laws and regulations can be severe for both RIM and the individuals involved, including the loss of export privileges, substantial fines and possible civil and criminal penalties.

Q: Ernesto, a RIM software developer, is flying overseas on a last-minute business trip. He needs to take several pre-release BlackBerry smartphones, which contain a significant amount of company proprietary information. Can Ernesto leave the country without obtaining an export license?

A: It depends. He needs to consult with RIM's International Trade Controls and Compliance group of the Legal Department by sending an email to ExportControls@rim.com. He will be advised on the proper procedure to export the devices and whether any export permits are required before leaving the country with the BlackBerry smartphones.

Money Laundering and Terrorist Financing

RIM does not engage in financing organizations known or suspected to be involved with terrorists or other illegal conspiracies. Due to our international presence and industry-focus on international communications, we must be mindful of the potential for use of our technology for illicit or illegal purposes. Our Company is proactive in seeking out such use, and works with local and international authorities whenever possible to eliminate these activities.

We Obtain and Use Third-Party Information Appropriately

We have a duty to protect the confidentiality of information that we receive from our business partners and other third parties. This responsibility usually arises under a non-disclosure agreement between RIM and such parties. We must abide by the terms of all non-disclosure agreements that we sign with our business partners or other third parties, just as we expect them to abide by ours.

We must also never attempt to obtain confidential information by any improper means. While we value the experience of fellow team members who have previously worked for a competitor, we recognize and respect the obligations of those employees not to disclose the confidential information of their previous employer to RIM.

Additionally, customers and other third parties may provide us with their personal information. Personal information refers to information about an identifiable individual. This information must be appropriately and securely handled. For example, we limit access to personal information to those with a need to know it and keep it in secure locations and systems. For more information on how we may use the personal information of third parties, please refer to our *Privacy Policy* at http://www.blackberry.com/legal/privacy.shtml.

Other Industry Participants' Intellectual Property

At RIM, we respect the intellectual property rights of our suppliers, customers, competitors and all other third parties. If you have any questions about obtaining permissions or licenses for any intellectual property not owned by our Company, please contact the Legal Department at legalcompliance@rim.com.

Respecting Our Colleagues

We Create and Maintain a Positive Environment

Diversity

RIM'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 RIM, 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.

For more information, please see our *Diversity Guidelines.*

Anti-Harassment and Anti-Discrimination

Part of respecting our colleagues means refusing to discriminate against others. This means that we 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, marital status or any other basis protected by law.

We must also ensure that our workplace is free from harassment. While the definition of harassment varies by location, at RIM 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 our Code.

If you experience or become aware of any act of discrimination or harassment, please report it so that RIM may address it. Rest assured that as long as your report is made in good faith, you will not face any retaliation. For more information, please see our *Anti-Discrimination and Anti-Harassment Guidelines.*

Q: Raquel recently received a long awaited promotion to a management position. Her team members have been supportive through her transition, and Raquel is dedicated to fulfilling her duties with her employees' best interests in mind. However, one of her colleagues has been treating her coldly since the promotion, and Raquel has even overheard him saying, "I know why *she* got promoted. It's only because she is a woman." What should Raquel do?

A: If Raquel feels comfortable approaching her colleague, she should firmly tell him that his comments and behavior are making it difficult to do her job. If she does not feel comfortable addressing the issue herself, or if her colleague's discriminatory behavior doesn't change, she is encouraged to report the issue to her Organizational Development Business Partner. None of us deserve to work in an environment that includes harassment of this nature.

We Value Workplace Health and Safety

We are committed to maintaining an environment that is healthy and safe for everyone. Therefore, we must make every effort to comply with the occupational health and safety laws that apply to RIM. We must work diligently to follow RIM operational safety policies and procedures that apply to our work. Such policies and procedures have been designed to prevent injuries and illnesses.

RIM 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. We must all review this policy on an annual basis, 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.

For more information, please refer to the Healthy@RIM program, a noteworthy initiative that supports the quality of our work lives.

Anti-Bullying and Anti-Violence

RIM 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 RIM 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 non-verbal attacks, intimidation or threats of violence.

None of us should ever feel threatened by anyone, regardless of our tenure or position within RIM. 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 Organizational Development Business Partner.

For more information, please see our *Anti-Bullying and Anti-Violence Guidelines*.

We Safeguard Each Other's Personal Information

As part of our employment, we provide confidential information about ourselves to RIM. This information may include:

- Employment history
- Government-issued identification numbers
- Contact information
- Marital status
- Medical history

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 RIM, you must take special care to safeguard this information. Only use such information if necessary for your job responsibilities. For more information on how we may use personal information, please contact the Legal Department at legalcompliance@rim.com.

We Make Accurate and Timely Disclosures

As a publicly traded company, investors and regulators rely on us to meet regulatory requirements. This includes presenting timely and accurate information. We each have a duty to properly document and keep records for which we are responsible.

It is RIM's policy to make full, fair, accurate, timely and understandable disclosure in its public filings with securities regulators and its communications with its shareholders. RIM's management has the general responsibility for preparing these filings and communications, but we each have a role to play and must provide all necessary information to management. We must also inform management if we become aware that information in any public filing or communication with shareholders was untrue or misleading at the time of the filing or communication was made. The same is true if we have important information that would affect any filings or communications to be made in the future.

We Keep Accurate Financial Records

We rely on our accounting records for many important 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 accurately reflect all corporate transactions and conform to all legal and accounting requirements. This includes the RIM system of internal controls.

We must never 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 to the Finance Department in writing and obtain approval.

As part of our commitment to the accuracy of our publically disclosed financial information, we must make sure that relevant information regarding the financial condition of RIM and our internal controls is available to the RIM Audit and Risk Management Committee of the board of directors. To facilitate this, our Company has adopted the *Handling Financial Complaints Guidelines,* which informs us about how to make financial complaints, how a complaint will be handled and how we are protected from retaliation.

We Comply with Approval and Signing Requirements

We must follow proper approval and authorization processes before agreeing—whether orally or in writing—to any:

- Contract

- Agreement
- Purchase order
- Statement of work
- Other business commitment or obligation on behalf of RIM

Only authorized individuals may enter into any such obligations on behalf of RIM. All obligations must be properly documented in writing and approved in accordance with established guidelines. This documentation must then be provided to the appropriate person or department so that our Company's books and records are updated.

We Cooperate with Internal and External Audits, Investigations and Inquiries

We each have an obligation to cooperate with any internal or external audits, investigations and inquiries. We must always provide truthful and accurate information to RIM personnel conducting an investigation as well as to government regulators and external auditors. It is important that we take special care to retain all documents that relate to any imminent or ongoing investigation, lawsuit, audit or examination involving RIM. This means that we must never conceal, alter or destroy any documents or records related to any such inquiries. It also means we must follow any specific instructions from the Legal Department to retain and preserve particular information. Failing to do so may expose our Company 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 at legalcompliance@rim.com immediately.

We Avoid Insider Trading and Tipping

Through our work at RIM, we may become aware of inside information about our Company or another company. Such "inside information" is not public, and may affect the value of RIM's or another company's securities if released. In order to avoid insider trading violations, our Company has established an *Insider Trading Policy* that each of us must follow.

"Insider trading" means buying or selling securities while in possession of material non-public information. Informing others of this information is known as "tipping." Both activities are a violation of our *Insider Trading Policy* and our Code. If you are subject to RIM's regular trading blackout, a special trading blackout or a pre-clearance requirement, you must ensure that you comply with these blackout and pre-clearance requirements. You must take necessary precautions to ensure that material non-public information is not made available to others. This includes fellow RIM employees who do not require access to the information. For more information, please see our *Insider Trading Policy*.

Insider trading and tipping are not only serious violations of our Code, but they are also extremely serious violations of securities laws. Violations of these laws can result in criminal as well as civil penalties, including fines or jail sentences. 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. You may also refer to our *Insider Trading Policy* for additional information.

Q: Duane and his colleague Tess go out to lunch with Duane's son, Marc. The three casually converse during the first half of their meal, but later, the discussion turns to business. Although Marc is not a RIM employee, he is interested in smart investment opportunities, and presses his father for more information about important product developments. Duane knows he can't delve into specifics, but tells both Marc and Tess, "Let's just say that now would be a good time to invest in RIM." Has Duane done anything wrong?

A Yes. Duane may have the best of intentions, but encouraging his son and coworker to purchase RIM stock while in possession of such key information is "tipping." Tipping is a violation of insider trading laws, and can pose serious consequences for Duane, Tess, Marc and RIM. We must 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.

We Speak with One Clear Voice

RIM 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, RIM 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 Co-Chief Executive Officers and other RIM 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 an authorized spokesperson, you must not respond to questions about RIM from the investment community (including financial analysts and investors), regulators and the media, even informally. This includes discussing RIM business in a social setting or otherwise. Instead, seek the appropriate guidance. 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 at investor_relations@rim.com. Refer inquiries received from regulators to the Legal Department at legalcompliance@rim.com.

We may also receive invitations from groups often referred to as “expert networks” to consult on matters relating to RIM or the wireless communications industry. These invitations may ask us to participate in telephone consultations, in-person meetings, or educational events for the clients of those networks. Participation in such networks it has been reviewed and approved in advance in accordance with the conflict of interest requirements of this Code. In addition, we are not permitted to engage in any other form of external consultation as it relates to RIM, the wireless communications industry or related matters, unless we have been designated an “authorized spokesperson” or such participation is reviewed and approved in advance under the conflict of interest requirements of this Code. The above applies whether you are offered compensation or not. If you are in doubt about whether this applies to an invitation you receive, contact the legal department at legalcompliance@rim.com.

We Participate in Social Media Responsibly

We recognize that the Internet provides unique opportunities to listen, learn and engage with stakeholders using a wide variety of social media. Such media include blogs, micro blogs such as Twitter®, social networking sites such as Facebook® and LinkedIn®, wikis, photo/video sharing sites and chat rooms. We should always remember that electronic messages are permanent, transferable records of our communications that can greatly affect RIM's reputation. This means that we must follow all RIM policies and procedures when using social media. We must never give the appearance of speaking or acting on our Company's behalf unless we are authorized to do so.

If you believe you have witnessed the inappropriate use of RIM technologies or electronic communications on social media, notify your manager or team lead immediately. If you have any questions about who may communicate on a given issue, or whether a communication is appropriate, please see our *Corporate Disclosure Policy* and *Social Media Engagement Policy*.

Q: Lindsay is a market analyst at RIM. A leading expert network has recently approached her to share her insight on the wireless industry. Lindsay thinks this is a great opportunity to make connections and increase her public profile. As part of her responsibilities in this role, she releases information initially obtained for RIM on her Twitter feed—including RIM information typically considered confidential in our industry. Has she done anything wrong?

A: Yes. In fact, there are several issues associated with this. First, Lindsay must be careful not to speak publicly about RIM or its products when not specifically appointed by our Company to do so. Releasing RIM confidential information to the public is always a violation of our Code, whether it occurs within or outside of our Company. It may also have insider trading implications. Lindsay should have first disclosed, and obtained approval for, this activity under the Conflict of Interest section of this Code. Now, she must immediately notify her manager or team lead of her relationship with the expert network, as well as disclosure of confidential information to Corporate Security at security@rim.com or to the IT Service Desk. For additional information, please see our *Corporate Disclosure Policy* and *Insider Trading Policy*.

We Uphold Human Rights

As a progressive and socially responsible company, RIM does not employ child or forced labor in any of its operations. Further, we do not allow physical punishment or abuse of anyone under our employment. In fact, we expect that our customers, suppliers and other business partners will uphold these same standards. Failure to comply could result in the termination of that business relationship.

Additionally, RIM seeks to abide by international laws governing employment and labor standards. 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 Organizational Development Business Partner or the Legal Department at legalcompliance@rim.com.

We Protect Our Environment

We seek to comply with all applicable environmental laws, regulations and permit conditions. We also use environmentally sound practices to ensure protection of the surrounding environment. Environmental regulations may include rules governing the use, control, transportation, storage and disposal of regulated materials that may reach the environment as a part of wastewater, air emissions, solid waste, hazardous waste or uncontained spills. We also manage non-regulated materials in a responsible and sustainable manner. Many of these materials can also have adverse environmental impacts if mishandled.

RIM expects that we understand and comply with health, safety and environmental regulations that apply to the work that we do. 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.

We understand that creating environmentally sustainable products is the path to RIM's increased future success. Our Company embraces these sustainability initiatives, and the new and exciting challenges that face our team in building environmentally efficient products. As evidenced by our initiatives in recent years, we believe that RIM is at the forefront of revolutionizing the way our business and environmental protections coexist.

In order to maintain our leadership in this important area, we must each endeavor to implement environmentally sound practices in our work. We should each be working actively to reduce our Company's overall environmental footprint. You are encouraged to bring any suggestions you have to improve RIM's practices to the attention of your manager or any other resource listed in this Code.

For more information on RIM's sustainability initiatives, see the *Corporate Responsibility* report at http://www.rim.com/investors.

We Give Back to Our Communities

RIM believes strongly in supporting the development of the communities in which we live and work, and supports our proactive volunteering of our time and efforts.

RIM also believes in giving back to the local, national and global communities in which we operate. Our Company's primary corporate philanthropy focuses on outreach programs to students in science, engineering and business programs. In addition, RIM supports our proactive volunteering of our personal time and efforts to support our communities. Under the Proud2Be platform, our Company provides financial contributions to charitable organizations where we volunteer our personal time, from youth sports to community development programs. RIM appoints advisory councils who aid in the distribution of philanthropic dollars towards organizations who fulfill the corporate mandate.

To learn more, see the application and additional information located online at: http://www.rim.com/company/philanthropy/ and internally at http://go/philanthropy. Also, consult our *Prevention of Improper Payments Policy* for more information on approving RIM-funded charitable gifts

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Q: Denise is a loyal supporter of several charitable causes. One such cause is not one that RIM officially supports, but Denise uses company time and resources in her efforts for this organization. Since RIM is committed to giving back to the communities we serve, is it okay for Denise to do this?

A: While Denise is encouraged to support the charities of her choice, charitable giving must not interfere with our job responsibilities. In addition, we must not use company time and resources to further our personal interests. We must also never create the appearance that our Company is endorsing a charity when it is not. Denise should continue supporting the charities of her choice—regardless of whether they are sponsored by RIM—on her own time and with her own funds. Our Company provides opportunities for us to actively support charitable endeavors through internal giving programs, and encourages us to participate in these endeavors.

We Participate in the Political Process Responsibly

RIM encourages us to participate in the political process and support candidates and issues of our choice. However, we must engage in political activities on our own time, and as private citizens—not on behalf of our Company. This means we may not use RIM property, equipment, personnel or other resources for political activities or endorsements.

You are welcome to make voluntary personal political activities and contributions to candidates, parties and civic organizations—but keep in mind, these

contributions must be on your own time and at your own expense. Never include political contributions or expenses on expense reports or otherwise seek reimbursement from RIM for political contributions or expenses.

If you are involved in making decisions regarding political contributions for RIM or as authorized by RIM, consult our *Prevention of Improper Payments Policy* for more information on obtaining approval for such contributions.

Waivers of Our Code

We must all follow our Code. If you would like to seek a waiver of this Code, you must make full disclosure of your particular circumstances in writing to the Chief Financial Officer or Chief Legal Officer for approval in advance of any action. Officers or members of the board of directors who believe that a waiver is necessary must request approval from the Audit and Risk Management Committee of the board of directors. If such a waiver is granted to a member of the board of directors or an executive officer of RIM that relates to any element of the code of ethics definition set forth in Section 406 (i) of the Sarbanes-Oxley Act of 2002, RIM will disclose such waiver as required by law or applicable stock exchange rules.

No Rights Created

Please note that our Code is a statement of RIM's fundamental business standards, principles, policies and procedures. It seeks to help us understand the ethical behavior expected of all of us—members of the board of directors, officers, employees and independent contractors alike—in the conduct of RIM business. However, please note that our Code 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 RIM.

Further, our Code is subject to change. Changes can occur with or without prior notice. Each of us must keep current on our Code, RIM policies and the laws and regulations that apply to our jobs.