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

[X] ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 4, 2006 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 Registrants' 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.

NONE

Securities registered or to be registered pursuant to Section 12(g) of the Act.

COMMON SHARES, NO PAR VALUE

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 186,001,765 COMMON SHARES OUTSTANDING AS AT MARCH 4, 2006.

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

Yes _____ 82-_____ No __X__

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 _____

DOCUMENTS FILED UNDER COVER OF THIS FORM

Document No. 1: Annual Information Form for the year ended March 4, 2006, dated May 10, 2006.

Document No. 2: Audited Consolidated Financial Statements for the fiscal year ended March 4, 2006, prepared in accordance with U.S. generally accepted accounting principles.

Document No. 3: Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended March 4, 2006.

Document No. 1

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

Annual Information Form
For the fiscal year ended
March 4, 2006

DATE May 10, 2006

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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 predecessors. Certain terms have the meanings specified in the Glossary. All dollar references, unless otherwise noted, are in United States dollars.

The BlackBerry and RIM families of related marks, images and symbols are the exclusive properties and trademarks of Research In Motion Limited. RIM, Research In Motion, BlackBerry and Suretype are registered with the U.S. Patent and Trademark Office and may be pending or registered in other countries. All other brands, product names, company names, trademarks and service marks are the properties of their respective owners.

Special Note Regarding Forward-Looking Statements

This Annual Information Form contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. Forward-looking statements relate to, among other things, expectations regarding financial performance; business plans, prospects and strategies; anticipated technological developments, including new products and services; trends and challenges relating to RIM's business; and legal and regulatory developments. 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 under "Risk Factors":

- 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;
- RIM's ability to enhance current products and develop and introduce new products;
- the efficient and uninterrupted operation of RIM's network operations center and the networks of its carrier partners;

- RIM's ability to establish new, and to build on existing, relationships with its network carrier partners and licensees;
- RIM's dependence on its carrier partners to grow its BlackBerry(R) subscriber base and to accurately report subscriber account activations and deactivations to RIM on a timely basis;
- fluctuations in RIM's quarterly financial results and difficulties in forecasting the growth rate for BlackBerry subscribers;
- the occurrence or perception of a breach of RIM's security measures, or an inappropriate disclosure of confidential or personal information;
- 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;
- the continued quality and reliability of RIM's products;
- RIM's reliance on its suppliers for functional components and the risk that suppliers will not be able to supply components on a timely basis or in sufficient quantities;
- effective management of growth and ongoing development of RIM's service and support operations;
- risks associated with acquisitions;
- risks associated with RIM's expanding foreign operations;
- RIM's dependence on a limited number of significant customers;
- reduced spending by customers due to the uncertainty of economic and geopolitical conditions;
- dependence on key personnel, and RIM's ability to attract and retain key personnel;
- reliance on third-party network infrastructure developers and software platform vendors;
- foreign exchange risks;
- changes in interest rates affecting RIM's investment portfolio and the creditworthiness of its investment portfolio;
- RIM's ability to manage production facilities and its reliance on third-party manufacturers for certain products;
- risks associated with short product life cycles;
- government regulation of wireless spectrum and radio frequencies;
- restrictions on import of RIM's products in certain countries due to encryption of the products;
- the costs and burdens of compliance with new government regulations;
- continued use and expansion of the Internet;
- regulation, certification and health risks; and
- tax liabilities, resulting from changes in tax laws or otherwise, associated with RIM's worldwide operations.

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.

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, N2L 3W8, telephone: (519) 888-7465, telecopier: (519) 888-6906.

Intercorporate Relationships

The Company has three material subsidiaries requiring disclosure. 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

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

RIM's portfolio of award-winning products, services and embedded technologies are used by thousands of organizations around the world and include the BlackBerry wireless platform, the RIM Wireless Handhelds(TM) product line, software development tools, radio-modems and other hardware and software.

Significant product and business developments over the last three fiscal years have been as follows:

Fiscal 2006

- The BlackBerry subscriber base nearly doubled to over 4.9 million subscribers from 2.5 million the previous year;
- Launched several new handsets including the BlackBerry 8700 Series, the BlackBerry 7130e(TM), the BlackBerry 7270(TM); the BlackBerry 7105t(TM); and the BlackBerry 7100i(TM);
- Added 110 new carrier relationships for a total of over 160 carriers in over 60 countries;

o Launched BlackBerry Enterprise Server(TM) v4.1 and BlackBerry Mobile Data System(TM) (MDS) v4.1;
o Added instant messaging support through agreements with Novell(R) GroupWise(R), AOL(R), Yahoo!(R) and Google(R);
o Launched BlackBerry Connect(TM) service on 12 new devices with 33 carrier partners worldwide;
o Announced an extensive technology collaboration with Intel(R) Corporation;
o Launched the BlackBerry Smart Card Reader(TM), a lightweight, wearable smart card reader that enables controlled access to BlackBerry devices using Bluetooth(R) technology and advanced AES-256 encryption;
o Launched BlackBerry Internet Service(TM) v2.0;
o Concluded litigation proceedings with NTP, Inc. in the U.S.

Fiscal 2005

o More than doubled the BlackBerry subscriber base to over 2.5 million subscribers with over half a million subscribers outside of North America;
o Launched several new handhelds including the BlackBerry 7750(TM), the BlackBerry 7100 Series, BlackBerry 7290(TM), BlackBerry 7250(TM), BlackBerry 7520(TM) and previewed a new BlackBerry handheld for WLAN networks;
o Launched a significant upgrade to the BlackBerry Enterprise Server (BES) software, version 4.0 for Microsoft(R) Exchange;
o Launched BES to support IBM(R) Lotus(R) Domino(R) 7.0 and Novell GroupWise;
o Added over 25 new carrier partners around the world;
o BlackBerry Independent Software Vendor ("ISV") Alliance partners continued to build upon the BlackBerry platform with a range of new products and services that help customers extend their wireless data strategies beyond wireless email;
o Received FIPS 140-2 Security Certification for BES's enhanced support for the S/MIME security standard;
o Completed an effective 2 for 1 stock split in June 2004;
o Added to the S&P/TSX 60 and S&P Global 1200 Indexes.

Fiscal 2004

o Doubled the BlackBerry subscriber base to over one million users;
o Launched a number of new BlackBerry devices for the GSM/GPRS, iDEN and CDMA (1xRTT) networks;
o Announced a number of new BlackBerry Connect relationships with companies including Motorola, Samsung, Siemens and Sony Ericsson;
o Expanded BlackBerry Internet Service(TM) availability to over 20,000 retail points of presence around the world;
o Continued to expand internationally by partnering with more international carriers;
o Added to the NASDAQ-100 Index and the Company's common shares are now included in the NASDAQ-100 Index Tracking Stock; and
o Completed an equity offering in January 2004, which raised net proceeds of approximately $905 million.

NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

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

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

RIM's primary revenue stream is generated by the BlackBerry wireless solution. The BlackBerry wireless solution is comprised of wireless devices, software and service. It can provide users with a wireless extension of their work and personal email accounts, including Microsoft Outlook(R), Lotus Notes(R), Novell GroupWise(R) and some ISP email services. When incorporating BlackBerry Enterprise Server (BES), the enterprise solution allows Microsoft Exchange, Lotus Domino and Novell GroupWise users to send and receive corporate email and Instant Messages securely. BlackBerry also enables the use of personal information management ("PIM"), functions such as calendar, address book, task list and other functions associated with personal organizers. The BlackBerry wireless solution through the Mobile Data Service ("MDS") feature of the BES, allows users to securely access data from enterprise applications and the Internet. BlackBerry Internet Service (BIS), RIM's offering for the Prosumer, allows the integration of up to 10 different supported email accounts on the same handheld. Both BES and BIS allow for Internet browsing and full phone functionality on the user's wireless device. BlackBerry service is provided through a combination of RIM's network operations center and the wireless networks of the Company's carrier partners.

RIM currently markets various models of its wireless devices, including: BlackBerry 8700 series, BlackBerry 7100 Series, BlackBerry 7700 Series, BlackBerry 7500 Series, BlackBerry 7200 Series and the BlackBerry 5790. These products have been designed to accommodate the technical requirements of one of the GSM/GPRS/EDGE, CDMA/1xRTT/EvDO, iDEN or Mobitex protocols. Additionally, RIM supports older model devices on the GPRS, Mobitex and DataTAC networks.

In addition, the company markets the BlackBerry Smart Card Reader, which is a lightweight, wearable smart card reader that enables controlled access to BlackBerry devices using Bluetooth technology and advanced AES-256 encryption. The BlackBerry Smart Card Reader is FIPS 140-2 validated and can be used to comply with certain government or corporate security requirements by enabling two-factor authentication for BlackBerry devices and applications. The BlackBerry Smart Card Reader provides support for a variety of industry standard smart cards including the US Department of Defense's Common Access Card (CAC). The BlackBerry Smart Card Reader also supports S/MIME and can be used in conjunction with RIM's S/MIME Support Package v4.0 for BlackBerry.

The Company's sales and marketing efforts include collaboration with strategic partners and distribution channels to promote the sales of its products and services as well as its own supporting sales and marketing teams. Strategic carrier relationships are listed in Appendix B.

RIM also offers the BlackBerry Connect and BlackBerry Built-In(TM) Licensing Programs, which enable leading device manufacturers to equip their handsets with BlackBerry functionality, so users and organizations can connect to BlackBerry wireless services on a broader selection of devices and operating systems. BlackBerry Connect technology enables a variety of leading manufacturers to take advantage of proven BlackBerry "push" technology to automatically deliver email and other data to a broader choice of wireless devices, operating systems and email applications. Through the BlackBerry Connect licensing program, RIM has entered into development agreements with or licensed certain of RIM's intellectual property to High Tech Computer Corporation, PalmSource, Inc., Palm, Inc., Motorola, Inc., Nokia Corporation, Samsung Electronics, Siemens Aktiengesellschaft and Sony Ericsson Mobile Communication AB. BlackBerry Connect is available for a number of operating systems, including Palm(R) OS, Windows Mobile(TM) and Symbian(TM) OS.

BlackBerry Built-In technology enables leading manufacturers to incorporate popular BlackBerry applications into their mobile phones and handheld devices in addition to supporting "push"-based BlackBerry wireless services.

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

- commercial availability of high-speed wireless networks which allow for the delivery of both voice and data communications on a single wireless handheld;
- emergence of mobile access to corporate intranets and enterprise applications as a competitive necessity;
- broad acceptance of email as a reliable, secure and indispensable means of communication;
- the growth of instant messaging as a business and personal communications tool;
- recognition by corporations of the productivity gains achieved through the wireless enablement of enterprise data applications beyond e-mail;
- growing popularity of portable information devices;

- availability of smaller, lighter and cheaper converged handhelds, offering both voice and data capabilities;
- introduction of lower data pricing models by wireless carriers;
- proliferation of the Internet;
- growing reliance on data applications for personal communications; and
- the growing number of mobile workers around the world.

Participants in the wireless handheld and services market require significant technical expertise to meet the stringent demands of the market for products with small size, reasonable battery life, "always-on" push connectivity, behind-the-firewall integration, security, extended functionality, multi-network support, global availability, and ease of use. Moreover, potential entrants must overcome other significant barriers to entry, including developing alliances with industry leading third parties such as global wireless network service providers, securing specialized component suppliers, establishing adequate financial resources and fostering relationships with software application developers.

Wireless handhelds and services are expected to play a significant role in the growing use of voice, Internet, corporate intranet, instant messaging, email and eCommerce applications. The integration and focus of expert teams from various engineering disciplines have allowed RIM to develop products that RIM believes possess significant benefits over those of its competition. The secure, single-mailbox, "Always On, Always Connected"(TM) push characteristics of RIM's two-way packet switched wireless solutions that support multiple network protocols, as well as the Company's relationships with wireless carriers around the world, and BlackBerry's ability to wirelessly enable corporate applications, position RIM to maintain its role as a leading wireless solution supplier.

Industry Background

The Wireless Communications Industry

The wireless communications industry involves the provisioning of wireless voice and data services using radio frequency technologies ("RF") on a variety of competing wireless networks. These networks are typically comprised of a distinct voice layer upon which data transmission layers have been subsequently installed. The most widely deployed wireless voice and data networks include but are not limited to, GSM(TM)/GPRS/EDGE, CDMA/1XrTT/EvDO and iDEN. It is important to note that the two primary international voice and data networks (GSM/GPRS/EDGE and CDMA/Ev-DO) continue to be upgraded to next generation technologies that offer greater speeds and increased abilities to support subscriber concentration in the same and new RF spectrum. The migration path for GSM/GPRS/EDGE includes the addition of UMTS technologies. The path for CDMA/Ev-DO includes the addition of WCDMA technologies. The rollout of next generation (3G) technologies is already underway and commercially available in some markets.

In order to capitalize on the capabilities of the voice and data networks, handheld and handset vendors have released new converged devices to market and remain in pursuit of optimal form factors and features to provide end users with a greater degree of choice and value from integrated voice and data capabilities on one convenient and user friendly device. Examples of these products include the BlackBerry 8700 Series, the BlackBerry 7100 Series, the BlackBerry 7200 Series, and the BlackBerry 7700 Series devices. Other converged voice and data products of note include the Danger Hiptop(TM), HTC XDA III(TM) and MDA III(TM), Motorola MPX(TM) and MPX 220(TM), Nokia 9300(TM), Palm Treo(TM) 650 & 700, and Sony Ericsson(TM) P900 Series.

Wireless Communications Industry Markets and Segments

The wireless communications industry is comprised of three distinct markets that are organized based on who purchases the devices, services and software solutions. The Consumer market is characterized by end users who purchase devices themselves for personal use, the Prosumer market is characterized by end users who purchase devices for business and some personal use, and the Corporate market is where solutions are purchased by IT and line of business managers for deployment to employees. RIM does not currently specifically target the Consumer market but instead focuses on the Corporate market, where it has established market leadership and a reputation for best-in-class products, and the Prosumer market.

Products designed for the corporate market typically include a converged device that is deployed in conjunction with a behind-the-firewall messaging server. Products designed for the Prosumer market are typically hosted by either the vendor or wireless carrier and range in their depth of features from email only, to email, PIM and other data services such as Instant Messaging.

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

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

RIM believes that significant barriers to entry include the following:

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

Success Factors

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

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

- "Always On, Always Connected". The BlackBerry wireless solution uses a push architecture where the device is in constant connection with the network. Mobile users are provided with immediate message delivery, which has become the established benchmark for competitive offerings.

- Extended Functionality. Users increasingly require mobile access devices to be versatile, easy-to-use and provide a robust level of functionality in terms of configuration, features and customizable options. RIM has consistently pursued very tight control over the features that are offered in balancing end user 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 for the Corporate market and a prominent position in the emerging Prosumer market.

o Pricing. RIM believes that its products are well priced relative to suppliers of competing products. The return on investment for BlackBerry provides customers with rapid payback for their purchase. The primary sources of benefits include personal productivity and team workflow enhancements. Additionally, the low bandwidth nature of BlackBerry allows carriers to offer service packages to their customers at favorable rates compared to conventional usage of session based networking over wireless networks. While the market continues to acknowledge and embrace the benefits of RIM's solutions, RIM continues to launch new IT administrator and end user feature sets designed to lower the cost of buying, deploying and managing the solution.

o Strength of the BlackBerry Brand and Market Awareness. BlackBerry's recognition as a premier brand in business-grade wireless solutions presents a barrier to entry for competitors attempting to offer a similar product. Additionally, the deployment of the BlackBerry Enterprise Server in tens of thousands of corporations around the world makes it difficult for a new solution to gain a market foothold.

o Support for Multiple Carriers, Geographies and Network Protocols. The BlackBerry solution offers choice and manageability for global customers. Through relationships with the leading wireless carriers around the world, RIM is able to offer customers their choice of carrier depending on their needs in a particular geography. In addition, BlackBerry supports five network protocols, GSM/GPRS/EDGE, CDMA/1xRTT/EvDO, iDEN, Mobitex and DataTAC, allowing customers to provide their users with the best combination of carriers and network technologies for their particular region and user base, without changing the underlying BlackBerry infrastructure. RIM will continue to launch new products for next generation networks as the deployment scale and the economies around these networks are established.

o Support for Third Party Handhelds. Through its BlackBerry licensing programs, RIM provides a choice of devices for use with the BlackBerry architecture. Through licensing relationships with partners such as HTC, Nokia, Sony Ericsson, BenQ-Siemens, Palm Inc., Samsung, PalmSource and Motorola, customers are able to use handsets and handhelds developed by third party OEMs to access the BlackBerry wireless data platform.

o 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.

o Extensibility and Flexible Architecture. RIM has designed its device and server platform architecture to support open standards to make it attractive for other software developers to create custom applications for BlackBerry. RIM believes its product architecture is more flexible and open than that used by many of its competitors. Through the Mobile Data System feature of BlackBerry, customers can quickly and easily design wireless applications and/or provide access to existing corporate application data wirelessly to their employees.

o Access to Key Corporate Data Stores. BlackBerry Enterprise Server provides corporations with the means to provide wireless access to all four main corporate data stores from a single integrated platform. BlackBerry is the only wireless platform 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, and enterprise applications.

o Secure, End-to-End Solution. BlackBerry was designed as an end to end solution specifically for enterprise access to email, PIM and other corporate information from a single wireless device. Through integration with Microsoft Exchange, Lotus Domino and Novell GroupWise, the BlackBerry solution can provide corporate users with secure wireless access to their own corporate email rather than having to establish an additional email account. Other features of the solution include over-the-air calendar synchronization, over-the-air folder management, wireless synchronization of deletes, enhanced IT manageability and personal organizer features such as contacts, tasks, and memos. RIM also provides a robust corporate applications platform that masks the complexities of wireless application development by providing an integrated framework using web-services and object oriented programming tools that provides preconfigured support for end-to-end security and multiple data transport methods.

o BlackBerry Outbound Port Architecture. BlackBerry is architected using a secure infrastructure that does not require IT managers to compromise firewall security through the opening of an inbound firewall port. The BlackBerry network operations center (NOC) offers a number of efficiency and security benefits to carriers and end-users. These benefits are outlined in detail in the "Competition" section below.

o Multiple Channels. RIM has launched products specifically tailored for the Prosumer market to augment its original behind-the-firewall, server-based products for the corporate market. This increases the market touch points available to RIM. Carrier Small and Medium Enterprise (SME) business units are now able to offer single licence or low volume licence BlackBerry Enterprise Server for the SME market and carrier retail channels and indirect distributor and Value Added Reseller (VAR) channels are able to offer products designed around RIM's hosted BlackBerry Internet Service offering for the Prosumer market.

Strategy

Key components of RIM's business strategy include:

o Extend Technology Leadership. RIM is currently recognized as a leader in the wireless data communications industry for designing and developing the BlackBerry wireless email solution. RIM intends to maintain its leadership by focusing on the further development of two-way wireless technologies and applications, protecting its intellectual property and encouraging the adoption of its platform by wireless network service providers globally and their customers, and licensing the BlackBerry platform to key handset and service vendors.

o Broaden Strategic Alliances and Relationships. RIM intends to continue to strengthen and develop its strategic alliances and relationships, and enter into similar relationships to affirm and enhance its competitive position as a primary wireless handheld and solutions provider to the mobile data communications industry. Areas of strategic alliances and relationships include, but are not limited to, enterprise and other software applications companies, global telecommunications carriers, OEM handset and converged wireless communication device manufacturers, intranet applications and portal companies, microchip manufacturers and global systems integrators.

o Promote and Enhance Development of Third Party Software. RIM will continue to enhance software development tools, provide technical support and accommodate external software developers to further promote the development of software applications for the BlackBerry platform.

o Expand the Global Reach of the BlackBerry Platform. RIM plans to continue to foster relationships with key carriers and customers to expand the BlackBerry addressable market and provide customers with access to their corporate or personal data anywhere in the world.

o Extend BlackBerry's Reach in the Enterprise into the Prosumer Market. RIM is undertaking a number of initiatives aimed at expanding further into the prosumer market. These initiatives include partnerships with leading prosumer portal and applications companies such as Google and Yahoo, as well as expanding channel distribution into retail and indirect as well as VAR channels.

o Maintain Market Leadership and Expand Customer Base. RIM intends to maintain its position as a market leader by focusing its sales and marketing efforts on the continued use of strategic alliances and relationships to promote the sale of its products, as well as utilizing direct sales and marketing teams. In addition, RIM intends to continue to grow its leadership through focusing on enabling existing enterprise applications and third party applications.

o Enhance and Expand the BlackBerry Solution. RIM believes that the functionality of the BlackBerry wireless email solution can be further enhanced for both corporate and prosumer/retail markets. RIM will focus on improving and enhancing its service, designing new, compelling form factors for different market segments and developing additional BlackBerry applications either independently, through acquisitions or through partnerships.

o Continue to Invest in Highly Qualified Personnel. RIM believes that the quality and skills of its senior management team and other personnel within the organization have been key factors in its progress to date. RIM intends to continue its recruiting strategies and operations in order to attract personnel to support its product development and growth strategies.

o Pursue Licensing and Strategic Relationships with Industry Leaders. Through its BlackBerry Connect and BlackBerry Built-In licensing programs, RIM will continue to pursue arrangements with partners to allow third party handsets to access the BlackBerry architecture in order to broaden the addressable market and offer greater choice to end-users.

Products and Services

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

The Company's revenue mix for fiscal years 2006 and 2005 is as follows:

Revenue (U.S. $000's)	March 4, 2006		February 26, 2005	
Devices	$ 1,439,674	69.7%	$ 933,989	69.2%
Service	383,021	18.5%	235,015	17.4%
Software	156,556	7.6%	131,811	9.8%
Other	86,594	4.2%	49,632	3.6%
	$ 2,065,845	100.0%	$ 1,350,447	100.0%

Other revenue includes accessories, non-warranty repairs, and non-recurring engineering development contracts ("NRE").

BlackBerry Wireless Devices

BlackBerry devices are communication tools that incorporate wireless technology to deliver simple, mobile communications access. Utilizing push-based technology that automatically delivers email and other data to a BlackBerry device, as well as fully integrated browser and organizer applications, BlackBerry makes it easy to manage information and communications from a single, integrated device.

BlackBerry wireless devices are available from over 160 carriers and are designed to operate on a variety of carrier network types, including GSM/GPRS/EDGE, CDMA/Ev-DO, iDEN and Mobitex.

The following BlackBerry devices are currently available:

o BlackBerry 8700 Series - including BlackBerry 8700c(TM), BlackBerry 8700f(TM), BlackBerry 8700g(TM), BlackBerry 8700r(TM) and BlackBerry 8700v(TM). The BlackBerry 8700 Series is the latest addition to the BlackBerry device family, making it the first BlackBerry devices to run on the high-speed EDGE network. With a completely re-engineered device platform, the BlackBerry 8700 Series also features unrivaled web browsing and attachment handling performance, a bright, auto-sensing screen, speakerphone, dedicated send/end phone buttons, Bluetooth support and an Intel XScale(R) processor.

o BlackBerry 7100 Series - including BlackBerry 7130e(TM), BlackBerry 7100g(TM), BlackBerry 7100i(TM), BlackBerry 7100r(TM), BlackBerry 7105t(TM), BlackBerry 7100v(TM) and BlackBerry 7100x(TM). The BlackBerry 7100 Series business phone is an integrated solution, incorporating the traditional BlackBerry offerings, as well as speakerphone capabilities and Bluetooth hands-free headset and car kit support. The BlackBerry 7100 Series is the first series of devices to incorporate RIM's SureType keyboard technology. Different versions of the BlackBerry 7100 Series are available for the iDEN, GSM/GPRS, and Ev-DO networks.

o BlackBerry 7200 Series - including BlackBerry 7230, BlackBerry 7250, BlackBerry 7280 and BlackBerry 7290. The BlackBerry 7200 Series converged device features the traditional BlackBerry wireless connectivity support in a small PDA-style form factor. The fully Java-based handheld also supports international roaming and a Java ME development environment. The BlackBerry 7290 offers similar features but in addition offers Bluetooth support, quad-band GSM/GPRS support and increased memory.

o BlackBerry 7700 Series - including BlackBerry 7730, BlackBerry 7750, BlackBerry 7780. The BlackBerry 7700 Series are color devices with many of the same features as the BlackBerry 7200 Series with the key difference being a larger screen size and form factor.

o BlackBerry 7500 Series - including BlackBerry 7510(TM) and BlackBerry 7520(TM). The color BlackBerry 7510 and BlackBerry 7520 handhelds operate on the iDEN network through Nextel in the United States and Telus in Canada. These handhelds integrate the traditional BlackBerry offering as well as Nextel's unique walkie-talkie feature. The BlackBerry 7520 also incorporate assisted Global Positioning System (aGPS) functionality and Bluetooth.

o BlackBerry 5790 - RIM's data-only offering, the BlackBerry 5790, offers wireless email support, browser and organizer applications on a large screen, PDA-style device. The BlackBerry 5790 operates on the Mobitex network in North America.

All the above devices, with the exception of the BlackBerry 5790, offer both data and phone capabilities.

Service

The Company generates revenues from BlackBerry service relating to monthly access billings charged to its BlackBerry subscriber account base. For the fiscal year ended March 4, 2006, RIM's BlackBerry subscriber account base increased to approximately 4.9 million subscriber accounts from 2.5 million the previous year. The Company's service revenue is generated in one of two streams:

o A monthly infrastructure access fee to a carrier/reseller when a carrier or other reseller bills the end customer. This monthly infrastructure access fee is significantly lower than the monthly service fee charged by RIM below, as RIM does not need to cover the cost of the wholesale airtime.

o A monthly service fee charged by RIM directly to data-only end-customers where RIM purchases airtime from certain carriers and resells it directly to BlackBerry subscribers. This represents a small and declining portion of the installed subscriber account base.

Software

An important part of the BlackBerry solution is the software that is installed at the corporate server level and in some cases on desktop personal computers. Software revenues include fees from licensed BES software and Client Access Licenses (CALs), Technical Support (T-Support) and upgrades.

TSupport

TSupport is a comprehensive suite of annual technical support and software maintenance programs. TSupport is designed to meet customers' unique BlackBerry support needs by offering them a single point of contact for BlackBerry technical support directly with RIM. Support can be provided for all BlackBerry software regardless of where it was initially purchased. There are five service support levels to satisfy each customer's specific BlackBerry support needs.

Non-Warranty Repairs

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

NRE

Occasionally RIM enters into engineering development contracts with certain of its customers whereby the Company undertakes the development of new or custom products or software for a fixed-price fee. RIM also may earn NRE revenue from certain carriers for pre-launch activities. The NRE revenue is earned based upon the completion of specific contract milestones.

BlackBerry Licensing Program

The BlackBerry Licensing Program provides additional infrastructure access fees (service revenue) for RIM. The licensing program, branded BlackBerry Connect and BlackBerry Built-In, enables mobile device manufacturers to equip their handsets with the integrated ability to connect to the BlackBerry infrastructure using the same secure, push-based wireless architecture and infrastructure that has been approved and adopted by RIM's customers. It provides an open, global platform and addresses the distinct desires of end users, IT departments, carriers and licensees alike.

Third Party Software Developers

RIM provides a feature rich open standards based development platform which allows third party and enterprise developers to rapidly extend the reach of enterprise and individual applications to BlackBerry devices. Through both partner and RIM's own efforts, BlackBerry provides a developer with a robust choice of application options and development environments. The architecture of the platform provides both a rich set of Application Program Interfaces ("API") and standard interfaces and services available on both the device and through the MDS feature of BES. Development options include both standard and enhanced browser or thin client, standard Java2 Micro Edition (J2ME) thick client and a new rich application capability utilizing the power of standard Web Services. To assist the developer in creating applications and the administrator who will deploy and manage them, the BES/MDS feature set includes services such as application deployment and administration, security, data push capability, data compression and wireless network connectivity. These services greatly assist the developer in reducing the application development and deployment cycle time. A full suite of tools are available through a

free download from the BlackBerry website to allow a developer to create, simulate, debug and deploy applications on the BlackBerry platform utilizing a standard Windows based PC environment. Partner efforts have extended application development capability to additional standard environments such as Visual Studio(R) and Sun NetBeans. RIM also provides extensive developer support and information through both the website and various support groups.

Industry Associations

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

- 3G Americas
- 3rd Generation Partnership Project 2 (World)
- AeA and AeA Europe
- Australian Mobile Telecommunication Association
- Bluetooth SIG (World)
- CALCE Electronic Products and Systems Consortium (World)
- Canada China Business Council (China)
- Canadian Association of Importers & Exporters (Canada)
- CATA Alliance (Canada)
- CDMA Development Group (World)
- Cellular Telephony and Internet Association
- European Telecom Standards Institute (World)
- GSM Association (World)
- Intellect (U.K.)
- International Trademark Association (World)
- International Wireless Packaging Consortium (World)
- IPC Association Connecting Electronics Industries (U.S.)
- Java Community Process (World)
- Open Mobile Alliance
- PCMCIA (U.S.)
- Surface Mount Technology Association
- Telecommunications Industry Association (World)
- US information Technology Office (USITO) (China)
- WiFi - Alliance
- World Wide Web Consortium (World)

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 solution primarily through global wireless communications carriers (carrier partners), who distribute the solution to end users. RIM has a number of carrier-focused business units that support the sales and marketing efforts of RIM's carrier partners through training, technical account management and sales and marketing support. As of March 4, 2006, RIM's marketing, sales and business development, BlackBerry operations, customer support, billing and technical support teams consisted of approximately 1,500 people.

Customers

RIM is dependent on an increasing number of significant global carrier partner customers with respect to the sales of its products both in terms of the numbers of units sold and the aggregate value of its sales. While the Company sells its products and services to a variety of customers, three customers comprised 18%, 13% and 13% of trade receivables as at March 4, 2006. Additionally, four customers comprised 19%, 16%, 12% and 12% of the Company's revenue in fiscal 2006.

The primary direct customers for the BlackBerry wireless solution are wireless carriers. The Company sells GPRS/EDGE, CDMA/Ev-DO and iDEN devices and software to carriers, who in turn bundle the handhelds and software with airtime and sell the complete solution to end customers. Software is licensed directly to end customers, although it is distributed by carriers, resellers and directly through RIM. The Company's BES supports multiple networks and devices, so that BlackBerry service from multiple carriers can be deployed within a company using the same BES software.

In fiscal 2006, 64.7% of the Company's revenues were derived from the United States, 8.6% were derived from Canada and the remaining 26.7% were derived from other foreign jurisdictions.

Competition

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

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

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

A key aspect of competitive differentiation among industry participants involves the inclusion of a sophisticated Network Operations Center (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. Companies that operate independent NOCs include RIM, Good Technology Inc. and Visto Corporation. Nokia Corporation operates a carrier-based NOC. Companies that do not provide a NOC include Microsoft Corporation and Notify Technology Corporation.

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

Product Design, Engineering and Research & Development

The Company's research and development strategy seeks to provide broad market applications for products derived from its technology base. As of March 4, 2006, RIM's research and development team consisted of approximately 1,000 employees. Research and development expense in fiscal 2006 was $157.6 million, compared to $101.2 million in fiscal 2005.

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

RIM has developed its own radio code stack and launched a new device platform incorporating this radio code stack as well as utilizing the powerful Intel PXA9xx cellular processor.

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

Key Area of Expertise	Design and User Benefits
RF Engineering	High performance radio - low cost, small size, efficient battery consumption, better coverage
Digital ASIC	Integration - low cost, small size
Analog RF ASIC	Integration - low cost, small size
Intelligent Antennas	Effective radiated power - better coverage and efficient battery consumption
Power Management	Low power requirements - efficient battery consumption
Firmware	Integration, customization - low cost, Small size, efficient battery consumption
Software Tools	Software development kits - more applications available
Testing Software	Fast and thorough test/debug - low cost, better quality, improved service/support

One of the significant competitive advantages of RIM's radio design is that its proprietary technology can be extended through development efforts to other protocols and to emerging digital network standards. The Company's research and development efforts are focused primarily on the following areas:

- improving the functionality, security and performance of its BlackBerry Solution and BlackBerry wireless devices;

o developing new devices for current and emerging wireless network technologies and market segments;

o building device software including compilers, Java Virtual Machine, radio code, and BlackBerry applications;

o developing server and desktop software for corporate, institutional and Prosumer environments;

o developing infrastructure systems to provide the underlying support for wireless network and Internet connectivity;

o providing a platform and tools for third party software developers and enterprises to write and wirelessly enable applications;

o providing tools and components to enable other manufacturers and operating system vendors to embed BlackBerry connectivity in their products; and

o improving manufacturing and testing technologies.

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

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

Funding 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 recorded $nil on account of TPC royalty repayment expense with respect to TPC-1 during fiscal 2006 (February 26, 2005 - $nil). The final payment with respect to TPC-1 was made during the first quarter of fiscal 2005.

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 certain annual maximum amounts through fiscal 2015, not exceeding $39.3 million. The Company has recorded $1.9 million on account of TPC royalty repayment expense with respect to TPC-2 obligation during fiscal 2006 (February 26, 2005 - $nil).

The Company also qualifies for investment tax credits ("ITC's") on eligible expenditures on account of Canadian scientific research and experimental development. In fiscal 2005 and fiscal 2006, the Company recognized the benefits of its ITC's in its consolidated statement of operations as a reduction in deferred income tax expense.

Intellectual Property

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

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

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

Production

RIM owns a 192,000 square foot manufacturing facility strategically located within close proximity to the Company's research and development facilities and labs in Waterloo, Ontario. Expansion of an additional 70,000 square feet will be ready for occupancy by RIM in August 2006. The expanded facility will be used for co-location of some dispersed manufacturing operations functions, incremental production and material storage requirements.

In addition to the economies of scale RIM has received by centralizing new product introduction and production ramp activities coupled with volume manufacturing of handhelds, RIM fully integrates manufacturing with its internal research and development activities. RIM expects that these benefits will continue to be significant and will grow incrementally as it pursues its objective of positioning itself to provide cost-effective and innovative access device solutions across the entire range of current wireless network standards.

With continued supply chain investment and expansion of the RIM Waterloo manufacturing site and the further addition of flexible production capacity and distribution through extension of the outsourcing partnerships, RIM is well positioned to fulfill the requirements of carrier customers seeking a reliable, assured source of supply for handheld device orders, which are typically placed on a volume order basis. The Company expects to further leverage outsourcing partnerships and increase its outsourcing volumes for handheld manufacturing during fiscal 2007 due to increasing device requirements and global distribution demands.

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 Federal Communications Commission ("FCC") before they can be used in commercial quantities in the United States. In Canada, the relevant regulatory authority is Industry Canada while the European Community ("EC") sets requirements for use in EC member states. Regulatory requirements are similar in other jurisdictions. All regulators require that access devices 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, the RIM Wireless Handhelds product line has obtained the necessary 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 and Industry Canada, and most of the testing required by 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 makes its products commercially available.

Environmental Regulations and Costs

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

Employees

As of March 4, 2006, RIM had 4,784 employees including: 1,724 in the advanced research, product development, standards and licensing areas; 567 in sales, marketing and business development; 782 in customer care and technical support; 968 in manufacturing; and 743 in administration, 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 manufacturing facility are located in Waterloo. The campus-type layout of 16 buildings, 12 of which are owned and four of which are leased, currently houses the corporate, administration, finance, engineering, research and development, sales and marketing and manufacturing operations. The buildings which are owned contain approximately 1,047,108 square feet; RIM occupies approximately 845,032 square feet, with the balance being sublet to tenants. Additionally, RIM currently occupies approximately 71,268 square feet in four leased buildings.

Other

RIM leases 68,828 square feet outside Ottawa, Ontario, used primarily for research and development and engineering functions, and a 44,194 square feet in Mississauga, Ontario, used for a variety of sales, research and development and engineering activities. In addition, RIM has recently leased a 9,000 square foot facility in Halifax, Nova Scotia, used for customer service operations.

RIM leases facilities in various locations throughout the United States, including 22,000 square feet for its U.S. headquarters in Dallas, Texas, which house certain sales, marketing, legal and administration activities.

RIM leases 132,457 square feet in various locations outside of North America, primarily in Europe and Asia, which house sales, marketing, engineering, information technology, BlackBerry network operations and administration activities.

Legal Proceedings

NTP, Inc.

As has been more fully disclosed in the Company's annual consolidated financial statements and notes for the fiscal years ended March 4, 2006, February 26, 2005, February 28, 2004 and March 1, 2003, the Company was the defendant in a patent litigation matter brought by NTP, Inc. ("NTP") alleging that the Company infringed on eight of NTP's patents.

The matter went to trial in 2002 in the United States District Court for the Eastern District of Virginia ("the District Court"), and the jury issued a verdict in favor of NTP. In 2003, the District Court ruled on NTP's request for an injunction with respect to RIM continuing to sell BlackBerry devices, software and service in the United States. The District Court granted NTP the injunction requested; however, the District Court then immediately granted RIM's request to stay the injunction sought by NTP pending the completion of RIM's appeal. In December 2004, the Court of Appeals for the Federal Circuit (the "CAFC") ruled on the appeal by the Company of the District Court's judgment. In August 2005, the CAFC granted RIM's request to reconsider the December 2004 decision. The CAFC's August 2005 decision vacated the District Court's judgment and the injunction, and remanded the case to the District Court for further proceedings consistent with the CAFC's ruling. Further court proceedings followed.

For the year ended February 28, 2004, the Company recorded charges with respect to the NTP matter totaling $35.2 million to fully provide for enhanced compensatory damages, current and estimated future costs with respect to ongoing legal and professional fees, prejudgment interest, and postjudgment interest for the period August 6, 2003 to February 28, 2004. The $36.3 million attributable to enhanced compensatory damages and postjudgment interest was classified as Restricted cash on the Consolidated Balance Sheets as at February 28, 2004.

On March 16, 2005, the parties jointly announced the signing of a binding Term Sheet to resolve all current litigation between them. The parties announced that RIM would pay NTP $450 million in final and full resolution of all claims to date against RIM, as well as a fully-paid up license going forward. During fiscal 2005, the Company recorded an incremental expense of $352.6 million to adjust the total NTP provision to the resolution amount plus current and estimated legal, professional and other fees, less the previous cumulative quarterly provisions for enhanced compensatory damages, prejudgment interest, plaintiff's attorney fees, estimated postjudgment interest, and current and estimated future costs with respect to legal and other professional fees, and the acquisition of a $20 million intangible asset. The $76.2 million attributable to enhanced compensatory damages and postjudgment interest with respect to fiscal 2005 was classified as Restricted cash on the Consolidated Balance Sheets as at February 26, 2005.

On June 9, 2005, RIM announced that, due to an impasse in the process of finalizing a definitive licensing and settlement agreement, RIM would take court action to enforce the Term Sheet. Further court proceedings followed. On November 30, 2005, the District Court ruled that the March 2005 settlement was not enforceable. During the third quarter of fiscal 2006, the Company recorded an expense of $26.2 million to account for incremental current and estimated future legal and professional fees in the amount of $7.9 million as well as an accrual in the amount of $18.3 million to write-off the intangible asset following the November 30, 2005 ruling.

On December 16, 2005, the District Court issued a scheduling order which requested initial briefs by both parties on these matters by January 17, 2006 with responses by both parties and the U.S. federal government due by February 1, 2006 on the question of damages and an injunction in light of the CAFC's August 2005 ruling. A hearing was convened on February 24, 2006 at the District Court.

On March 3, 2006, the Company and NTP signed definitive licensing and settlement agreements. All terms of the agreement were finalized and the litigation against the Company was dismissed by a court order on March 3, 2006. The agreement eliminated the need for any further court proceedings or decisions relating to damages or injunctive relief. On March 3, 2006, the Company paid NTP $612.5 million in full and final settlement of all claims against the Company, as well as for a perpetual, fully-paid up license going forward. This amount included money already escrowed by the Company as of March 3, 2006.

The licensing and settlement agreement relates to all patents owned and controlled by NTP and covers all of the Company's products, services and technologies. NTP granted the Company an unfettered right to continue its business, including its BlackBerry related business. The resolution permits the Company and its partners to sell the Company's products and services completely free and clear of any claim by NTP, including any claims that NTP may have against wireless carriers, channel partners, suppliers or customers in relation to the Company's products or services, (including BlackBerry Connect and Built-In technology), or in relation to third party products and services, to the extent they are used in connection with the Company's products and services.

As at February 26, 2005, the Company had an accrued liability of $450.0 million in respect of the NTP litigation which included an intangible asset of $20.0 million. As the full and final settlement amount paid on March 3, 2006 was $612.5 million, an additional charge to earnings in the amount of $162.5 million was recorded in the fiscal 2006 operating results. During fiscal 2006, the Patent Office issued various office actions rejecting all claims in all NTP patents. Accordingly, though the rulings of the Patent Office are subject to appeal by NTP, given the conclusions and the strength of the conclusions reached by the Patent Office, no value has been ascribed to the NTP license. This resulted in an additional charge to earnings of $18.3 million reflecting the book value of the intangible asset at the time the Term Sheet was ruled unenforceable. The charge of $162.5 million, the write-off of the intangible asset of $18.3 million as well as incremental legal and professional fees in respect of the litigation resulted in a charge to earnings of $201.8 million in fiscal 2006.

Inpro II

In November 2003, Inpro II Licensing S.a.r.l. ("Inpro II") filed an action in the United States District Court for the District of Delaware (the "U.S. Inpro Action") asserting United States Patent No. 6,523,079 against both RIM and one of its customers. RIM was successful in the District Court, and the matter was heard on appeal on December 8, 2005 at the Federal Circuit. A decision is expected within six months. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to the U.S. Inpro Action is not determinable. Accordingly, no amount has been recorded in the consolidated financial statements of RIM as at March 4, 2006.

Eatoni Ergonomics, Inc.

Eatoni Ergonomics, Inc. ("Eatoni") has alleged that RIM's BlackBerry 7100 Series infringes the claims of United States Patent No. 6,885,317, titled "Touch-Typable Devices Based On

Ambiguous Codes And Methods To Design Such Devices". Proceedings are currently pending in United States District Court for the Northern District of Texas (Dallas Division). At this time, the likelihood of damages or recoveries and the ultimate amount, if any, with respect to this action is not determinable. Accordingly, no amount has been recorded in the consolidated financial statements of RIM as at March 4, 2006.

Antor Media Corporation

On May 16, 2005, Antor Media Corporation ("Antor") filed a complaint in the United States District Court for the Eastern District of Texas, Marshall Division, against RIM's U.S. subsidiary, Research In Motion Corporation, along with 11 other defendants, alleging infringement of United States Patent No. 5,734,961 (the "961 Patent") titled "Methods and Apparatus for Transmitting Information Recorded on Information Storage Means from a Central Server to Subscribers via a High Data Rate Digital Telecommunications Network". RIM has responded to the complaint by denying that the 961 patent is valid and/or infringed. Court ordered mediation has been set for May 9 and 10, 2006 and a trial date has been set for March 12, 2007. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to the Antor action is not determinable. Accordingly, no amount has been recorded in the consolidated financial statements of RIM as at March 4, 2006.

Morris Reese

On August 31, 2005, Morris Reese ("Reese") filed a complaint in the United States District Court for the Eastern District of Texas, Marshall Division, against Research In Motion Corporation, along with 7 other defendants alleging infringement of United States Patent No. 6,427,009 (the "009 Patent"). During the third quarter of fiscal 2006, RIM responded to the complaint by denying the 009 Patent is valid and/or infringed. A trial date has been set for March 12, 2007. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to the Reese action is not determinable. Accordingly, no amount has been recorded in the consolidated financial statements of RIM as at March 4, 2006.

T-Mobile Deutschland GmbH

By letter dated February 16, 2004, T-Mobile Deutschland GmbH ("TMO-DG") and T-Mobile International AG (collectively, "TMO") served RIM's wholly-owned UK subsidiary, Research In Motion UK Limited ("RIM-UK"), with a third party notice in relation to litigation in Germany (the "Neomax Litigation") in which the plaintiff, Neomax Co., Ltd. ("Neomax"), formerly Sumitomo Special Metals Co., Ltd., brought an action against TMO in relation to cell phones sold by TMO in Germany for alleged infringement of a European Patent purportedly owned by Neomax, which in very general terms, relates to magnets installed as components in cell phones. On February 16, 2006, a partial judgement was issued by the Court of Appeals in Dusseldorf which rejected Neomax's damage claim based upon negligent patent infringement and ordered the scheduling of further evidentiary proceedings. In light of the appellate court's ruling on damages, it is not anticipated the Company will be involved in these further evidentiary proceedings. On April 3, 2006, Neomax filed an appeal before the German Federal Supreme Court for Civil Matters (BGH) seeking to overturn the partial judgment by the Court of Appeals

in Dusseldorf. A decision on the BGH appeal is expected within twelve months. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to the Neomax Litigation (or any related litigation) is not determinable. Accordingly, no amount has been recorded in the consolidated financial statements of RIM as at March 4, 2006.

Inpro Licensing S.a.r.l.

On May 9, 2005, RIM-UK filed an action against Inpro Licensing S.a.r.l. ("Inpro") in the High Court of Justice (Chancery Division, Patents Court) (the "High Court") in London, England. The action seeks a declaration that the UK patent, designated under European Patent EP 0892947B1 ("the B1 Patent"), is invalid and an order that the patent be revoked. On February 2, 2006, the High Court ruled in favor of RIM that all patent claims in the B1 Patent are invalid. Inpro may seek permission to appeal the decision to the Court of Appeal. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to this litigation (or any related litigation) is not determinable. Accordingly, no amount has been recorded in the consolidated financial statements of RIM as at March 4, 2006.

Inpro

By letter dated February 3, 2005 (the "Letter"), TMO-DG delivered to RIM-UK notice of a claim for indemnity in relation to litigation in Dusseldorf, Germany in which the plaintiff, Inpro, brought action against TMO-DG (the "Litigation") for infringement of the B1 Patent. The Company joined the Litigation as an intervening party in support of the defendant TMO-DG. On January 27, 2006, the court declared the B1 Patent invalid. The decision is still subject to appeal, but no appeal has been filed to-date. On March 21, 2006, the court stayed the infringement action until a final decision on validity has been made. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to the Litigation (or any related litigation) is not determinable. Accordingly, no amount has been recorded in the consolidated financial statements of RIM as at March 4, 2006.

Barry Thomas

On November 28, 2005, Barry Thomas filed a complaint in the United States District Court for the Western District of North Carolina, Charlotte Division, against RIM Corporation, along with eight other defendants alleging infringement of United States Patent No. 4,777,354 titled, "System for Controlling the Supply of Utility Services to Consumers." A final settlement agreement was entered into by RIM and Thomas on March 14, 2006. The amount of the settlement is immaterial to these financial statements and was paid by RIM on March 14, 2006. Thomas agreed to a dismissal of the litigation and all claims against RIM and its customers as part of the settlement and the action has been dismissed.

Visto Corporation

On May 1, 2006, Visto Corporation ("Visto") filed a complaint in the United States District Court for the Eastern District of Texas, Marshall Division, against the Company alleging infringement of four patents (United States Patent No. 6,023,708, 6,085,192, 6,151,606 and

6,708,221) and seeking an injunction and monetary damages. The Company believes it does not infringe Visto's patents and will file its legal response in due course. In addition to challenging validity and infringement, RIM will now also consider asserting its own patents against Visto. On May 1, 2006, RIM filed a declaratory judgment complaint against Visto in the United States District Court for the Northern District of Texas (Dallas Division) alleging the Patent Nos. 6,085,192; 6,151,606; and 6,708,221 are invalid and/or not infringed. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to this litigation is not determinable. Accordingly, no amount has been recorded in the consolidated financial statements of RIM as at March 4, 2006.

From time to time, the Company is involved in other claims in the normal course of business. 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.

Risk Factors

Investors in the Company's common shares should carefully consider the following risks, as well as the other information contained in this Annual Information Form, and Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended March 4, 2006. If any of the following risks actually occurs, the Company's business could be 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 adversely affect the Company's business.

Risks Related to Intellectual Property

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

The Company's commercial success depends upon the Company not infringing intellectual property rights owned by others. The industry in which the Company competes has many participants that own, or claim to own, intellectual property, including participants who 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 owners of the patents. The Company cannot determine with certainty whether any existing third-party patents or the issuance of any new third-party patents would require the Company to alter its technologies, obtain licenses or cease certain activities.

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. The Company may be subject to these claims either directly or through indemnities against these claims that it provides to certain carrier partners. Litigation has been and will likely continue to be necessary to determine the scope, enforceability and validity of third-party proprietary rights or to establish the Company's proprietary rights. Some of the Company's competitors have, or are affiliated with companies having, substantially greater resources than the Company has, and these competitors may be able to sustain the costs of complex intellectual property infringement litigation to a greater degree and for longer periods of time than the Company can. Those claims, regardless of whether claims that the Company is infringing patents or other intellectual property rights have any merit, could:

- adversely affect the Company's relationships with its customers;
- be time-consuming to evaluate and defend;
- result in costly litigation;
- 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;

o require the Company to develop possible workaround solutions that may be costly and disruptive to implement; and

o require the Company to cease certain activities or to cease selling its products and services in certain markets.

o 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' customers with respect to its products and services, that is not resolved in the Company's favor, the Company may be prohibited from developing or commercializing certain technologies and products unless the Company obtains a license from the holder of the patent or other intellectual property rights. There can be no assurance that the Company will be able to obtain any such license on commercially reasonable terms, or at all. If the Company does not obtain such a license, its business, operating results and financial condition could be materially adversely affected and the Company could be required to cease related business operations in some markets and restructure its business to focus on continuing operations in other markets.

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

The Company's commercial success depends upon its ability to develop new or improved technologies and products, and to successfully obtain 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 develop technology that is patentable, patents may not be issued in connection with the Company's pending applications and allowed claims may not be sufficient to protect the Company's 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. Since patent applications filed before November 29, 2000 in the United States are maintained in secrecy until issued as patents, and as publication or public awareness of new technologies often lags behind actual discoveries, 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, particularly in respect of the utility of its claimed inventions, 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 enforceable patents.

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 in 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 are not within the scope of these 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:

o some or all of its confidentiality agreements will not be honored;

o third parties will independently develop equivalent technology or misappropriate the Company's technology and/or designs;

o disputes will arise with the Company's strategic partners, customers or others concerning the ownership of intellectual property;

o unauthorized disclosure of source code;

o unauthorized disclosure of the Company's know-how or trade secrets will occur; or

o contractual provisions may not be enforced in foreign jurisdictions.

There can be no assurance that the Company will be successful in protecting its proprietary 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 licences, or the failure of these licensors or suppliers to adequately maintain, protect or update their software or intellectual property rights, could delay the Company's ability to ship its products while the Company seeks to implement alternative technology offered by other sources and could require significant unplanned investments on the Company's part if the Company is forced to develop alternative technology internally. In addition, alternative technology may not be available on commercially reasonable terms from other sources. The Company has not entered into source code escrow agreements with every software supplier or third party licensor. In the future, it may be necessary or desirable to obtain other third-party technology licences 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.

Risks Related to the Company's Business and its Industry

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

The wireless communications industry is characterized by rapid technological change, evolving industry standards, frequent new product introductions and short product life cycles. To keep pace with technological developments, satisfy increasing customer requirements and achieve product acceptance, the Company's future success depends upon its ability to enhance its current products and to develop and introduce new products offering enhanced performance and functionality on a timely basis at competitive prices.

The Company's business may be adversely affected if its products that are based on existing technologies or subsequent new technologically advanced products do not achieve acceptance among customers. The Company has developed and is continuing to develop a number of products incorporating advanced technologies, including products incorporating evolving 3G technologies and software development platforms, from which it will pursue those products that the Company expects to have the best chance for success based on the Company's expectations

of future market demand. There cannot be any assurance that the technologies and related hardware or software products that the Company develops will be brought to market by it or network operators as quickly as anticipated or that they will achieve broad customer acceptance among operators or end-users.

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

Network disruptions could affect the performance of the Company's services and harm its reputation.

The BlackBerry service is provided through a combination of the Company's NOC 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 including damage or interruption by fire, earthquake, power loss, telecommunications or computer systems failure, human error, terrorist acts, war or other events. The Company has not yet completed its Business Continuity Plan and there can be no assurance that the measures implemented 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 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. In addition, as the Company's subscriber base continues to grow, additional strain will be placed on the technology systems and networks, which may increase the risk of a network disruption. Any outage in a network or system, or other unanticipated problem that leads to an interruption or disruption of the BlackBerry service could have a material adverse effect on the Company's operations, sales and operating results.

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

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

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

The Company depends on its network carrier partners to grow its BlackBerry subscriber account base.

The Company sells most of its products and services through network carriers and depends on these third parties to grow its subscriber base. There can be no assurance that the network carriers will act in a manner that will promote the success of the Company's products. Factors that are largely within the control of network carriers and are important to the success of the BlackBerry solution and the growth of the Company's subscriber base include:

- the quality and coverage area of voice and data services offered by the carriers;

- the degree to which carriers actively promote the Company's products;

- the extent to which carriers offer and promote competitive products;

- the pricing and terms of voice and data plans that carriers will offer for use with the BlackBerry solution;

- sales growth of wireless devices, along with the related service, software and other revenues with respect to the BlackBerry wireless email solution;

- significant numbers of new activations of BlackBerry subscriber accounts, as well as retention of existing ones;

- the carriers' interest in testing the Company's products on their networks;

- network performance and required investments in upgrades;

- future investments in evolving network technologies, support for new software technologies and support for third party devices; and

- continued support and distribution of the Company's products and services if claims of patent infringement involving its products are filed against its carriers and licensees as well as against the Company.

Failure by network carrier partners to promote and support the Company's products and services could adversely affect the Company's revenue growth.

The Company sells the BlackBerry solution through network carrier partners, which distribute the solution to their end customers. Some of these carriers also sell products of the Company's competitors. If some of the Company's competitors offer their products to the carriers on more favorable terms or have more products available to meet their needs, there may be pressure on the Company to reduce the price of its products and services or those carriers may stop carrying the Company's products or de-emphasize the sale of its products and services in favor of those RIM competitors, which would adversely impact the Company's revenue and operating results.

The Company's quarterly financial results and the growth rate of its subscriber base are subject to fluctuations and are difficult to predict.

The Company's quarterly financial results and the growth of its subscriber base are difficult to forecast, may fluctuate and could be significantly impacted by the timing of substantial orders and shipments of devices, as well as new releases relating to the Company's products and services. 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 regardless of the amount of data traffic the subscriber passes over the BlackBerry architecture. If a carrier informs the Company to deactivate the subscriber account, then the Company no longer includes that subscriber account in its BlackBerry subscriber account base and ceases billing from the date of notification of 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 the carrier's responsibility to report changes to the subscriber account status on a timely basis to the Company.

The Company's financial results may not follow any past trends. The Company's sales may also be impacted by economic factors which more significantly impact other specific industry sectors, such as the financial, government and legal services sectors. These sectors have represented the Company's largest end user concentration to date. The Company's operating expenses are based on anticipated revenue levels, are relatively fixed in the short term to medium term and are incurred throughout the quarter; thus, fluctuations in operating expenses are likely. Significant unanticipated sales and marketing program, R&D, IT and other costs may be incurred in a single quarter which will affect results. Additionally, many of the Company's products are subject to long sales cycles. As a result, if expected revenues are not realized as anticipated, or if operating expenses are higher than expected, the Company's quarterly financial results could be materially adversely affected. Quarterly financial results in the future may be influenced by other factors, including:

- possible delays in the shipment of new products and services;
- fluctuations in activations of new BlackBerry subscribers;
- increased price and product competition;
- competitive conditions in the industry, including strategic initiatives by the Company or its competitors;
- the Company's ability to develop and deliver new products and services based on new and developing technologies, and the market acceptance of such products and services;
- the size and timing of customer orders;
- manufacturing capacity to fulfill orders in response to changes in demand;
- difficulties in estimating component requirements and reliance on suppliers to deliver components on a timely basis;
- the Company's ability to maintain existing relationships and to create new relationships with network carrier customers;
- capacity of NOC to maintain service for subscribers;
- litigation matters and/or settlements;
- changes in legislation, regulation and/or accounting rules; and
- acts of terrorism, the outbreak of hostilities, or armed conflicts between countries.

Accordingly, there may be significant variations in the Company's quarterly financial results, and such results may not meet the expectations of analysts or investors.

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

The BlackBerry service involves the transmission of business-critical, proprietary and confidential information for customers and provides the Company with access to confidential or personal information and data. If the security measures that the Company has implemented are breached or if there is an inappropriate disclosure of confidential or personal information or data, the Company could be exposed to litigation, possible liability and statutory sanctions. Even if the Company was not held liable, a security breach or inappropriate disclosure of confidential or personal information and/or data could harm its reputation, and even the perception of security vulnerabilities in the Company's products could lead some customers, particularly governmental

customers, to reduce or delay future purchases or to purchase competitive products or services. In addition, the Company may be required to invest additional resources to protect the Company against damages caused by these actual or perceived disruptions or security breaches in the future.

The Company operates in a highly competitive industry.

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 is uncertain. The Company's competitors, including many new market entrants, may implement new technologies before the Company does. In addition, the Company's competitors may deliver new products and solutions earlier, or provide more attractively priced, enhanced or better quality products and solutions than the Company does.

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

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

The Company may be required to change its pricing models to compete successfully.

The intensely competitive market in which the Company conducts its business may require it to reduce its prices. If the Company's competitors offer deep discounts on certain products or services in an effort to recapture or gain market share or to sell other products and services, the Company may be required to lower prices or offer other favorable terms to compete successfully. Any such changes would reduce the Company's margins and could adversely affect the Company's operating results.

Mergers or other strategic transactions by the Company's competitors or carrier partners could weaken the Company's competitive position or reduce its revenue.

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

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

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

The Company relies on its suppliers to supply functional components and is exposed to the risk that these suppliers will not be able to supply components on a timely basis.

The Company's manufacturing activity depends on obtaining adequate supplies of functional components, such as displays, semi-conductors, batteries, printed circuit boards, plastics, tooling equipment and flash memory, on a timely basis. The Company purchases several key components and licenses certain software used in the manufacture and operation of its products from a variety of sources. Some components come from sole source suppliers, including where the Company has outsourced various sub-assemblies and finished products, from time to time, shortages in allocations of components have resulted in delays in filling orders, and the Company is dependent on these sources to meet the Company's needs. Alternative sources are not always available. Moreover, the Company depends on, but has limited control over, the quality and reliability of the products supplied or licensed to the Company. If the Company cannot supply products due to a lack of components, or is unable to redesign products with other components in a timely manner, the Company's business will be significantly harmed. A supplier could also discontinue or restrict supplying components or licensing software to the Company with or without penalty. If a supplier discontinued or restricted supplying a component or licensing software, the Company's business could be harmed 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 their operations due to fire, earthquake, power loss, telecommunications or computer systems failure, human error, terrorist acts, war or other events, which would have an adverse financial impact on the Company.

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

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

The Company has experienced a period of significant growth in sales and personnel. Sales have increased to $2.07 billion for fiscal 2006, from $1.35 billion in fiscal 2005. The growth of the Company's operations places a strain on managerial, financial and human resources. The Company's ability to manage future growth will depend in large part upon a number of factors, including the Company's ability to rapidly:

o increase the number of network carrier partners to create a marketplace for the Company's products and services;

o attract and retain qualified technical personnel in order to continue to develop reliable and flexible products and provide services that respond to evolving customer needs;

o develop support capacity for end-users and network carriers as sales increase, so that the Company can provide post-sales support without diverting resources from product development efforts; and

o expand the Company's internal management and financial controls significantly, so that the Company can maintain control over its operations and provide support to other functional areas as the number of personnel and size increases.

The Company's inability to achieve any of these objectives could harm the Company's business, financial condition and results of operations.

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

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

The Company continues to seek out opportunities to acquire or invest in businesses, products and technologies that expand, complement or are otherwise related to the Company's current business. These activities create risks such as the need to integrate and manage the businesses and products acquired with the business and products of the Company, 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 our cash position if all or a portion of the purchase price is paid in cash, and common shares issuable in an acquisition would dilute our existing shareholders' percentage ownership. Any such activity may not be successful in generating revenue, income or other returns to the Company, and the financial or other resources committed to such activities will not be available to the Company for other purposes. In addition, the acquisitions may involve unanticipated costs and liabilities, including possible litigation, that are not covered by the indemnity or escrow provisions of the acquisition agreement. The Company's inability to address these risks could negatively affect the Company's operating results.

The Company is subject to risks inherent in foreign operations.

Sales outside North America represented approximately 26.7% of revenues in fiscal 2006 compared to 23.1% of revenues in fiscal 2005. The Company intends to continue to pursue international market growth opportunities, which could result in a scenario where international sales continue to account for an increasing portion of the Company's consolidated revenues. The Company has committed, and intends to commit, significant resources to its international operations and sales and marketing activities. The Company maintains offices in Canada, the United States, the United Kingdom, Japan, Hong Kong, France, Italy, Germany, Australia,

Singapore, Spain and China. The Company has limited experience conducting business outside of North America, and it may not be aware of all the factors that may affect its business in foreign jurisdictions. The Company will be subject to a number of risks associated with international business activities that may increase liability, costs, lengthen sales cycles and require significant management attention. International operations carry certain risks and associated costs, such as:

- the complexities and expense of administering a business abroad;
- complications in compliance with, and unexpected changes in regulatory requirements;
- foreign laws, international import and export legislation;
- trading and investment policies;
- foreign currency fluctuations;
- exchange controls;
- 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;
- unauthorized copying of software;
- difficulty in managing a geographically dispersed workforce in compliance with diverse local laws and customs; and
- other factors, depending upon the country involved.

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

The Company is dependent on a few significant customers, the loss of any of which could have an adverse effect on its operations.

The Company is dependent on an increasing number of significant customers and on large complex contracts with respect to sales of the majority of its products and services. Revenue from carriers represented approximately 95.2% of revenue for fiscal 2006, compared to approximately 88.9% of revenue for fiscal 2005. If any significant customer discontinues its relationship with the Company for any reason, or reduces or postpones current or expected purchase commitments for its products and services, it could have a material adverse effect on the Company's business, operating results and financial condition.

Three customers comprised 18%, 13% and 13%, respectively, of trade receivables as at March 4, 2006 (as at February 26, 2005, two customers comprised 23% and 12% respectively). The Company routinely monitors the financial condition of its customers and reviews the credit history of each new customer. The Company's allowances for doubtful accounts may prove to be inaccurate or insufficient. If the Company experiences significant net bad debts expense for any

reason, there could be a material adverse effect on the Company's business, operating results and financial condition.

Any impairment in the value of its goodwill, intangible assets and other assets will require the Company to take a charge against earnings that may negatively impact the Company's results.

In accordance with U.S. GAAP, RIM regularly conducts an analysis of its goodwill and intangible assets. If significant impairment is determined as a result of this analysis, the Company would be required to record a corresponding non-cash impairment charge against earnings. Depending on the magnitude of such a charge, RIM's share price could be negatively affected.

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

Many of the Company's end-users of the BlackBerry solution are directly affected by 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, coupled with existing economic and geopolitical uncertainties globally and in the financial services or legal markets, may create uncertainty for market demand and may affect RIM's revenues.

It is difficult to estimate the level of growth 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 growth 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. Downturns in the economy or geopolitical uncertainties may cause end-users to reduce their IT budgets or reduce or cancel orders for the Company's products which could have a material adverse impact on the Company's business, operating results and financial condition. In addition, acts of terrorism and the outbreak of hostilities and armed conflicts between countries have created uncertainties that may affect the global economy and could have a material adverse effect on the Company's business, operating results and financial condition.

The Company's ability to attract and retain key personnel may be negatively impacted by recent new and proposed regulations relating to equity compensation plans.

Historically RIM has used stock option grants as an important component of employee compensation packages. The Company has announced that it will adopt, in fiscal 2007, a fair-value based method to account for share-based payments in accordance with Statements of Financial Accounting Standards 123R - Share-Based Payment that requires the Company to record a charge to earnings for stock option grants. Regulations such as these may make it more difficult to grant stock options, or other stock-based compensation, and may lead to increased reported compensation costs, a need to change the Company's compensation system or make it more difficult for the Company to attract, retain and motivate employees. These factors could

have an adverse impact on the Company's business and stock price performance.

The Company's business relies on third-party network infrastructure developers and software platform vendors and is exposed to the risk that these developers will be unable to develop or maintain their network infrastructure or market position.

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

The Company has designed BES to be used with Microsoft Exchange, Lotus Notes and Novell GroupWise. The functionality of BlackBerry devices sold to corporate customers will depend on continued growth in the number of businesses that adopt Microsoft Exchange, Lotus Notes 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 we currently expect, or if Microsoft, Lotus or Novell delay or fail to release new or enhanced products, or announce new incompatible products, RIM's revenues from BlackBerry corporate customers could be materially adversely affected.

The Company is exposed to fluctuations in foreign currencies.

The Company is exposed to foreign exchange risk as a result of transactions in currencies other than its U.S. dollar functional currency. The majority of the Company's revenue and purchases of raw materials are denominated in U.S. dollars. However, some revenue, a substantial portion of operating costs, including salaries and manufacturing overhead, as well as capital expenditures, are incurred in other currencies, primarily Canadian dollars. If the Canadian dollar appreciates relative to the U.S. dollar, the Company's Canadian dollar denominated expenses will increase when translated to U.S. dollars for financial reporting purposes. Exchange rate fluctuations may materially adversely affect the Company's operating results in future periods. For more details, please refer to the discussion of foreign exchange in Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended March 4, 2006.

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

The Company had a total balance of cash, cash equivalents, short term investments and investments of $1.25 billion as at March 4, 2006, compared to $1.68 billion as at February 26, 2005. The Company realized investment income of $66.2 million in fiscal 2006, compared to $37.1 million in fiscal 2005. Cash equivalents, short term and other investments are invested in

debt securities of varying maturities. Consequently, the Company is exposed to interest rate risk and its operating results may be materially adversely affected by changes in interest rates. The fair value of short term and other investments, as well as the investment income derived from the investment portfolio, will fluctuate with changes in prevailing interest rates.

Additionally, the Company is exposed to market and credit risk on its investment portfolio. While the Company's investment policies include investing in liquid, investment-grade securities and limiting investments in any single issuer, there can be no assurance that such investment policies will reduce or eliminate market or credit risks.

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

The Company has its own production facility, and its sales and operating profits could be adversely affected if the Company fails to manage its manufacturing and logistics efficiently or to ensure that its products meet customers' quality standards. The Company may experience difficulties in increasing or decreasing production at its facilities, adopting new processes and finding the most effective and timely way to develop the best solutions to meet the technical requirements of its customers and of regulatory authorities. These difficulties may increase as the Company continues to manufacture an increasing number of different products. In addition, the Company is outsourcing certain of its manufacturing requirements to third parties. The failure by the Company, or any third party to which they in turn outsource RIM's manufacturing requirements, to manage production and supply of the Company's products successfully, including the failure to meet scheduled production and delivery deadlines, or the failure of products to meet the product quality requirements of customers, could materially adversely affect the Company's financial condition, strategic partnerships and future prospects.

The Company relies upon third parties to outsource certain of its products and it is exposed to the risk third-party manufacturers will not be able to satisfy its manufacturing needs on a timely basis.

The Company relies on third parties to outsource the production of certain of its devices. Third-party manufacturers may not be able to satisfy the Company's manufacturing needs on a timely basis. In addition, the Company may not be able to obtain substitute manufacturers when and if needed. Although the Company believes that substitute manufacturers are available, its inability to retain these substitutes quickly or cost-effectively could materially impair its ability to supply devices to its end-users. The Company's reliance on outsourcing to third parties may involve a number of other risks, including:

- absence of guaranteed manufacturing;
- reduced control over delivery schedules and costs; and
- early termination of, or failure to renew, contractual arrangements.

Although the Company believes that the third party manufacturers have sufficient economic incentive to perform the Company's manufacturing, the resources devoted to these activities by these third parties is not within the Company's control, and there can be no assurance that

manufacturing problems will not occur in the future. Insufficient supply or an interruption or stoppage of supply from such third party manufacturers or the Company's inability to obtain additional manufacturers when and if needed, could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's products may become obsolete.

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

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

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

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 is subject to government restrictions on the sale of products that use encryption technology.

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

Recently enacted and proposed changes in securities laws and related regulations could result in increased costs to the Company

Recently enacted and proposed changes in the laws and regulations affecting public companies, including the provisions of Sarbanes-Oxley Act of 2002 ("Sarbanes") in the United States and recent rules enacted and proposed by the SEC and NASDAQ as well as Part XXIII.1 of the Securities Act (Ontario) and related rules, have resulted in increased costs to the Company as it responds to the new requirements. In particular, complying with the internal control over financial reporting requirements of Section 404 of Sarbanes is resulting in increased internal costs and higher fees from the Company's independent accounting firm. The Company may be required to hire additional personnel and utilize additional outside legal, accounting and advisory

services -- all of which could cause the Company's general and administrative costs to increase beyond what the Company currently has planned. The new rules also could make it more difficult for the Company to obtain certain types of insurance, including director and officer liability insurance, and the Company may be forced to accept reduced policy limits and coverage and/or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for the Company to attract and retain qualified persons to serve on its Board of Directors, on committees of its Board of Directors, or as executive officers. The Company cannot yet estimate the amount of total additional costs it may incur or the timing of such costs as it implements these new and proposed rules.

The sale of the Company's products is dependent upon the continued use and expansion of the Internet.

Increased sales of the Company's products and services will depend, in part, upon the expansion of the Internet as a leading platform for communication and commerce. Usage of the Internet may be inhibited for a number of reasons. The Internet infrastructure may not be able to support the demands placed on it by continued growth and may lose its viability due to delays in the development or adoption of new equipment, standards and protocols to handle increased levels of Internet activity, security, reliability, cost, ease-of-use, accessibility and quality of service. In addition, concern about the transmission of confidential information over the Internet has been a significant barrier to electronic communications and commerce. Any well-publicized compromise of security could deter more people from using the Internet to transmit confidential information or conduct commercial transactions. The possibility that federal, state, provincial, local or foreign governments may adopt laws or regulations limiting the use of the Internet, or the use of information collected from communications or transactions over the Internet, or may seek to tax Internet commerce, could significantly reduce the use of the Internet. If the Internet does not continue to become a widespread communications medium and commercial marketplace, the demand for the Company's products and services may be materially adversely affected.

The Company is subject to regulation, certification and health risks that could affect its business.

The Company's products must be approved by the Federal Communications Commission, or the FCC, before they can be used in commercial quantities in the United States. The FCC requires that access devices meet various standards, including safety standards with respect to human exposure to electromagnetic radiation and basic signal leakage. Regulatory requirements in Canada, Europe, Asia and other jurisdictions must also be met. Although the Company's products and solutions are designed to meet relevant safety standards and recommendations globally, any perceived risk of adverse health effects of wireless communication devices could materially adversely affect the Company through a reduction in sales.

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

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

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

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

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

The market price of the Company's outstanding common shares has been volatile in the past, and may continue to be in the future, due in part to highly volatile markets generally, particularly for technology company shares. A variety of events, including quarter-to-quarter variations in operating results, entering into or failing to enter into or renew a material contract or order, 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. In addition, the Company's share price may be affected by factors such as the performance of other technology companies, announcements by or results of RIM's competitors, results of existing or potential litigation, updates to forward-looking financial guidance, and announcements regarding new products and services.

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

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

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

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

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 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. 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 we are 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. 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.

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's are 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 for any issue of the Company's securities. At this time, the Company has no plans to issue any preferred shares.

Common Share Repurchase Program

On October 11, 2005, the Company's Board of Directors approved the repurchase by the Company, from time to time, on the NASDAQ National Market, of up to an aggregate of 9.5 million common shares over the next 12 months. This represents approximately 5% of the Company's outstanding shares.

During fiscal 2006, the Company repurchased 6.3 million common shares pursuant to the Common Share Repurchase Program at a cost of $391.2 million. All common shares repurchased by the Company, pursuant to the Common Share Repurchase Program. have been cancelled.

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 quoted for trading on the NASDAQ National Market under the symbol "RIMM". The volume of trading and price ranges of the Company's Common Shares on NASDAQ National Market and the Toronto Stock Exchange are set out in the following table:

<TABLE>
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Common Shares - TSX			Common Shares - NASDAQ		
<S>	<C>	<C>	<C>	<C>	
Month	Price Range (Cdn. $)	Average Daily Volume	Price Range (US$)	Average Volume	
March 2005	$72.93 - $99.99	788,681	$60.63 - $83.13	13,465,827	
April 2005	$79.90 - $94.75	541,442	$63.60 - $77.22	10,427,385	
May 2005	$80.00 - $104.56	751,719	$64.17 - $82.82	10,214,895	
June 2005	$89.25 - $104.60	566,959	$72.01 - $83.90	10,229,836	
July 2005	$82.80 - $91.80	354,915	$68.00 - $73.90	5,570,835	
August 2005	$82.57 - $93.40	406,381	$68.91 - $78.32	5,866,004	
September 2005	$79.30 - $96.36	511,733	$68.30 - $81.59	7,329,390	
October 2005	$67.47 - $79.57	606,970	$57.40 - $68.10	8,849,652	
November 2005	$70.86 - $80.43	555,504	$60.52 - $67.50	7,213,380	
December 2005	$70.40 - $79.91	540,810	$60.75 - $68.30	6,665,185	
January 2006	$73.50 - $85.61	455,195	$64.25 - $73.32	4,166,350	
February 2006	$78.65 - $85.10	500,025	$68.35 - $74.15	6,551,331	

</TABLE>

ESCROWED SECURITIES

To the best of the Company's knowledge, no securities of the Company are currently held in escrow.

DIRECTORS AND OFFICERS

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

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

<TABLE>
<CAPTION>

<S> Name, Municipality of Residence and Principal Occupation	<C> Present Director Since	<C> Position(s) with the Company
James L. Balsillie Waterloo, Ontario Chairman and Co-Chief Executive Officer, RIM	1993	Director, Chairman and Co-Chief Executive Officer
Michael Lazaridis Waterloo, Ontario President and Co-Chief Executive Officer, RIM	1984	Director, President and Co-Chief Executive Officer
Douglas E. Fregin Waterloo, Ontario Vice-President, Operations, RIM	1985	Director and Vice-President, Operations
Dr. Douglas Wright, O.C. (1) (2) (3) Waterloo, Ontario President Emeritus, University of Waterloo	1995	Director
James Estill (1) (3) Guelph, Ontario Chief Executive Officer, SYNNEX Canada Ltd.	1997	Director
E. Kendall Cork (1) (2) (3) Hillsburgh, Ontario Managing Director, Sentinel Associates Ltd.	1998	Director
John Richardson, FCA (1) (3) Toronto, Ontario Chairman, Ontario Pension Board	2003	Director
Larry Conlee Waterloo, Ontario Chief Operating Officer, Product Development and Manufacturing, RIM	N/A	Chief Operating Officer, Product Development and Manufacturing
Dennis Kavelman Waterloo, Ontario Chief Financial Officer, RIM	N/A	Chief Financial Officer and Corporate Secretary
Don Morrison Toronto, Ontario Chief Operating Officer, BlackBerry , RIM	N/A	Chief Operating Officer, BlackBerry

</TABLE>

Notes:
(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nomination Committee

As at March 4, 2006, the above directors and senior officers of the Company beneficially owned, directly or indirectly, or exercised control or direction over common shares of the Company representing approximately 15% of the issued and outstanding common shares of the Company.

During the past five years, each of the directors and officers of the Company has been engaged in his current principal occupation as specified above.

The Company has an Audit Committee, Compensation Committee and Nomination Committee the members of which are noted above. The Company does not have an Executive Committee or Corporate Governance Committee.

Cease Trade Orders

None of the Company's directors or senior executive officers:

(a) is, as at the date hereof, or has been, within 10 years before the date of the AIF, a director or executive officer of any company (including the company in respect of which the information is being prepared) that, while that person was acting in that capacity,

(i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(iii) 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, arrangements 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 the date of the 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 proposed directors.

The information as to cease trade orders and banrkuptcies, not being within the knowledge of the Company, has been furnished by the directors and executive officers, respectively.

Audit Committee

The audit 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 Company and its subsidiaries. It is the objective of the 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 committee's Charter is included as Appendix A to this Annual Information Form.

The following are the members of the committee, each of whom is a director of the Company and is independent and financially literate under Section 1.4 and 1.5 of Multilateral Instrument 52-110-Audit Committees. The members of the audit committee bring significant skill and experience to their responsibilities including professional experience in accounting, business and finance. The specific education and experience of each such member that is relevant to the performance of his responsibilities as a member of the audit committee is set out below:

Dr. Douglas Wright, O.C. (Chair) - Dr. Wright is the President Emeritus of the University of Waterloo. Dr. Wright is a former President of the University of Waterloo, and was the first Dean of Engineering at the University. Dr. Wright is a director of several companies in Canada, the United States and Britain including Geometrica Inc. and Comdev.

Kendall Cork, B.Comm. - Mr. Cork is the Managing Director of Sentinel Associates Limited, a consulting firm in corporate direction. Mr. Cork graduated with a Bachelor of Commerce Degree from the University of Toronto. Mr. Cork was the Chairman and President of E-L Financial Corporation from 1991 to 1997, and was the Vice Chairman from 1997 to 2003. In addition, Mr. Cork was the Senior Vice President-Treasurer with Noranda Inc. from 1980 to 1987, and held various other financial positions at Noranda Inc. from 1959 to 1988. Mr. Cork currently sits on a number of boards including United Corporations.

Jim Estill, B.Sc. - Mr. Estill joined SYNNEX Canada Limited ("SYNNEX") as Chief Executive Officer in September 2004 after the acquisition of EMJ Data Systems Limited, the company he founded and was President and CEO of, by SYNNEX. SYNNEX, a wholly-owned subsidiary of SYNNEX Corporation, is a leading distributor of technology products to more than 8,000 resellers throughout Canada.

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 Canadian Institute of Chartered Accountants. Mr. Richardson was appointed Chairman of the Ontario Pension Board in July 2004. 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, a director of Intertape Polymer Group and a trustee of Armtec Infrastructure Income Fund and Resolve Business Outsourcing Income Fund.

As set out in the committee's charter, the committee is responsible for pre-approving all non-audit services to be provided to the Company by its external auditor. The Company's practice requires senior management to report to the Audit 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 Committee.

RIM's external auditor is Ernst & Young LLP, who is to be nominated for re-appointment at the annual general meeting of shareholders to be held on July 18, 2006. The following table sets forth the approximate fees we have incurred in using the services of Ernst & Young LLP in respect of the applicable fiscal years noted (all amounts in table are in US dollars - amounts that were billed in Canadian dollars are converted to US dollars at the applicable exchange rate on the last day of the applicable fiscal period):

<TABLE>
<CAPTION>

Fiscal Year ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees	Total
<S>	<C>	<C>	<C>	<C>	
March 4, 2006	$804,000	$60,000	$152,000	$0	$1,016,000
February 26, 2005	$706,000	$63,000	$56,000	$0	$825,000

</TABLE>

TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar is Computershare Trust Company of Canada, Toronto, Ontario.

MATERIAL CONTRACTS

The Company has not entered into any material contracts, other than contracts entered into in the ordinary course of business, on or after January 1, 2002, other than entering into a licensing and settlement agreement with NTP (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 has delivered an auditor's report in respect of the consolidated financial statements of the Corporation for the year ended March 4, 2006. To the best of management's knowledge, Ernst & Young LLP has no registered or beneficial interests, direct or indirect, in any securities or other property of the Company.

ADDITIONAL INFORMATION & DOCUMENTS INCORPORATED BY REFERENCE

Additional information related to the Company can be found on SEDAR at www.sedar.com. Additional financial information is provided in the Company's audited consolidated financial statements and the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for the year ended March 4, 2006, 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, options to purchase securities and interests of insiders in material transactions, is contained in the Company's Management Information Circular.

The Company will provide to any person, upon request to the Secretary of the Company at 295 Phillip Street, Waterloo, Ontario, N2L 3W8:

(a) when the securities of the Company are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:

(i) one copy of the current AIF of the Company, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the AIF;

(ii) one copy of the comparative consolidated financial statements of the Company for its most recently completed financial year for which financial statements have been filed together with the accompanying reports of the auditors and one copy of the most recent interim consolidated financial statements of the Company that have been filed, if any, for any period after the end of its most recently completed financial year, all prepared in accordance with U.S. GAAP;

(iii) one copy of the information circular of the Company in respect of its most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared instead of that information circular, as appropriate;

(v) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under (i) to (iii) above.

GLOSSARY

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

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<S>	<C>
1xRTT	Single carrier (1X) Radio Transmission Technology. 1xRTT 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.
2.5G and 3G Wireless	Third generation (3G) wireless is a global framework that is implemented regionally in Europe (UMTS), North America (CDMA2000) and Japan (NTT DoCoMo). 3G is designed for high-speed wireless multimedia data and voice. It plans to offer high-quality audio and video and advanced global roaming, which means users would be able to go anywhere and automatically be handed off to whatever wireless system is available. 2.5G is the initial step towards 3G wireless that is currently being implemented around the world. Other names that refer to these wireless protocols include GPRS, 1xRTT, UMTS, EDGE and CDMA 2000.
3GPP	The 3rd Generation Partnership Project (3GPP) is a collaboration agreement that was established in December 1998. The collaboration agreement brings together a number of telecommunications standards bodies. The original scope of 3GPP was to produce globally applicable Technical Specifications and Technical Reports for a 3rd Generation Mobile System based on evolved GSM core networks and the radio access technologies that they support. The scope was subsequently amended to include the maintenance and development of the Global System for Mobile communication (GSM) Technical Specifications and Technical Reports including evolved radio access technologies (e.g. General Packet Radio Service (GPRS) and Enhanced Data rates for GSM Evolution (EDGE)).
AES-256 encryption	AES stands for Advanced Encryption Standard - a symmetric key encryption technology. The BlackBerry implementation of AES algorithm uses a 256-bit encryption key. The larger key size provides for maximum protection of your data.
Analog	Analog transmission uses energy waves to transmit information. In the case of wireless voice transmission, the sound waves of a human voice are

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	converted directly to specific, continuously variable characteristics of a radio wave. Broadcast and telephone transmission have typically used analog technology.
ASIC	Application Specific Integrated Circuit.
Bluetooth(R)	Bluetooth is a specification for the use of low-power radio communications to wirelessly link phones, computers and other network devices over short distances.
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.
DataTAC	A wireless packet-switched network, which evolved from a network developed by IBM and Motorola for their repair crews.
Denial of Service Attack	An attack designed to flood a network with unnecessary traffic in order to prevent legitimate users of a system from having access.
digital	A way of processing information by storing it as binary numbers. A digital circuit is either on or off, and a digital signal is either present or absent. Contrast with analog.
EDGE	See 2.5G and 3G Wireless Technologies.
EvDO	EvDO is a high-speed network protocol used for wireless Internet data communications. The acronym is short for "Evolution, Data Only" or "Evolution, Data Optimized". It is one of the major Third Generation, or 3G, wireless standards. Some CDMA 1xRTT carriers are in the process of implementing this protocol on their networks.
FIPS 140-2	A standard that describes U.S and Canadian Federal government requirements for the design and implementation of a cryptographic module. This requirements outlined within this standard define the criteria that a vendor must follow to implement their cryptographic module at the desired security level. A security system protecting unclassified information must satisfy these requirements.

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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.

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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.
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.
ISP	Internet Service Provider. A business that supplies Internet connectivity services to individuals, businesses and other organizations.
J2ME	Java 2 Platform, Micro Edition. A version of Java 2 for small devices such as PDA's, phones and handhelds. The Connected Limited Device Configuration (CLDC) provides the programming interface for wireless applications. The Mobile Information Device Profile (MIDP) provides support for a graphical interface, networking and storage. J2ME uses the K Virtual Machine (KVM), a specialized virtual machine for devices with limited memory.
Java	An object-oriented programming language, developed by Sun Microsystems, Inc. Java(TM) was designed to be secure and platform-neutral such that it can be run on any type of platform, making a Java a useful language for programming Internet applications.
Mobitex	A packet-switched network technology developed by Ericsson Mobile Data Design that consists of fixed and mobile terminals interconnected by the network.

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NOC	Network Operations Centre. A central location for network management. It functions as a control centre for network monitoring, analysis and accounting.
OEM	Original Equipment Manufacturer, a licensee or purchaser of a product who typically resells that product under another trade name, in different packaging, or combined with other products or services. OEM licensing arrangements are sometimes referred to as "private label" licensing.
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.
POP3	POP3 uses the Simple Mail Transfer Protocol. 2.5G - See 2.5G and 3G Wireless
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 makes up the transmission travels separately; packets do not have to travel in sequence or by the same paths. When all the packets have arrived at their destination, the receiver reassembles them into the original message.
Prosumer	Prosumer refers to `professional consumers'. The prosumer is typically looking to purchase and use professional-level equipment for both their business and personal lives. BlackBerry Prosumer is a hosted wireless email solution for professional consumers that does not include access to the BlackBerry Enterprise Server solution.
SDK	Software Developers Kit A set of software routines and utilities used to help programmers write an application.
SME	Small and Medium size Enterprise

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S/MIME	Secure/Multipurpose Internet Mail Extensions - a protocol that adds digital signatures and/or encryption to the contents of email messages. S/MIME provides for message confidentiality, integrity and authenticity. S/MIME is a vendor independent internet standard for securing email communications and has been widely adopted by government and private sector organizations.
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.
SMT	Surface Mount Technology. A production technology whereby components are mounted directly onto the surface of a printed circuit board.
SureType	SureType technology, developed by Research In Motion(R), integrates a traditional phone keypad and a familiar QWERTY-style keyboard with intuitive software that "learns" as you type, recognizing word patterns and allowing you to easily enter information. This technology allows you to easily, quickly, and accurately enter words without having to get used to a non-QWERTY-based keyboard layout. SureType also has the ability to recognize character letter sequences that are common in the English language, such as "ing".
Triple DES Encryption Standard	Triple Data Encryption Standard. A specification for encryption for computer data developed by IBM and adopted by the United States government. DES uses a 56-bit encryption key. Triple DES uses a more sophisticated 112-bit encryption key and is used by the American Banking Association.

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APPENDIX A

CHARTER OF THE AUDIT COMMITTEE OF THE
BOARD OF DIRECTORS OF RESEARCH IN MOTION LIMITED

- ----------

1. AUTHORITY

The Audit 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 Bylaws 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 elected by the Board at the annual organizational meeting of the Board or at such other time as may be determined by the Board. The Chairman of the Committee shall be designated by the Board, provided that if the Board does not so designate a Chairman, the members of the Committee, by majority vote, may designate a Chairman. 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.

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. It is the objective of the Committee to maintain free and open means of communications 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 Multilateral Instrument 52-110 "Audit Committees" of the securities regulators in Canada (the "Canadian Regulators"), and, as such, shall be free from any relationship that may interfere with the exercise of his or her independent judgment as a member of the Committee. A majority of the members of the Committee shall be resident Canadians.

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

Committee members, if they or the Board deem it appropriate, may enhance their understanding of finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant or firm.

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. 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. 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, the SEC or any other regulatory body. The Chairman 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. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee's activities and provide copies of such minutes to the Board.

5. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee is responsible for the oversight of the Corporation's accounting and financial reporting processes, including the Corporation's internal controls, and the nomination and appointment (subject to 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.

The independent auditors must report and otherwise communicate directly to the Committee and are accountable to the Committee (as representatives of the shareholders of the Corporation).

The Committee's oversight responsibilities include (1) the approval of all audit engagement fees and terms; (2) the pre-approval of all audit services and permissible non-audit services to the Corporation or its subsidiaries as required by applicable U.S. and Canadian law;(3) the resolution of disagreements between management and the independent auditors regarding financial reporting; and (4) the establishment of procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

The Committee is responsible to ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.

The Committee is also responsible for ensuring that the Corporation's independent auditors submit on a periodic basis to the Committee a formal written statement delineating all relationships between the independent auditors and the Corporation 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 for taking appropriate action to ensure the independence of the independent auditors within the meaning of applicable U.S. and Canadian law. The Committee will review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditors of the Corporation.

The Committee should also perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

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

(1) report regularly to the Board on its activities, as appropriate;

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

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

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

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

(6) 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

(7) provide management and the Corporation's independent auditors with appropriate opportunities to meet privately with the Committee.

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 as required by the applicable rules of Nasdaq, the Toronto Stock Exchange, the SEC or the Canadian Regulators.

* * *

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.

APPENDIX B

SELECTED STRATEGIC CARRIER RELATIONSHIPS, FISCAL 2006

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<S>	<C>	<C>	<C>
North America	Europe	Asia Pacific	South America & Africa
ALLTEL	Amena	3 Hong Kong	BTC - Bahamas
Bell Mobility	Avea	Airtel	Cable & Wireless
Cbeyond	BASE	CSL	Digicel
Cellular South	Bouygues France	Dialog	Entel Chile
Cincinati Bell Wireless	BT Mobile	Globe	Mobility Bermuda
Cingular Wireless	Cellcom	Hutchison	Setar - Aruba
Dobson Communications	Cosmote Greece	Indosat	TIM
EarthLink Wireless	E-Plus	M1	TSTT - Trinidad & Tobago
Edge Wireless	KPN	Maxis	Telcel Mexico
Motient	MobiFon	Mobilink	
MTS Mobility	Mobilkom	Optus	
Nextel	Mobistar	SingTel	
Rogers Wireless	O2	SmarTone	
SaskTel	Orange	StarHub	
Sprint	Polkomtel	Sunday	
TBay Tel	PTC Poland	Telkomsel	
Telecommunication Systems	Partner Communications	Telstra	
Telus (MIKE)	SFR	Vodafone	
Telus Mobility	Siminn Iceland		
T-Mobile USA	Swisscom		
Triton	Tango		
USCC (US Cellular)	Telefonica		
Velocita Wireless	Telfort		
Verizon Wireless	TIM Italy		
TIM Greece			
TMN			
T-Mobile			
Turkcell			
VIPNet			
Vodafone			

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Document No. 2

[ERNST & YOUNG LLP GRAPHIC OMITTED]

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of
Research In Motion Limited

We have audited the consolidated balance sheets of Research In Motion Limited as at March 4, 2006, February 26, 2005 and February 28, 2004 and the consolidated statements of operations, shareholders' equity and cash flows for the years ended March 4, 2006, February 26, 2005 and February 28, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 4, 2006, February 26, 2005 and February 28, 2004 and the consolidated results of its operations and its cash flows for the years ended March 4, 2006, February 26, 2005 and February 28, 2004 in conformity with United States generally accepted accounting principles.

/s/ Ernst & Young LLP
Toronto, Canada, Chartered Accountants
April 3, 2006. Except for note 12(b),
as to which the date is May 5, 2006.

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

Consolidated Balance Sheets As at

	March 4, 2006	February 26, 2005
Assets		
Current		
Cash and cash equivalents (note 4(a))	$ 459,540	$ 610,354
Short-term investments (note 4(b))	175,553	315,495
Trade receivables	315,278	227,750
Other receivables	31,861	13,125
Inventory (note 5)	134,523	92,489
Restricted cash (note 15)	-	111,978
Other current assets (note 19)	45,035	22,857
Deferred income tax asset (note 9)	94,789	150,200
	1,256,579	1,544,248
Investments (note 4(b))	614,309	753,868
Capital assets (note 6)	326,313	210,112
Intangible assets (note 7)	85,929	83,740
Goodwill	29,026	29,026
	$ 2,312,156	$ 2,620,994
Liabilities		
Current		
Accounts payable	$ 94,954	$ 68,464
Accrued liabilities (notes 13 and 18 (c))	144,912	87,133
Accrued litigation and related expenses (note 15)	-	455,610
Income taxes payable (note 9)	17,584	3,149
Deferred revenue	20,968	16,235
Current portion of long-term debt (note 10)	262	223
	278,680	630,814
Long-term debt (note 10)	6,851	6,504
Deferred income tax liability (note 9)	27,858	-
	313,389	637,318
Shareholders' Equity		
Capital stock (note 11) Authorized - unlimited number of non-voting, cumulative, redeemable, retractable preferred shares; unlimited number of non-voting, redeemable, retractable Class A common shares and an unlimited number of voting common shares Issued - 186,001,765 voting common shares (February 26, 2005 - 189,484,915)	1,852,713	1,892,266
Retained earnings	148,028	94,181
Accumulated other comprehensive income (loss) (note 17)	(1,974)	(2,771)
	1,998,767	1,983,676
	$ 2,312,156	$ 2,620,994

Commitments and contingencies (notes 10, 12, 14 and 19)
See notes to the consolidated financial statements.

On behalf of the Board:

/s/ Jim Balsillie	/s/ Mike Lazaridis
Jim Balsillie	Mike Lazaridis
Director	Director

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

Consolidated Statements of Shareholders' Equity

	Common Shares	Common Share Purchase Warrants	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (loss)	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance as at March 1, 2003	$ 874,007	$ 370	$ (171,035)	$ 7,597	$ 710,939
Comprehensive income (loss):					
Net income	-	-	51,829	-	51,829
Net change in unrealized gains on investments available for sale	-	-	-	1,854	1,854
Net change in derivative fair value during the year	-	-	-	11,941	11,941
Amounts reclassified to earnings during the year	-	-	-	(9,912)	(9,912)
Shares issued:					
Exercise of stock options	49,771	-	-	-	49,771
Issue of common shares	944,869	-	-	-	944,869
Share issue costs	(39,629)	-	-	-	(39,629)
Exercise of warrants	370	(370)	-	-	-
Balance as at February 28, 2004	$ 1,829,388	$ -	$ (119,206)	$ 11,480	$ 1,721,662
Comprehensive income (loss):					
Net income	-	-	213,387	-	213,387
Net change in unrealized gains on investments available for sale	-	-	-	(18,357)	(18,357)
Net change in derivative fair value during the year	-	-	-	8,446	8,446
Amounts reclassified to earnings during the year	-	-	-	(4,340)	(4,340)
Shares issued:					
Exercise of stock options	54,151	-	-	-	54,151
Deferred income tax benefit attributable to fiscal 2004 financing costs	8,727	-	-	-	8,727
Balance as at February 26, 2005	$ 1,892,266	$ -	$ 94,181	$ (2,771)	$1,983,676
Comprehensive income (loss):					
Net income	-	-	382,078	-	382,078
Net change in unrealized gains on investments available for sale	-	-	-	(5,888)	(5,888)
Net change in derivative fair value during the year	-	-	-	18,029	18,029
Amounts reclassified to earnings during the year	-	-	-	(11,344)	(11,344)
Shares issued:					
Exercise of stock options	23,269	-	-	-	23,269
Common shares repurchased pursuant to Common Share Repurchase Program	(62,981)	-	(328,231)	-	(391,212)
Issuance of restricted share units	159	-	-	-	159
Balance as at March 4, 2006	$ 1,852,713	$ -	$ 148,028	$ (1,974)	$1,998,767

See notes to the consolidated financial statements.

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

Consolidated Statements of Operations

For the Year Ended		
March 4, 2006	February 26, 2005	February 28, 2004
<S>	<C>	<C>	<C>
Revenue	$ 2,065,845	$ 1,350,447	$ 594,616
Cost of sales	925,215	635,914	323,365
Gross margin	1,140,630	714,533	271,251
Expenses			
Research and development (note 14)	157,629	101,180	62,638
Selling, marketing and administration (notes 18(d) and 19)	311,420	190,730	108,492
Amortization	49,951	35,941	27,911
Litigation (note 15)	201,791	352,628	35,187
720,791	680,479	234,228	
Income from operations	419,839	34,054	37,023
Investment income	66,218	37,107	10,606
Income before income taxes	486,057	71,161	47,629
Provision for (recovery of) income taxes (note 9)			
Current	14,515	1,425	(4,200)
Deferred	89,464	(143,651)	-
103,979	(142,226)	(4,200)	
Net income	$ 382,078	$ 213,387	$ 51,829
Earnings per share (note 16)			
Basic	$ 2.02	$ 1.14	$ 0.33
Diluted	$ 1.96	$ 1.09	$ 0.31

</TABLE>

See notes to the consolidated financial statements.

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

Consolidated Statements of Cash Flows

For the Year Ended		
March 4, 2006	February 26, 2005	February 28, 2004
<S>	<C>	<C>	<C>
Cash flows from operating activities			
Net income	$ 382,078	$ 213,387	$ 51,829
Items not requiring an outlay of cash:			
Amortization	85,873	66,760	54,529
Deferred income taxes	77,938	(143,651)	-
Issuance of restricted share units	159	-	-
Loss (gain) on disposal of capital assets	(147)	(69)	223
Loss on foreign currency translation of long-term debt	597	12	859
Unrealized foreign exchange loss (gain)	57	(80)	-
Net changes in working capital items (note 18(a))	(396,464)	141,623	(43,605)
150,091	277,982	63,835
Cash flows from financing activities			
Issuance of share capital	23,269	54,151	994,640
Financing costs	-	-	(39,629)
Common shares repurchased pursuant to Common Share Repurchase Program (note 11(a))	(391,212)	-	-
Repayment of long-term debt	(229)	(199)	(6,130)
(368,172)	53,952	948,881
Cash flows from investing activities			
Acquisition of investments	(103,179)	(615,098)	(186,989)
Proceeds on sale or maturity of investments	61,495	18,385	43,746
Acquisition of capital assets	(178,732)	(109,363)	(21,815)
Acquisition of intangible assets	(23,702)	(17,061)	(32,252)
Business acquisitions (note 8)	(3,795)	(3,888)	478
Acquisition of short-term investments	(199,194)	(227,072)	(24,071)
Proceeds on sale or maturity of short-term investments	514,431	76,022	24,071
67,324	(878,075)	(196,832)
Effect of foreign exchange loss (gain) on cash and cash equivalents	(57)	76	(146)
Net increase (decrease) in cash and cash equivalents for the year	(150,814)	(546,065)	815,738
Cash and cash equivalents, beginning of year	610,354	1,156,419	340,681
Cash and cash equivalents, end of year	$ 459,540	$ 610,354	$ 1,156,419

See notes to the consolidated financial statements.

</TABLE>

Research In Motion Limited
Notes To The Consolidated Financial Statements
For The Years Ended March 4, 2006, February 26, 2005 and February 28, 2004
In thousands of United States dollars, except share and per share data,
and except as otherwise indicated

NATURE OF BUSINESS

Research In Motion Limited ("RIM" or the "Company") is a leading designer, manufacturer and marketer of innovative wireless solutions for the worldwide mobile communications market. Through the development of integrated hardware, software and services that support multiple wireless network standards, RIM provides platforms and solutions for seamless access to time-sensitive information including email, phone, short messaging service (SMS), Internet and intranet-based applications. RIM technology also enables a broad array of third party developers and manufacturers to enhance their products and services with wireless connectivity to data. RIM's products, services and embedded technologies are used by thousands of organizations around the world and include the BlackBerry wireless platform, the RIM Wireless Handheld product line, software development tools, radio-modems and other hardware and software. 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 National Market under the symbol RIMM.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General

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

(b) Fiscal year

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 4, 2006 comprises 53 weeks compared to 52 weeks for the fiscal year ended February 26, 2005.

(c) Basis of consolidation

The consolidated financial statements include the accounts of all subsidiaries with intercompany transactions and balances eliminated on consolidation. All of the Company's subsidiaries are wholly-owned and are considered to be fully-integrated operations.

(d) Use of estimates

The preparation of the Company's consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods.

Significant areas requiring the use of management estimates relate to the determination of reserves for various litigation claims, allowance for doubtful accounts, provision for excess and obsolete inventory, fair values of assets acquired and liabilities assumed in business combinations, amortization expense, implied fair value of goodwill, realization of future tax assets and the related components of the valuation allowance, provision for warranty and the fair values of financial instruments. Actual results could differ from these estimates.

(e) 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 using the temporal method. Accordingly, monetary assets and liabilities are translated using the exchange rates in effect at the consolidated balance sheet date, non-monetary assets and liabilities at historical exchange rates, and revenues and expenses at the rates of exchange prevailing when the transactions occurred. Resulting exchange gains and losses are included in income.

(f) Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and highly liquid investments with maturities of three months or less at the date of acquisition and are carried on the consolidated balance sheets at cost plus accrued interest, which approximates their fair value.

(g) Trade receivables

Trade receivables which reflect invoiced and accrued revenue are presented net of an allowance for doubtful accounts. The allowance was $1,551 at March 4, 2006 (February 26, 2005 - $1,697). Bad debt expense (recovery) was ($552) for the year ended March 4, 2006 (February 26, 2005 - ($500); February 28, 2004 - ($548)).

The allowance for doubtful accounts reflects estimates of probable losses in trade 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 trade receivables 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 collectibility of its trade receivables based upon a combination of factors on a periodic basis.

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 trade receivable to its estimated net realizable value. If circumstances related to specific customers change, the Company's estimates of the recoverability of trade receivables balances could be further adjusted.

(h) Investments

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

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

In fiscal 2005, the Company reviewed its intent to continue to hold investments previously classified as held-to-maturity and determined this intent was no longer present. These investments were reclassified as available-for-sale, and prior period carrying values were adjusted to reflect these securities as available-for-sale since acquisition. This change results in an increase of $5,399 in the carrying amount of investments at February 28, 2004, and an increase in accumulated other comprehensive income of $5,399 for the year ended February 28, 2004 (March 1, 2003 - increase of $4,158).

Investments classified as available-for-sale under Statement of Financial Accounting Standards ("SFAS") 115 are carried at fair value. Changes in market value are accounted for through accumulated other comprehensive income until such investments mature or are sold.

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 and the near-term prospects of the individual investment. In the event that a decline in the fair value of an investment occurs and the decline in value is considered to be other-than-temporary, an appropriate write-down would be recorded.

(i) 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 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. 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 foreign currency denominated assets, liabilities and anticipated cash flows of hedged items.

SFAS 133, Accounting for Derivative Instruments, as amended by SFAS 137, 138 and 149, requires all derivative instruments to be recognized at fair value on the consolidated balance sheet and outlines the criteria to be met in order to designate a derivative instrument as a hedge and the methods for evaluating hedge effectiveness. The fair value is calculated based on quoted market prices. For derivative instruments designated as fair value hedges, changes in fair value are recognized in current earnings, and will generally be offset by changes in the fair value of the associated hedged asset or liability. For derivative instruments designated as cash flow hedges, the effective portion of changes in fair value are recorded in other comprehensive income and subsequently reclassified to earnings in the period in which the cash flows from the associated hedged transaction affect earnings. Ineffective portions of changes in fair value, if any, are recorded in current earnings. If an anticipated transaction is deemed no longer likely to occur, the corresponding derivative instrument is de-designated as a hedge, and gains and losses are recognized in earnings at that time. Any future changes in the fair value of the instrument are recognized in current earnings.

(j) 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.

(k) Capital assets

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

Buildings, 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	20% per annum declining balance

During fiscal 2005, the Company re-evaluated the estimated useful lives of certain of its information technology assets and determined that the estimated useful lives should be reduced to periods of three or four years from five years. The impact of this change was applied on a prospective basis commencing with the first quarter of fiscal 2005. The impact of this change of accounting estimate resulted in incremental amortization expense of $4,275 in fiscal 2005. Of this amount, $1,750 was included in Cost of sales, and $2,525 was included in Amortization.

(l) Intangible assets

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

Intangible assets are amortized as follows:

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

(m) 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.

(n) Goodwill

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

The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit including goodwill is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired, and the second step is unnecessary.

In the event that the fair value of the reporting unit, including goodwill, is less than the carrying value, the implied fair value of the reporting unit's goodwill is compared with its carrying amount to measure the amount of the impairment loss, if any. The implied fair value of goodwill is determined in the same manner as the value of goodwill is determined in a business combination using the fair value of the reporting unit as if it were the purchase price. When the carrying amount of the

reporting unit goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate line item in the consolidated statements of operations.

The Company has one reporting unit which is the consolidated Company.

(o) Income taxes

The liability method of tax allocation is used to account for income taxes. Under this method, deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using enacted income tax rates and laws that will be in effect when the differences are expected to reverse.

The Company continues to assess, on an on-going basis, the degree of certainty regarding the realization of deferred income tax assets and whether a valuation allowance is required.

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

(p) 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 collectibility is reasonably assured. In addition to this general policy, the following paragraphs describe the specific revenue recognition policies for each major category of revenue.

Devices

Revenue from the sale of BlackBerry devices is recognized when title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. Provisions are made at the time of sale for warranties, royalties and estimated product returns. For hardware products for which the software is deemed not to be incidental, the Company recognizes revenue in accordance with the American Institute of Certified Public Accountants Statement of Position 97-2, Software Revenue Recognition ("SOP 97-2").

Provisions are made at the time of sale for applicable warranties, royalties and estimated product returns. If the historical data the Company uses to estimate product returns does not properly reflect future returns, these estimates could be revised. Future returns, if they were higher than estimated, would result in a reduction of revenue. To date, returns of devices and other products have been negligible. As a result, the Company's accrual with respect to such product returns is not significant.

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 SOP 97-2. Revenue from software maintenance, unspecified upgrades and technical support contracts is recognized over the period that such items are delivered or that services are provided.

Non-recurring engineering contracts

Revenue for non-recurring engineering contracts is recognized as specific contract milestones are met. The attainment of milestones approximates actual performance.

Other

Revenue from the sale of accessories is recognized when title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. Technical support contracts extending beyond the current period are recorded as deferred revenue. Revenue from repair and maintenance programs is recognized when the service is delivered which is when the title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled.

Shipping and handling costs

Shipping and handling costs are included in Cost of sales where they can be reasonably attributed to certain revenue; otherwise they are included in Selling, Marketing and Administration.

Multiple-element arrangements

The Company enters into transactions that represent multiple-element arrangements which may include any combination of hardware, service and software. These multiple-element arrangements are assessed to determine whether they can be separated into more than one unit of accounting or element for the purpose of revenue recognition. When the appropriate criteria for separating revenue into more than one unit of accounting is met and there is vendor specific objective evidence of fair value for all units of accounting or elements in an arrangement, the arrangement consideration is allocated to the separate units of accounting or elements based on each unit's relative fair value. This vendor specific objective evidence of fair value is established through prices charged for each revenue element when that element is sold separately. The revenue recognition policies described above are then applied to each unit of accounting.

(q) Research and development

The Company is engaged in research and development work. Research and development costs, other than for the acquisition of capital assets, are charged as an operating expense of the Company as incurred.

(r) Government assistance

The Company has received no government assistance in fiscal 2006, 2005 and 2004.

Government funding towards research and development expenditures received in fiscal 2003 was primarily with respect to grants from Technology Partnerships Canada on account of eligible scientific research and experimental development expenditures. Assistance related to the acquisition of capital assets used for research and development is credited against the cost of related capital assets and all other assistance is credited against related expenses as incurred.

(s) Statements of comprehensive income (loss)

U.S. GAAP, SFAS 130, Reporting Comprehensive Income, establishes standards for the reporting and display of comprehensive income and its components in general-purpose financial statements. 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 reportable items of comprehensive income are cash flow hedges as described in note 19, and changes in the fair value of investments available for sale as described in note 4. Realized gains or losses on available-for-sale investments are reclassified into earnings using the specific identification basis.

(t) 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.

(u) Stock-based compensation plans

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

Stock options are granted with an exercise price equal to the fair market value of the shares on the day of grant of the stock options. Any consideration paid by employees on exercise of stock options is credited to capital stock. Compensation expense is recognized when stock options are issued with an exercise price of the stock option that is less than the market price of the underlying stock on the date of grant. The difference between the exercise price of the stock option and the market price of the underlying stock on the date of grant is recorded as compensation expense ("intrinsic value

method"). The exercise price of stock options granted by the Company is the market value of the underlying stock at the date of grant; consequently, no compensation expense is recognized. This method is consistent with U.S. GAAP, APB Opinion 25, Accounting for Stock Issued to Employees.

At the Company's Annual General Meeting on July 18, 2005, shareholders approved the establishment of the Restricted Share Unit ("RSU") Plan. The eligible participants under the RSU Plan include any officer or employee of the Company or its subsidiaries. The RSU Plan received regulatory approval in August 2005.

RSU's are redeemed for either common shares issued from treasury, common shares purchased on the open market or the cash equivalent on the vesting dates established by the Company. Compensation expense will be recognized upon issuance of RSU's over the vesting period.

SFAS 123, Accounting for Stock-Based Compensation, requires proforma disclosures of net income and earnings per share, as if the fair value method, as opposed to the intrinsic value method of accounting for employee stock options, had been applied. The disclosures in the following table present the Company's net income and earnings per share on a proforma basis using the fair value method as determined using the Black-Scholes option pricing model:

<TABLE>
<CAPTION>

For the year ended			
March 4, 2006	February 26, 2005	February 28, 2004	
<S>	<C>	<C>	<C>
Net income - as reported	$ 382,078	$ 213,387	$ 51,829
Stock-based compensation expense for the year	22,022	22,487	20,033
Net income - proforma	$ 360,056	$ 190,900	$ 31,796
Weighted-average number of shares outstanding (000's) - basic	188,914	187,653	159,300
Effect of dilutive securities: Employee stock options	5,166	8,022	4,568
Weighted-average number of shares and assumed conversions - diluted	194,080	195,675	163,868
Proforma earnings per common share:			
Basic	$ 1.91	$ 1.02	$ 0.20
Diluted	$ 1.86	$ 0.98	$ 0.19

</TABLE>

The weighted-average fair value of options granted during the year was calculated using the Black-

Scholes option-pricing model with the following assumptions:

<TABLE>
<CAPTION>

For the year ended			
March 4, 2006	February 26, 2005	February 28, 2004	
<S>	<C>	<C>	<C>
Number of options granted (000's)	911	315	3,148
Weighted-average Black-Scholes value of each option	$ 36.74	$ 31.58	$ 8.29
Assumptions:			
Risk free interest rate	4.1%	3.3%	3.0%
Expected life in years	4.0	4.0	4.0
Expected dividend yield	0%	0%	0%
Volatility	60%	69%	70%

</TABLE>

(v) 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 increased or decreased warranty activity, or increased or decreased costs associated with servicing those obligations, revisions to the estimated warranty liability would be required.

(w) Advertising costs

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

2. ADOPTION OF ACCOUNTING POLICY

Change in Capital Assets Amortization Method

In fiscal 2005, the Company reviewed the estimated useful lives of capital assets used in manufacturing, and research and development operations and the application of the 20% declining balance amortization method. As a result of plant capacity and capital asset utilizations currently approaching 100%, versus much lower levels in prior fiscal years, the Company now believes that the 20% declining balance method will not produce quarterly and annual amortization expense and resulting residual net book values that are consistent with the increased current and future capital asset usage. The Company revised its amortization method to a straight-line method and determined estimated useful lives to be between five and eight years for such capital assets, on a prospective basis, effective the second quarter of fiscal 2005. The impact of this change in method of accounting was insignificant for fiscal 2006 and 2005.

3. RECENTLY ISSUED PRONOUNCEMENTS

(a) Other-Than-Temporary Impairment of Certain Investments

In March 2004, the Emerging Issues Task Force ("EITF") released Issue No. 03-01 Other-Than-Temporary Impairment and its Application to Certain Investments ("EITF 03-01"). EITF 03-01 provided guidance when an investment is considered impaired, whether that impairment is considered to be other-than temporary, and the measurement of an impairment loss. Rather than provide additional guidance on EITF 03-01, the FASB issued a proposed FASB Staff Position ("FSP") EITF 03-1-a Implementation Guidance for the Application of Paragraph 16 of EITF Issue 03-01, which superseded EITF 03-01 and EITF Topic No. D-44, Recognition of Other-Than-Temporary Impairment upon the Planned Sale of Security Whose Cost Exceeds Fair Value. EITF 03-01-a was renamed FSP FAS 115-1 The Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments. FSP FAS 115-1 is effective for fiscal periods beginning after December 15, 2005. The adoption of FSP FAS 115-1 is not expected to have a significant impact on the Company's results of operations or financial condition.

(b) Stock-Based Compensation

On December 16, 2004, the FASB issued amended SFAS 123 ("SFAS 123(R)") Accounting for Share-Based Payment. SFAS 123(R) requires all companies to use the fair-value based method of accounting for stock-based compensation, and is in effect for all interim periods beginning after June 15, 2005. SFAS 123(R) requires that all companies adopt either the modified prospective transition ("MPT") or modified retrospective transition ("MRT") method. Stock compensation expense calculated using the MPT approach would be recognized on a prospective basis in the financial statements over the requisite service period, while the MRT method allows a restatement of prior

periods for amounts previously recorded as proforma expense. On April 14, 2005, the U.S. Securities and Exchange Commission announced that it would provide for a phased-in implementation process for SFAS 123(R). As previously disclosed, the Company will now be required to adopt a fair-value based method in the first quarter of fiscal 2007.

(c) Accounting Changes and Error Corrections

In May 2005, the FASB issued SFAS 154 Accounting Changes and Error Corrections. SFAS 154 completely replaces APB Opinion 20 ("APB 20") and SFAS 3, with many of those provisions being carried forward without change. If practical, SFAS 154 requires retrospective application to prior year's financial statements for a voluntary change in accounting principle. In addition, SFAS 154 also requires that a change in depreciation method for long-lived non-financial assets be accounted for as a change in estimate, as opposed to a change in accounting principle under APB 20. The standard is effective for fiscal years beginning after December 15, 2005.

4. CASH AND CASH EQUIVALENTS AND INVESTMENTS

(a) Cash and cash equivalents are recorded at fair value and comprise the following:

	March 4, 2006	February 26, 2005
Balances with banks	$ 80,825	$ 26,005
Certificates of deposit	30,053	10,012
Repurchase agreements	-	907
Commercial paper and corporate notes	348,662	573,430
	$ 459,540	$ 610,354

Cash and cash equivalents carry weighted-average yields of 4.2% as at March 4, 2006 (February 26, 2005 - 2.5%; February 28, 2004 - 1.0%).

(b) Investments consist of money-market and other debt securities and are classified as available-for-sale investments.

As at March 4, 2006, the contractual maturities of debt securities were as follows (at carrying value):

<TABLE>
<CAPTION>
Years to Maturity

	Less than One Year	One to Five Years	Five to Ten Years	Over Ten Years	No Single Maturity Date	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Available-for-sale securities	$ 175,553	$ 477,598	$ -	$ -	$ 136,711	$ 789,862

</TABLE>

Securities with no single maturity date reflect asset-backed securities.

Available-for-sale investments are recorded at fair value and comprise the following:

<TABLE>
<CAPTION>

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
<S>	<C>	<C>	<C>	<C>
As at March 4, 2006				
Government sponsored enterprise notes	$ 380,084	$ -	$ (7,814)	$ 372,270
Commercial paper and corporate bonds	274,375	5	(7,572)	266,808
Asset-backed securities	139,562	-	(2,851)	136,711
Bank certificates of deposit	14,074	-	(1)	14,073
	$ 808,095	$ 5	$ (18,238)	$ 789,862
Classified as Current	$ 177,645	$ -	$ (2,092)	$ 175,553
Classified as Non-current	630,450	5	(16,146)	614,309
Total	$ 808,095	$ 5	$ (18,238)	$ 789,862
As at February 26, 2005				
Government sponsored enterprise notes	$ 377,492	$ 82	$ (6,198)	$ 371,376
Commercial paper and corporate bonds	352,173	813	(4,637)	348,349
Asset-backed securities	227,255	39	(2,444)	224,850
Bank certificates of deposit	124,788	-	-	124,788
	$ 1,081,708	$ 934	$ (13,279)	$1,069,363
Classified as Current	$ 314,931	$ 912	$ (348)	$ 315,495
Classified as Non-current	766,777	22	(12,931)	753,868
Total	$ 1,081,708	$ 934	$ (13,279)	$1,069,363

</TABLE>

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

For the year ended		
March 4, 2006	February 26, 2005	February 28, 2004
Realized gains	$ 211	$ -	$ 16
Realized losses	(236)	-	(22)
$ (25)	$ -	$ (6)

For available-for-sale securities with unrealized losses, the fair value and unrealized loss positions are as follows:

<TABLE>
<CAPTION>

	Less than 12 months		12 months or more		Total	
As at March 4, 2006	Fair Value	Unrealized losses	Fair Value	Unrealized losses	Fair Value	Unrealized losses
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Government sponsored enterprise notes	$ 86,015	$ 1,615	$ 286,255	$ 6,198	$ 372,270	$ 7,813
Commercial paper and corporate bonds	26,810	400	229,965	7,173	256,775	7,573
Asset-backed securities	-	-	136,711	2,851	136,711	2,851
Bank certificates of deposit	14,046	1	-	-	14,046	1
$126,871	$ 2,016	$ 652,931	$ 16,222	$ 779,802	$ 18,238	

	Less than 12 months		12 months or more		Total	
	Unrealized		Unrealized		Unrealized	
	Fair Value	losses	Fair Value	losses	Fair Value	losses
As at February 26, 2005						
Government sponsored enterprise notes	$351,685	$ 6,198	$ -	$ -	$ 351,685	$ 6,198
Commercial paper and corporate bonds	257,424	4,318	11,689	319	269,113	4,637
Asset-backed securities	200,458	2,114	15,225	330	215,683	2,444
$809,567	$12,630	$ 26,914	$ 649	$ 836,481	$ 13,279	

</TABLE>

Unrealized losses for government-sponsored enterprise notes, asset-backed securities and commercial paper and corporate bonds were caused by increases in interest rates. The Company believes that it is probable that it will be able to collect all amounts due according to the contractual terms of the investments. The Company has the ability and intent to hold these investments until there is a recovery of fair value which may be at maturity. As a result, the Company does not consider these investments to be other-than-temporarily impaired as at March 4, 2006.

Investments carry weighted average yields of 3.4% as at March 4, 2006 (February 26, 2005 - 3.1%; February 28, 2004 - 3.1%).

5. INVENTORY

Inventory is comprised as follows:

	March 4, 2006	February 26, 2005
Raw materials	$ 107,049	$ 78,080
Work in process	31,848	11,282
Finished goods	3,905	9,868
Provision for excess and obsolete inventory	(8,279)	(6,741)
	$ 134,523	$ 92,489

6. CAPITAL ASSETS

Capital assets are comprised of the following:

<TABLE>
<CAPTION>

March 4, 2006			
	Cost	Accumulated amortization	Net book value
<S>	<C>	<C>	<C>
Land	$ 15,647	$ -	$ 15,647
Buildings, leaseholds and other	137,982	19,473	118,509
BlackBerry operations and other information technology	214,566	112,598	101,968
Manufacturing equipment, research and development equipment, and tooling	88,563	43,966	44,597
Furniture and fixtures	74,548	28,956	45,592
	$ 531,306	$ 204,993	$ 326,313

</TABLE>

<TABLE>
<CAPTION>

February 26, 2005	Cost	Accumulated amortization	Net book value
<S>	<C>	<C>	<C>
Land	$ 8,850	$ -	$ 8,850
Buildings, leaseholds and other	109,654	14,016	95,638
BlackBerry operations and other information technology	135,352	75,495	59,857
Manufacturing equipment, research and development equipment, and tooling	60,222	33,175	27,047
Furniture and fixtures	40,553	21,833	18,720
	$ 354,631	$ 144,519	$ 210,112

</TABLE>

As at March 4, 2006, the carrying amount of assets under construction is $11,694 (February 26, 2005 - $15,849). Of this amount, $3,967 (February 26, 2005 - $15,849) is included in Buildings, leaseholds and other, with the balance included in Manufacturing equipment, research and development equipment, and tooling.

For the year ended March 4, 2006, amortization expense related to capital assets was $62,678 (February 26, 2005 - $47,030; February 28, 2004 - $35,067). During fiscal 2004, the Company recorded additional amortization expense of $1,318 with respect to certain capital assets no longer used by the Company; $618 of this amount was included in Cost of sales.

7. INTANGIBLE ASSETS

Intangible assets are comprised of the following:

March 4, 2006	Cost	Accumulated amortization	Net book value
Acquired technology	$ 18,373	$ 9,465	$ 8,908
Licenses	82,806	48,576	34,230
Patents	50,790	7,999	42,791
	$ 151,969	$ 66,040	$ 85,929

February 26, 2005

	Cost	Accumulated amortization	Net book value
Acquired technology	$ 12,151	$ 6,045	$ 6,106
Licenses	86,352	31,107	55,245
Patents	28,082	5,693	22,389
	$ 126,585	$ 42,845	$ 83,740

During fiscal 2004, the Company recorded provisions amounting to $4,327 against the carrying values of certain of its intangible assets as a result of changes in the Company's current and intended product offerings. Of this amount $2,750 was included in Cost of sales with the balance of $1,577 recorded as Amortization expense. Such charges reflected management's assessment of net realizable values.

For the year ended March 4, 2006, amortization expense related to intangible assets was $23,195 (February 26, 2005 - $19,730; February 28, 2004 - $19,462). Total additions to intangible assets in 2006 were $45,384 (2005 - $37,061).

Based on the carrying value of the identified intangible assets as at March 4, 2006, and assuming no subsequent impairment of the underlying assets, the annual amortization expense for the next five years is expected to be as follows: 2007 - $23 million; 2008 - $17 million; 2009 - $5 million; 2010 - $5 million; and 2011 - $3 million.

8. ACQUISITIONS

During fiscal 2006, the Company completed one acquisition. Effective March 24, 2005, the Company purchased the shares of a company whose proprietary software will be incorporated into the Company's software.

During fiscal 2005, the Company completed two acquisitions. Effective March 19, 2004, the Company purchased the assets of a company whose proprietary software products enable wireless access to a corporate email system using a device. Effective February 11, 2005, the Company acquired 100% of the common shares of a company that offers technology that will be incorporated into the Company's software.

During fiscal 2005, and as described in note 9, the Company determined that it was more likely than not that it can realize its deferred income tax assets. Therefore Company recognized a deferred income tax benefit of $1,083 related to a fiscal 2003 acquisition. This amount resulted in a reduction of Goodwill.

During fiscal 2004, the purchase price related to a fiscal 2003 acquisition was revised, resulting in a cash refund and a reduction to goodwill of $478.

The results of the acquirees' operations have been included in the consolidated financial statements commencing from each respective closing date to March 4, 2006.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition:

For the year ended		
March 4, 2006	February 26, 2005	February 28, 2004
Assets purchased		
Other current assets	$ 158	$ -	$ -
Deferred income tax asset	259	2,889	-
Acquired technology	6,223	2,140	-
Goodwill	-	(1,083)	(478)
	6,640	3,946	(478)
Liabilities assumed	645	58	-
Deferred income tax liability	2,200	-	-
	2,845	58	-
Net non-cash assets acquired	3,795	3,888	(478)
Cash acquired	3	23	-
Net assets acquired	$ 3,798	$ 3,911	$ (478)
Consideration			
Cash paid (received)	$ 3,798	$ 3,911	$ (478)

The acquisitions were accounted for using the purchase method whereby identifiable assets acquired and liabilities assumed were recorded at their estimated fair value as of the date of acquisition. The excess of the purchase price over such fair value was recorded as goodwill. Acquired technology includes current and core technology.

9. INCOME TAXES

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

<TABLE>
<CAPTION>

For the year ended			
March 4, 2006	February 26, 2005	February 28, 2004	
<S>	<C>	<C>	<C>
Statutory Canadian tax rate	36.1%	36.1%	36.5%
Expected income tax provision	$ 175,565	$ 25,703	$ 17,394
Differences in income taxes resulting from:			
Manufacturing and processing activities	(7,143)	(1,053)	(900)
Increase (decrease) in valuation allowance	-	(142,852)	29,100
Investment tax credits	(53,385)	(13,652)	-
Foreign exchange	597	(2,782)	3,820
Foreign tax rate differences	(8,162)	(5,444)	(45,088)
Enacted tax rate changes	-	-	(9,743)
Other differences	(3,493)	(2,146)	1,217
$ 103,979	$ (142,226)	$ (4,200)	

</TABLE>

<TABLE>
<CAPTION>

For the year ended			
March 4, 2006	February 26, 2005	February 28, 2004	
<S>	<C>	<C>	<C>
Income before income taxes:			
Canadian	$ 450,287	$ 55,136	$ 29,309
Foreign	35,770	16,025	18,320
$ 486,057	$ 71,161	$ 47,629	

</TABLE>

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

<TABLE>
<CAPTION>

For the year ended			
March 4, 2006	February 26, 2005	February 28, 2004	
<S>	<C>	<C>	<C>
Provision for (recovery of) income taxes:			
Current			
Canadian	$ 11,608	$ 655	$ 484
Foreign	2,907	770	(4,684)
Deferred			
Canadian	93,006	(142,070)	-
Foreign	(3,542)	(1,581)	-
$ 103,979	$ (142,226)	$ (4,200)	

</TABLE>

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

As at		
March 4, 2006	February 26, 2005	
Assets		
Financing costs	$ 6,378	$ 8,727
Non-deductible reserves	16,166	7,370
Reserve related to NTP litigation (note 15)	-	92,837
Research and development incentives	82,712	42,920
Tax loss carryforwards	11,201	10,009
Other tax carryforwards	5,276	-
Net deferred income tax assets	$ 121,733	$ 161,863
Liabilities		
Capital assets	46,193	4,313
Unrealized gains on financial instruments	8,609	5,070
Other tax carryforwards	-	2,280
	54,802	11,663
Net deferred income tax	$ 66,931	$ 150,200
Deferred income tax asset - current	$ 94,789	$ 150,200
Deferred income tax liability - long-term	(27,858)	-
	$ 66,931	$ 150,200

The Company determined that it was more likely than not that it can realize its deferred income tax assets. Accordingly, a valuation allowance of $nil is required on its deferred income tax assets (February 26, 2005 - $nil). The Company will continue to evaluate and examine the valuation allowance on a regular basis and as future events unfold 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 earnings of its non-Canadian subsidiaries, since these earnings are intended to be reinvested indefinitely.

10. LONG-TERM DEBT

At March 4, 2006, long-term debt consisted of mortgages with interest rates ranging between 6.88% and 7.90%, against which certain land and building are pledged as collateral. The carrying value of the collateral at March 4, 2006 is $10,830. All mortgage loans are denominated in Canadian dollars and mature on March 1, 2009.

Interest expense on long-term debt for the year was $483 (February 26, 2005 - $460; February 28, 2004 - $771).

The scheduled long-term debt principal payments for the fiscal years 2007 through to maturity are as follows:

For the years ending	
2007	$ 262
2008	281
2009	301
2010	6,269
	$ 7,113

As at March 4, 2006, the Company has a $70 million Letter of Credit Facility ("the Facility") with a Canadian financial institution and utilized $48 million of the Facility to post a Standby Letter of Credit ("LC") in order to secure the Company's liability and funding obligation in the NTP matter as described in note 15. The Company has utilized an additional $15.6 million of the Facility to secure other operating and financing requirements. As at March 4, 2006, $6.4 million of the Facility was unused. The Company has pledged specific investments as security for this Facility.

As a result of the settlement of the NTP matter as described in note 15, the Company cancelled the LC with respect to the funding obligation in the NTP matter, on March 6, 2006, subsequent to the fiscal 2006 year end.

The Company has additional credit facilities in the amount of $17.7 million to support and secure other operating and financing requirements; as at March 4, 2006, $16.3 million of these facilities were unused. A general security agreement and a general assignment of book debts have been provided as collateral for these facilities.

11. CAPITAL STOCK

(a) Share capital

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. There are no Class A common shares or preferred shares outstanding.

The Company declared an effective two-for-one stock split in the form of a one-for-one stock dividend payable on June 4, 2004 for all shareholders of record as at close of business on May 27, 2004. All common shares, earnings per share and stock option data for the current, year-to-date and prior comparative periods have been adjusted to reflect this stock dividend. In addition, the effect of this stock dividend doubled the number of stock options outstanding and reduced the exercise prices of these stock options by half of the original exercise price.

The following details the changes in issued and outstanding common shares and common share purchase warrants for the three years ended March 4, 2006:

Number Outstanding (000's)		
	Common shares	Common share purchase warrants
Balance as at March 1, 2003	154,344	150
Exercise of stock options	6,258	-
Exercise of warrants	78	(150)
Common shares issued pursuant to public share offering	24,150	-
Balance as at February 28, 2004	184,830	-
Exercise of stock options	4,655	-
Balance as at February 26, 2005	189,485	-
Exercise of stock options	2,837	-
Common shares repurchased pursuant to Common Share Repurchase Program	(6,320)	-
Balance as at March 4, 2006	186,002	-

<TABLE>
<CAPTION>
Share Capital

	Common shares	Common share purchase warrants	Total
<S>	<C>	<C>	<C>
Balance as at March 1, 2003	$ 874,007	$ 370	$ 874,377
Exercise of stock options	49,771	-	49,771
Exercise of warrants	370	(370)	-
Common shares issued pursuant to public share offering, net of related costs	905,240	-	905,240
Balance as at February 28, 2004	1,829,388	-	1,829,388
Exercise of stock options	54,151	-	54,151
Deferred income tax benefit attributable to fiscal 2004 financing costs	8,727	-	8,727
Balance as at February 26, 2005	1,892,266	-	1,892,266
Exercise of stock options	23,269	-	23,269
Common shares repurchased pursuant to Common Share Repurchase Program	(62,981)	-	(62,981)
Issuance of restricted share units	159	-	159
Balance as at March 4, 2006	$ 1,852,713	$ -	$ 1,852,713

</TABLE>

On October 11, 2005, the Company's Board of Directors approved the repurchase by the Company, from time to time, on the NASDAQ National Market, of up to an aggregate of 9.5 million common shares during the subsequent 12 month period. This represents approximately 5% of the Company's outstanding shares.

During the third quarter of fiscal 2006, the Company repurchased 6.3 million common shares pursuant to the Common Share Repurchase Program at a cost of $391,212. The amount paid in excess of the per share paid-in capital of the common shares of $328,231 was charged to retained earnings. All common shares repurchased by the Company pursuant to the Common Share Repurchase Program have been cancelled.

During fiscal 2005 and as described in note 9, the Company determined that it was more likely than not it can realize its deferred income tax assets and therefore recognized a deferred income tax asset of $8,727 with respect to fiscal 2004 share issue financing costs.

On January 22, 2004, the Company completed a public share issue of 24.2 million common shares for proceeds of $905,240, net of related issue costs of $39,629.

During fiscal 2004, the Company's share purchase warrants were redeemed and converted into common shares.

(b) Stock option plan

The Company has an incentive stock option plan for all of its directors, officers and employees. The stock options are issued with an exercise price in either Canadian or U.S. dollars. The exercise price is equal to the fair market value of the Company's common shares at the date of grant. These stock options generally vest over a period of five years and are exercisable for a maximum of ten years after the grant date. As at March 4, 2006, there were 8,961 stock options outstanding with exercise prices ranging from $1.22 to $88.97. Stock options issued and outstanding for 4,253 common shares are vested as at March 4, 2006 and there are 5,638 common shares available for future grants under the stock option plan.

A summary of option activity since March 1, 2003 is shown below:

	Options Outstanding	
	Number (in 000's)	Weighted Average Exercise Price
Balance as at March 1, 2003	20,202	$ 9.15
Granted during the year	3,148	15.17
Exercised during the year	(6,258)	7.06
Forfeited during the year	(1,074)	13.98
Balance as at February 28, 2004	16,018	$ 10.82
Granted during the year	315	58.45
Exercised during the year	(4,655)	10.19
Forfeited during the year	(527)	10.49
Balance as at February 26, 2005	11,151	$ 12.44
Granted during the year	911	72.11
Exercised during the year	(2,837)	6.81
Forfeited during the year	(264)	11.11
Balance as at March 4, 2006	8,961	$ 20.33

The weighted-average characteristics of options outstanding as at March 4, 2006 are as follows:

<TABLE>
<CAPTION>

Stock options Outstanding (000's)			Stock options Exercisable (000's)		
Range of exercise prices	Number Outstanding at March 4, 2006	Weighted average remaining life in years	Weighted average exercise price	Number Outstanding at March 4, 2006	Weighted average exercise price
<C>	<C>	<C>	<C>	<C>	<C>
$1.22 - $1.81	1,151	0.94	$ 1.27	1,151	$ 1.27
$1.94 - $2.83	72	1.88	2.31	72	2.31
$4.49 - $6.56	254	3.18	5.22	97	5.11
$6.77 - $10.15	2,601	3.58	8.17	702	8.35
$10.19 - $15.26	1,964	2.82	11.37	1,034	11.25
$15.40 - $22.92	390	2.69	18.93	179	18.99
$23.17 - $34.57	543	1.78	26.71	520	26.44
$34.82 - $51.65	853	4.19	39.57	419	39.66
$52.61 - $77.87	1,035	6.00	69.66	68	57.82
$78.94 and over	98	6.09	81.29	11	82.54
Total	8,961	3.27	$ 20.33	4,253	$ 13.69

</TABLE>

For stock options issued in Canadian dollars, the above ranges are translated using the average foreign exchange rate applicable in the year of grant.

(c) Restricted share units

The Company issued 7,800 RSU's during the year and the total number of RSU's outstanding as at March 4, 2006 was 7,800 (February 26, 2005 - nil).

12. COMMITMENTS AND CONTINGENCIES

(a) Lease commitments

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

	Real Estate	Equipment and other	Total
For the years ending			
2007	$ 2,974	$ 485	$ 3,459
2008	3,606	416	4,022
2009	4,696	113	4,809
2010	4,560	-	4,560
2011	4,435	-	4,435
Thereafter	33,406	-	33,406
	$ 53,677	$ 1,014	$54,691

For the year ended March 4, 2006, the Company incurred rental expense of $5,767 (February 26, 2005 - $3,023; February 28, 2004 - $2,197).

(b) Other Litigation

In November 2003, Inpro II Licensing S.a.r.l. ("Inpro II") filed an action in the United States District Court for the District of Delaware (the "U.S. Inpro Action") asserting United States Patent No. 6,523,079 against both RIM and one of its customers. RIM was successful in the District Court, and the matter was heard on appeal on December 8, 2005 at the Federal Circuit. A decision is expected within six months. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to the U.S. Inpro Action is not determinable. Accordingly, no amount has been recorded in these consolidated financial statements as at March 4, 2006.

Eatoni Ergonomics, Inc. ("Eatoni") has alleged that RIM's BlackBerry 7100 Series infringes the claims of United States Patent No. 6,885,317, titled "Touch-Typable Devices Based On Ambiguous Codes And Methods To Design Such Devices". Proceedings are currently pending in United States District Court for the Northern District of Texas (Dallas Division). At this time, the likelihood of damages o r recoveries and the ultimate amount, if any, with respect to this action is not determinable. Accordingly, no amount has been recorded in these consolidated financial statements as at March 4, 2006.

On May 16, 2005, Antor Media Corporation ("Antor") filed a complaint in the United States District Court for the Eastern District of Texas, Marshall Division, against RIM's U.S. subsidiary, Research

In Motion Corporation, along with 11 other defendants, alleging infringement of United States Patent No. 5,734,961 (the "961 Patent") titled "Methods and Apparatus for Transmitting Information Recorded on Information Storage Means from a Central Server to Subscribers via a High Data Rate Digital Telecommunications Network". RIM has responded to the complaint by denying that the 961 patent is valid and/or infringed. Court ordered mediation has been set for May 9 and 10, 2006 and a trial date has been set for March 12, 2007. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to the Antor action is not determinable. Accordingly, no amount has been recorded in these consolidated financial statements as at March 4, 2006.

On August 31, 2005, Morris Reese ("Reese") filed a complaint in the United States District Court for the Eastern District of Texas, Marshall Division, against Research In Motion Corporation, along with 7 other defendants alleging infringement of United States Patent No. 6,427,009 (the "009 Patent"). During the third quarter of fiscal 2006, RIM responded to the complaint by denying the 009 Patent is valid and/or infringed. A trial date has been set for March 12, 2007. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to the Reese action is not determinable. Accordingly, no amount has been recorded in these consolidated financial statements as at March 4, 2006.

By letter dated February 16, 2004, T-Mobile Deutschland GmbH ("TMO-DG") and T-Mobile International AG (collectively, "TMO") served RIM's wholly-owned UK subsidiary, Research In Motion UK Limited ("RIM-UK"), with a third party notice in relation to litigation in Germany (the "Neomax Litigation") in which the plaintiff, Neomax Co., Ltd. ("Neomax"), formerly Sumitomo Special Metals Co., Ltd., brought an action against TMO in relation to cell phones sold by TMO in Germany for alleged infringement of a European Patent purportedly owned by Neomax, which in very general terms, relates to magnets installed as components in cell phones. On February 16, 2006, a partial judgement was issued by the Court of Appeals in Dusseldorf which rejected Neomax's damage claim based upon negligent patent infringement and ordered the scheduling of further evidentiary proceedings. In light of the appellate court's ruling on damages, it is not anticipated the Company will be involved in these further evidentiary proceedings. On April 3, 2006, Neomax filed an appeal before the German Federal Supreme Court for Civil Matters (BGH) seeking to overturn the partial judgment by the Court of Appeals in Dusseldorf. A decision on the BGH appeal is expected within twelve months. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to the Neomax Litigation (or any related litigation) is not determinable. Accordingly, no amount has been recorded in these consolidated financial statements as at March 4, 2006.

On May 9, 2005, RIM-UK filed an action against Inpro Licensing S.a.r.l. ("Inpro") in the High Court of Justice (Chancery Division, Patents Court) (the "High Court") in London, England. The action seeks a declaration that the UK patent, designated under European Patent EP 0892947B1 ("the B1 Patent"), is invalid and an order that the patent be revoked. On February 2, 2006, the High Court ruled in favor of RIM that all patent claims in the B1 Patent are invalid. Inpro may seek permission to appeal the decision to the Court of Appeal. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to this litigation (or any related litigation) is not determinable. Accordingly, no amount has been recorded in these consolidated financial statements

as at March 4, 2006.

By letter dated February 3, 2005 (the "Letter"), TMO-DG delivered to RIM-UK notice of a claim for indemnity in relation to litigation in Dusseldorf, Germany in which the plaintiff, Inpro, brought action against TMO-DG (the "Litigation") for infringement of the B1 Patent. The Company joined the Litigation as an intervening party in support of the defendant TMO-DG. On January 27, 2006, the court declared the B1 Patent invalid. The decision is still subject to appeal, but no appeal has been filed to-date. On March 21, 2006, the court stayed the infringement action until a final decision on validity has been made. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to the Litigation (or any related litigation) is not determinable. Accordingly, no amount has been recorded in these consolidated financial statements as at March 4, 2006.

On November 28, 2005, Barry Thomas filed a complaint in the United States District Court for the Western District of North Carolina, Charlotte Division, against RIM Corporation, along with eight other defendants alleging infringement of United States Patent No. 4,777,354 titled, "System for Controlling the Supply of Utility Services to Consumers." A final settlement agreement was entered into by RIM and Thomas on March 14, 2006. The amount of the settlement is immaterial to these financial statements and was paid by RIM on March 14, 2006. Thomas agreed to a dismissal of the litigation and all claims against RIM and its customers as part of the settlement and the action has been dismissed.

On May 1, 2006, Visto Corporation ("Visto") filed a complaint in the United States District Court for the Eastern District of Texas, Marshall Division, against the Company alleging infringement of four patents (United States Patent No. 6,023,708, 6,085,192, 6,151,606 and 6,708,221) and seeking an injunction and monetary damages. The Company believes it does not infringe Visto's patents and will file its legal response in due course. In addition to challenging validity and infringement, RIM will now also consider asserting its own patents against Visto. On May 1, 2006, RIM filed a declaratory judgment complaint against Visto in the United States District Court for the Northern District of Texas (Dallas Division) alleging the Patent Nos. 6,085,192; 6,151,606; and 6,708,221 are invalid and/or not infringed. At this time, the likelihood of damages or recoveries and the ultimate amounts, if any, with respect to this litigation is not determinable. Accordingly, no amount has been recorded in these consolidated financial statements as at March 4, 2006.

From time to time, the Company is involved in other claims in the normal course of business. 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.

13. PRODUCT WARRANTY

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

The change in the Company's accrued warranty obligations from March 1, 2003 to March 4, 2006 was as follows:

Accrued warranty obligations at March 1, 2003	$ 5,170
Actual warranty experience during fiscal 2004	(3,946)
Fiscal 2004 warranty provision	8,648
Adjustments for changes in estimate	(626)
Accrued warranty obligations at February 28, 2004	$ 9,246
Actual warranty experience during fiscal 2005	(6,133)
Fiscal 2005 warranty provision	24,732
Adjustments for changes in estimate	(13,188)
Accrued warranty obligations at February 26, 2005	$ 14,657
Actual warranty experience during fiscal 2006	(24,669)
Fiscal 2006 warranty provision	28,180
Adjustments for changes in estimate	4,219
Accrued warranty obligations at March 4, 2006	$ 22,387

14. GOVERNMENT ASSISTANCE

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

Funding from TPC for the first agreement ("TPC-1") totalled $3,900 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 $6,100. The Company has recorded $nil on account of TPC royalty repayment expense with respect to TPC-1 during fiscal 2006 (February 26, 2005 - $nil; February 28, 2004 - $2,530). The final repayment with respect to TPC-1 was made during the first quarter of fiscal 2005.

The second agreement with TPC is for a development project ("TPC-2") under which total contributions from TPC have been $23,300. The Company has fulfilled all prerequisite funding conditions and recorded all of the contributions as at February 28, 2004. This contribution will be repayable to TPC in the form of a royalty of 2.2% on gross business revenues, subject to certain annual maximum amounts through fiscal 2015, not exceeding $39,300. The Company has recorded $1,929 on account of TPC royalty repayment expense with respect to TPC-2 during fiscal 2006 (February 26, 2005 - $nil; February 28, 2004 - $nil).

15. LITIGATION

The Company was the defendant in a patent litigation matter brought by NTP, Inc. ("NTP") alleging that the Company infringed on eight of NTP's patents.

The matter went to trial in 2002 in the United States District Court for the Eastern District of Virginia ("the District Court"), and the jury issued a verdict in favor of NTP. In 2003, the District Court ruled on NTP's request for an injunction with respect to RIM continuing to sell BlackBerry devices, software and service in the United States. The District Court granted NTP the injunction requested; however, the District Court then immediately granted RIM's request to stay the injunction sought by NTP pending the completion of RIM's appeal. In December 2004, the Court of Appeals for the Federal Circuit (the "CAFC") ruled on the appeal by the Company of the District Court's judgment. In August 2005, the CAFC granted RIM's request to reconsider the December 2004 decision. The CAFC's August 2005 decision vacated the District Court's judgment and the injunction, and remanded the case to the District Court for further proceedings consistent with the CAFC's ruling. Further court proceedings followed.

For the year ended February 28, 2004, the Company recorded charges with respect to the NTP matter totaling $35.2 million to fully provide for enhanced compensatory damages, current and estimated future costs with respect to ongoing legal and professional fees, prejudgment interest, and postjudgment interest for the period August 6, 2003 to February 28, 2004. The $36.3 million attributable to enhanced compensatory damages and postjudgment interest was classified as Restricted cash on the Consolidated Balance Sheets as at February 28, 2004.

On March 16, 2005, the parties jointly announced the signing of a binding Term Sheet to resolve all current litigation between them. The parties announced that RIM would pay NTP $450 million in final and full resolution of all claims to date against RIM, as well as a fully-paid up license going forward. During fiscal 2005, the Company recorded an incremental expense of $352.6 million to adjust the total NTP provision to the resolution amount plus current and estimated legal, professional and other fees, less the previous cumulative quarterly provisions for enhanced compensatory damages, prejudgment interest, plaintiff's attorney fees, estimated postjudgment interest, and current and estimated future costs with respect to legal and other professional fees, and the acquisition of a $20 million intangible asset. The $76.2 million attributable to enhanced compensatory damages and postjudgment interest with respect to fiscal 2005 was classified as Restricted cash on the Consolidated Balance Sheets as at February 26, 2005.

On June 9, 2005, RIM announced that, due to an impasse in the process of finalizing a definitive licensing and settlement agreement, RIM would take court action to enforce the Term Sheet. Further court proceedings followed. On November 30, 2005, the District Court ruled that the March 2005 settlement was not enforceable. During the third quarter of fiscal 2006, the Company recorded an expense of $26.2 million to account for incremental current and estimated future legal and professional fees in the amount of $7.9 million as well as an accrual in the amount of $18.3 million to write-off the intangible asset following the November 30, 2005 ruling.

On December 16, 2005, the District Court issued a scheduling order which requested initial briefs by both parties on these matters by January 17, 2006 with responses by both parties and the U.S. federal government due by February 1, 2006 on the question of damages and an injunction in light of the CAFC's August 2005 ruling. A hearing was convened on February 24, 2006 at the District Court.

On March 3, 2006, the Company and NTP jointly announced that they signed definitive licensing and settlement agreements. All terms of the agreement were finalized and the litigation against RIM was dismissed by a court order on March 3, 2006. The agreement eliminated the need for any further court proceedings or decisions relating to damages or injunctive relief. On March 3, 2006, RIM paid NTP $612.5 million in full and final settlement of all claims against RIM, as well as for a perpetual, fully-paid up license going forward. This amount included money already escrowed by RIM as of March 3, 2006.

The licensing and settlement agreement relates to all patents owned and controlled by NTP and covers all of RIM's products, services and technologies. NTP granted RIM an unfettered right to continue its business, including its BlackBerry related business. The resolution permits RIM and its partners to sell RIM products and services completely free and clear of any claim by NTP, including any claims that NTP may have against wireless carriers, channel partners, suppliers or customers in relation to RIM products or services, (including BlackBerry Connect and BlackBerry Built-In technology), or in relation to third party products and services, to the extent they are used in connection with RIM products and services.

As at February 26, 2005, RIM had accrued $450.0 million in respect of the NTP litigation which included an intangible asset of $20.0 million. As the full and final settlement amount paid on March 3, 2006 was $612.5 million, an additional charge to earnings in the amount of $162.5 million was recorded in the fiscal 2006 operating results. During fiscal 2006, the United States Patent and Trademark Office (the "Patent Office") issued various office actions rejecting all claims in all NTP patents. Accordingly, though the rulings of the Patent Office are subject to appeal by NTP, given the conclusions and the strength of the conclusions reached by the Patent Office, no value has been ascribed to the NTP license. This resulted in an additional charge to earnings of $18.3 million reflecting the book value of the intangible asset at the time the original binding term sheet was ruled unenforceable. The charge of $162.5 million, the write-off of the intangible asset of $18.3 million as well as incremental legal and professional fees in respect of the litigation resulted in a charge to earnings of $201.8 million in fiscal 2006.

16. EARNINGS PER SHARE

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

<TABLE>
<CAPTION>

For the year ended	March 4, 2006	February 26, 2005	February 28, 2004
<S>	<C>	<C>	<C>
Net income for basic and diluted earnings per share available to common shareholders	$ 382,078	$ 213,387	$ 51,829
Weighted-average number of shares outstanding (000's) - basic	188,914	187,653	159,300
Effect of dilutive securities: Employee stock options	6,028	8,786	8,080
Weighted-average number of shares and assumed conversions - diluted	194,942	196,439	167,380
Earnings per share - reported			
Basic	$ 2.02	$ 1.14	$ 0.33
Diluted	$ 1.96	$ 1.09	$ 0.31

</TABLE>

17. COMPREHENSIVE INCOME

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

<TABLE>
<CAPTION>

For the year ended			
March 4, 2006	February 26, 2005	February 28, 2004	
<S>	<C>	<C>	<C>
Net income	$ 382,078	$ 213,387	$ 51,829
Net change in unrealized gains (losses) on available-for-sale investments	(5,888)	(18,357)	1,854
Net change in derivative fair value during the year, net of income taxes of $9,539 (February 26, 2005 - $10,429; February 28, 2004 - $nil)	18,029	8,446	11,941
Amounts reclassified to earnings during the year, net of income taxes of $6,000 (February 26, 2005 - $5,359; February 28, 2004 - $nil)	(11,344)	(4,340)	(9,912)
Comprehensive income	$ 382,875	$ 199,136	$ 55,712

</TABLE>

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

<TABLE>
<CAPTION>

For the year ended			
March 4, 2006	February 26, 2005	February 28, 2004	
<S>	<C>	<C>	<C>
Accumulated net unrealized gains (losses) on available-for-sale investments	$ (18,233)	$ (12,345)	$ 6,012
Accumulated net unrealized gains on derivative instruments	16,259	9,574	5,468
Total accumulated other comprehensive income (loss)	$ (1,974)	$ (2,771)	$ 11,480

</TABLE>

18. SUPPLEMENTAL INFORMATION

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

<TABLE>
<CAPTION>

March 4, 2006	February 26, 2005	February 28, 2004
<S>	<C>	<C>	<C>
Trade receivables	$ (87,528)	$ (126,177)	$ (59,029)
Other receivables	(18,727)	(7,326)	(2,992)
Inventory	(42,034)	(49,653)	(11,561)
Other current assets	(11,876)	(1,346)	512
Accounts payable	11,031	32,894	16,976
Accrued liabilities	57,134	16,528	16,123
Accrued litigation and related expenses	(435,610)	351,218	33,690
Restricted cash	111,978	(75,717)	(36,261)
Income taxes payable	14,435	1,465	(3,225)
Deferred revenue	4,733	(263)	2,162
$ (396,464)	$ 141,623	$ (43,605)

</TABLE>

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

<TABLE>
<CAPTION>

For the year ended March 4, 2006	February 26, 2005	February 28, 2004
<S>	<C>	<C>	<C>
Interest paid during the year	$ 483	$ 460	$ 770
Income taxes paid (refunded) during the year	2,449	879	(196)

</TABLE>

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

	March 4, 2006	February 26, 2005
Marketing costs	$ 26,892	$ 19,613
Warranty (note 13)	22,387	14,657
Royalties	17,683	11,726
Incentive	8,017	-
Airtime purchase costs	1,793	6,932
Other	68,140	34,205
	$ 144,912	$ 87,133

(d) Other information

Advertising expense, which includes media, agency and promotional expenses totalling $32,606 (February 26, 2005 - $29,208; February 28, 2004 - $18,206) is included in Selling, marketing and administration expense.

Selling, marketing and administration expense for the fiscal year includes a foreign currency exchange loss of $2,519 (February 26, 2005 - gain of $418; February 28, 2004 - gain of $2,156).

19. FINANCIAL INSTRUMENTS

Values of financial instruments outstanding were as follows:

March 4, 2006

Assets (Liabilities)	Notional Amount	Carrying Amount	Estimated Fair Value
Cash and cash equivalents	$ -	$ 459,540	$ 459,540
Available-for-sale investments	-	789,862	789,862
Long-term debts	-	(7,113)	(7,322)
Currency forward contracts	375,253	24,482	24,482

February 26, 2005

Assets (Liabilities)	Notional Amount	Carrying Amount	Estimated Fair Value
Cash and cash equivalents	$ -	$ 610,354	$ 610,354
Available-for-sale investments	-	1,069,363	1,069,363
Long-term debt	-	(6,727)	(7,079)
Currency forward contracts	295,761	14,597	14,597

For the Company's trade receivables, other receivables, accounts payable and accrued liabilities, the fair values approximate their respective carrying amounts due to their short maturities. The fair value of investments has been estimated based upon market quotes from an independent pricing service. The fair value of foreign currency forward contracts has been estimated using market quoted rates of foreign currencies. The fair value of long-term debt has been estimated using market quoted interest rates. The estimates presented herein are not necessarily indicative of the amounts that RIM could realize in a current market exchange. Changes in assumptions could have a significant effect on the estimates.

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 2006 are transacted in U.S. dollars. Portions of the revenues are denominated in Canadian dollars, Euros and British Pounds. Purchases of raw materials are primarily transacted in U.S. dollars. Other expenses, consisting of the majority of salaries, certain operating costs and all manufacturing overhead, are incurred primarily in Canadian dollars. At March 4, 2006 approximately 5% of cash and cash equivalents, 28% of trade receivables and 19% of accounts payable and accrued liabilities are denominated in foreign currencies (February 26, 2005 - 2%, 42% and 22%, respectively). These foreign currencies include the Canadian dollar, British Pound and Euro.

As part of its risk management strategy, the Company maintains net monetary asset and/or liability balances in foreign currencies and engages in foreign currency hedging activities using derivative financial instruments, including forward foreign currency contracts and options. The Company does not use derivative instruments for speculative purposes.

To hedge exposures relating to foreign currency anticipated transactions, the Company has entered into forward contracts to sell U.S. dollars and purchase Canadian dollars. These contracts have been designated as cash flow hedges, with the resulting changes in fair value recorded in other comprehensive income, and subsequently reclassified to earnings in the period in which the cash flows from the associated hedged transactions affect earnings. The maturity dates of these instruments range from March 2006 through to April 2008. These cash flow hedges were fully effective at March 4, 2006. As at March 4, 2006, the unrealized gain on these forward contracts was approximately $24,868 (February 26, 2005 - $14,644; February 28, 2004 - $5,468). These amounts were included in Other current assets and Accumulated other comprehensive income. In fiscal 2007, $16,398 of the unrealized gains on the forward contracts will be reclassified to earnings. These derivative gains or losses are reclassified to earnings in the same period that the forecasted transaction affects earnings.

To hedge exposure relating to foreign currency denominated long-term debt, the Company has entered into forward contracts to sell U.S. dollars and purchase Canadian dollars. These contracts have been designated as fair value hedges, with gains and losses on the hedge instruments being recognized in earnings each period, offsetting the change in the U.S. dollar value of the hedged liability. The maturity dates of these instruments are in March 2006. As at March 4, 2006, a gain of $18 was recorded in respect of this amount (February 26, 2005 - gain of $482; February 28, 2004 - loss of $69). This amount was included in Selling, marketing and administration.

To hedge exposure relating to foreign currency cash and receivable balances, the Company has entered into forward contracts to sell Canadian dollars, Euros, British Pounds and Hungarian Forint and purchase U.S. dollars. These contracts have been designated as fair value hedges, with gains and losses on the hedge instruments being recognized in earnings each period, offsetting the change in the U.S. dollar value of the hedged assets. The maturity dates of these instruments are in March, 2006. As at March 4, 2006, a loss of $404 was recorded in respect of this amount (February 26, 2005 - loss of $529; February 28, 2004 - $nil). This amount was included in Selling, marketing and administration.

The Company is exposed to credit risk on derivative financial instruments arising from the potential for counterparties to default on their contractual obligations to the Company. The Company minimizes this risk by limiting counterparties to major financial institutions and by continuously monitoring their creditworthiness. As at March 4, 2006, the maximum exposure to a single counterparty was 40% of outstanding derivative instruments (February 26, 2005 - 38%).

The Company is exposed to market and credit risk on its investment portfolio. The Company limits this risk by investing only in liquid, investment grade securities and by limiting exposure to any one entity or group of related entities. As at March 4, 2006, no single issuer represented more than 12%.

of the total cash, cash equivalents and investments (February 26, 2005 - no single issuer represented more than 9% of the total cash, cash equivalents and investments).

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

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 for doubtful accounts as at March 4, 2006 is $1,551 (February 26, 2005 - $1,697).

While the Company sells its products and services to a variety of customers, three customers comprised 18%, 13% and 13% of trade receivables as at March 4, 2006 (February 26, 2005 - two customers comprised 23% and 12%). Additionally, four customers comprised 19%, 16%, 12% and 12% of the Company's revenue (February 26, 2005 - four customers comprised 14%, 13%, 13% and 10%; February 28, 2004 - two customers comprised 15% and 13%).

20. SEGMENT DISCLOSURES

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

Selected financial information is as follows:

For the year ended			
	March 4, 2006	February 26, 2005	February 28, 2004
Revenue			
Canada	$ 178,556	$ 123,853	$ 54,847
United States	1,335,402	914,364	446,000
Other	551,887	312,230	93,769
	$ 2,065,845	$ 1,350,447	$ 594,616
Revenue			
Canada	8.6%	9.2%	9.2%
United States	64.7%	67.7%	75.0%
Other	26.7%	23.1%	15.8%
	100.0%	100.0%	100.0%

For the year ended			
Revenue mix	March 4, 2006	February 26, 2005	February 28, 2004
Devices	$ 1,439,674	$ 933,989	$ 343,154
Service	383,021	235,015	171,215
Software	156,556	131,811	47,427
Other	86,594	49,632	32,820
	$ 2,065,845	$ 1,350,447	$ 594,616

As at		
	March 4, 2006	February 26, 2005
Capital assets, intangible assets and goodwill		
Canada	$ 398,965	$ 290,691
United States	26,378	26,216
Other	15,925	5,971
	$ 441,268	$ 322,878
Total assets		
Canada	$ 745,691	$ 679,309
United States	629,980	829,534
Other	936,485	1,112,151
	$ 2,312,156	$ 2,620,994

21. SUBSEQUENT EVENT

On March 9, 2006, the Company completed the acquisition of 100% of the capital stock of Ascendent Systems Inc. ("Ascendent"). Ascendent specializes in enterprise solutions to simplify voice mobility implementations. The purchase price allocation will be finalized in fiscal 2007.

22. COMPARATIVE FIGURES

Certain of the prior years' figures have been reclassified to conform to the current year presentation.

Document No. 3

RESEARCH IN MOTION LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FISCAL YEAR ENDED MARCH 4, 2006 COMPARED TO THE FISCAL YEAR ENDED FEBRUARY 26, 2005

May 10, 2006

Research in Motion Limited
Management's Discussion and Analysis of Financial Condition
and Results of Operations
For the Fiscal Year Ended March 4, 2006

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 4, 2006. The Consolidated Financial Statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP").

All financial information herein is presented in United States dollars, except for certain financial information contained in tables which is expressed in thousands of United States dollars, and as otherwise indicated.

RIM has prepared the MD&A with reference to National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators. This MD&A provides information for the fiscal year ended March 4, 2006 and up to and including May 10, 2006.

Additional information about the Company, including the Company's Annual Information Form, can be found on SEDAR at www.sedar.com and on the U.S. Securities and Exchange Commission's ("SEC") website at www.sec.gov.

Special Note Regarding Forward-Looking Statements

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

o the Company's expectations regarding the average selling price ("ASP") of its BlackBerry devices and the monthly average revenue per unit ("ARPU") for service;

o the Company's estimate regarding revenue sensitivity for the effect of a change in ASP on its device revenue;

o the Company's estimates regarding earnings sensitivity relating to warranty expense;

o the Company's estimates of purchase obligations and other contractual commitments; and

o the Company's expectations with respect to the sufficiency of its financial resources.

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

o 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;
- RIM's ability to enhance current products and develop and introduce new products;
- the efficient and uninterrupted operation of RIM's network operations center and the networks of its carrier partners;
- RIM's ability to establish new, and to build on existing, relationships with its network carrier partners and licensees;
- RIM's dependence on its carrier partners to grow its BlackBerry subscriber base and to accurately report subscriber account activations and deactivations to RIM on a timely basis;
- fluctuations in RIM's quarterly financial results and difficulties in forecasting the growth rate for BlackBerry subscribers;
- the occurrence or perception of a breach of RIM's security measures, or an inappropriate disclosure of confidential or personal information;
- 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;
- the continued quality and reliability of RIM's products;
- RIM's reliance on its suppliers for functional components and the risk that suppliers will not be able to supply components on a timely basis or in sufficient quantities;
- effective management of growth and ongoing development of RIM's service and support operations;
- risks associated with acquisitions;
- risks associated with RIM's expanding foreign operations;
- RIM's dependence on a limited number of significant customers;
- reduced spending by customers due to the uncertainty of economic and geopolitical conditions;
- dependence on key personnel, and RIM's ability to attract and retain key personnel;
- reliance on third-party network infrastructure developers and software platform vendors;
- foreign exchange risks;
- changes in interest rates affecting RIM's investment portfolio and the creditworthiness of its investment portfolio;
- RIM's ability to manage production facilities and its reliance on third-party manufacturers for certain products;
- risks associated with short product life cycles;
- government regulation of wireless spectrum and radio frequencies;
- restrictions on import of RIM's products in certain countries due to encryption of the products;
- the costs and burdens of compliance with new government regulations;
- continued use and expansion of the Internet;
- regulation, certification and health risks; and
- tax liabilities, resulting from changes in tax laws or otherwise, associated with RIM's worldwide operations.

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.

Overview

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

Sources of Revenue

RIM's primary revenue stream is its BlackBerry wireless platform, which includes sales of wireless devices, software and service. The BlackBerry wireless platform provides users with a wireless extension of their work and personal email accounts, including Microsoft(R) Outlook(R), Lotus Notes(R), Novell(R) GroupWise(R), MSN(R)/Hotmail, POP3/ISP email and others.

RIM generates revenues from sales, primarily to carriers, of BlackBerry wireless devices, which provide users with the ability to send and receive wireless messages and data. RIM's BlackBerry wireless devices also incorporate a mobile phone, a personal information manager (PIM) including contact, calendar, tasks and memo functionality, which can synchronize with the user's desktop PIM system, and web-browsing capability.

RIM generates revenues from service billings to its BlackBerry subscriber base primarily from a monthly infrastructure access fee to a carrier/distributor where a carrier or other distributor bills the BlackBerry subscriber. The BlackBerry subscriber 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 the subscriber account should have an active status. That carrier is charged a service fee for each subscriber account each month regardless of the amount of data traffic the subscriber passes over the BlackBerry architecture. If a carrier informs RIM to deactivate the subscriber account, then RIM no longer includes that subscriber account in its BlackBerry subscriber account base and ceases billing from the date of notification of 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, the carrier's responsibility to report changes to the subscriber account status on a timely basis to RIM. The number of subscriber accounts is a non-financial metric and is intended to highlight the change in RIM's subscriber base and should not be relied upon as an indicator of RIM's financial performance. The number of subscriber accounts does not have any standardized meaning prescribed by U.S. GAAP and may not be comparable to similar metrics presented by other companies.

An important part of RIM's BlackBerry wireless platform is the software that is installed on corporate servers and/or desktop personal computers. Software revenues include fees from (i) licensing RIM's BlackBerry Enterprise Server(TM) ("BES") software; (ii) client access licenses ("CALs"), which are charged for each subscriber using the BlackBerry service; and (iii) maintenance and upgrades to software.

RIM's BlackBerry licensing program enables mobile device manufacturers to equip their handsets with the integrated ability to connect to a BES and transport data using BlackBerry infrastructure. BlackBerry Connect(TM) and BlackBerry Built-In(TM) are designed to provide an open, global platform and address the distinct needs of end users, IT departments, carriers and licensees. RIM's BlackBerry Internet Service ("BIS")-related services use the same wireless architecture and infrastructure that is being used by RIM's BES customers.

Revenues are also generated from sales of accessories, repair and maintenance programs, non-recurring engineering services ("NRE") and technical support.

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 Committee. Except as disclosed below, there have been no changes to the Company's critical accounting policies and estimates from those disclosed as at February 26, 2005.

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 collectibility is reasonably assured. In addition to this general policy, the following paragraphs describe the specific revenue recognition policies for each major category of revenue.

Devices

Revenue from the sale of BlackBerry devices is recognized when title is transferred to the customer and all significant contractual obligations that affect the customer's final acceptance have been fulfilled. For hardware products for which the software is deemed not to be incidental, the Company recognizes revenue in accordance with the American Institute of Certified Public Accountants

Statement of Position 97-2, Software Revenue Recognition ("SOP 97-2").

Provisions are made at the time of sale for warranties, royalties and estimated product returns. If the historical data the Company uses to estimate product returns does not properly reflect future returns, these estimates could be revised. Future returns, if they were higher than estimated, would result in a reduction of revenue. To date, returns of devices and other products have been negligible. As a result, the Company's accrual with respect to such product returns is not significant.

Service

Revenue is recognized rateably on a monthly basis when the service is provided. In instances where the Company bills the customer prior to performing the service, the prebilling is recorded as deferred revenue. Refer to "Sources of Revenue" for more information on the calculation of the number of subscriber accounts.

Software

Revenue from licensed software is recognized at the inception of the license term and in accordance with SOP 97-2. Revenue from software maintenance, unspecified upgrades and technical support contracts is recognized over the period that such items are delivered or that services are provided.

Other

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

Multiple-Element Arrangements

The Company enters into transactions that represent multiple-element arrangements, which may include any combination of hardware, service and software. These multiple-element arrangements are assessed to determine whether they can be separated into more than one unit of accounting or element for the purpose of revenue recognition. When the appropriate criteria for separating revenue into more than one unit of accounting is met and there is vendor specific objective evidence of fair value for all units of accounting or elements in an arrangement, the consideration is allocated to the separate units of accounting or elements based on each unit's relative fair value. This vendor specific objective evidence of fair value is established through prices charged for each revenue element when that element is sold separately. The revenue recognition policies described above are then applied to each unit of accounting.

Allowance for Doubtful Accounts and Bad Debt Expense

The Company is dependent on a number of significant customers and on large complex contracts with respect to sales of the majority of its products, software and services. The Company expects increasing trade receivables balances with its large customers to continue as it sells an increasing number of its wireless device and software products and service relay access through network carriers and resellers rather than directly. The Company evaluates the collectibility of its trade receivables based upon a combination of factors on a periodic basis.

When the Company becomes aware of a 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 financial position and payment experience), RIM records a specific bad debt provision to reduce the customer's related trade receivable to its estimated net realizable value. If circumstances related to specific customers change, the Company's estimates of the recoverability of trade receivables could be further adjusted.

Inventory

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.

Valuation of long-lived assets, intangible assets and goodwill

The Company assesses the impairment of identifiable intangibles, long-lived assets and goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets are stated at cost less accumulated amortization and are comprised of licenses, patents and acquired technology. The largest component of intangible assets is the net book value of licenses. Under certain such license agreements, RIM is committed to current and future royalty payments based on the sales of products using certain licensed technologies. The Company recognizes its liability for

royalty payments in accordance with the terms of the license agreements. Where license agreements are not yet finalized, RIM recognizes its current estimates of the obligation in Accrued liabilities on the Consolidated Balance Sheets. When the license agreements are subsequently finalized, the estimate is revised accordingly. License agreements involving up-front lump sum payments are capitalized as part of intangible assets and are then amortized over the lesser of five years or on a per unit basis based upon the Company's projected number of units to be sold during the terms of the license agreements. See "Results of Operations - Gross Margin" and "Results of Operations - Amortization". Unforeseen events, changes in circumstances and market conditions, and material differences in the value of licenses and other long-lived assets, intangible assets and goodwill due to changes in estimates of future cash flows could affect the fair value of the Company's assets and require an impairment charge. Intangible assets are reviewed quarterly to determine if any events have occurred that would warrant further review. In the event that a further assessment is required, the Company will analyze estimated undiscounted future cash flows to determine whether the carrying value of the intangible asset will be recovered.

Patents include all costs necessary to acquire intellectual property such as patents and trademarks as well as legal costs arising out of litigation relating to the assertion of any Company-owned patents. If the Company is not successful in such litigation to protect its patents, RIM will review the related intangible asset balance, including previously capitalized litigation costs, for impairment.

In connection with business acquisitions completed by the Company, the Company identifies and estimates the fair value of net assets acquired, including certain identifiable intangible assets other than goodwill and liabilities assumed in the acquisitions. Any excess of the purchase price over the estimated fair value of the net assets acquired is assigned to goodwill. Goodwill is assessed for impairment on an annual basis.

Change in Estimate During Fiscal 2006

On November 30, 2005, the United States District Court for the Eastern District of Virginia (the "District Court") ruled that the binding Term Sheet (the "Term Sheet") that was entered into by RIM and NTP in March 2005 in respect of the litigation between them was not enforceable. At the time of the March 2005 settlement, RIM recorded $20 million of the $450 million litigation accrual as an acquired license on its balance sheet. As a result of the November 30, 2005 ruling, the Company recorded an $18.3 million charge to write-off the net book value of the acquired license, after accumulated amortization, related to the fiscal 2005 accrual. See "Litigation - Change in Estimate During Fiscal 2006".

Litigation

As has been more fully disclosed in the Company's annual consolidated financial statements and notes for the fiscal years ended March 4, 2006, February 26, 2005 and February 28, 2004, the Company was the defendant in a patent litigation matter brought by NTP, Inc. ("NTP") alleging that the Company infringed on eight of NTP's patents.

On March 3, 2006, the Company and NTP signed definitive licensing and settlement agreements. All terms of the agreement were finalized and the litigation against RIM was dismissed by a court order on March 3, 2006. The agreement eliminated the need for any further court proceedings or decisions relating to damages or injunctive relief. On March 3, 2006, RIM paid NTP $612.5 million in full and final settlement of all claims against RIM, as well as for a perpetual, fully-paid up license going forward. This settlement amount included money already escrowed by RIM as of March 3, 2006.

The licensing and settlement agreement relates to all patents owned and controlled by NTP and covers all of RIM's products, services and technologies. NTP granted RIM an unfettered right to continue its business, including its BlackBerry-related business. The resolution permits RIM and its partners to sell RIM products and services completely free and clear of any claim by NTP, including any claims that NTP may have against wireless carriers, channel partners, suppliers or customers in relation to RIM products or services, (including BlackBerry Connect and Built-In technology), or in relation to third party products and services, to the extent they are used in connection with RIM products and services.

Change in Estimate During Fiscal 2006

As at February 26, 2005, RIM had an accrued liability of $450.0 million in respect of the NTP litigation which included an intangible asset of $20.0 million. As the full and final settlement amount paid on March 3, 2006 was $612.5 million, an additional charge to earnings in the amount of $162.5 million was recorded in the fiscal 2006 operating results. During fiscal 2006, the United States Patent and Trademark Office (the "Patent Office") issued various office actions rejecting all claims in all NTP patents. Accordingly, though the rulings of the Patent Office are subject to appeal by NTP, given the conclusions and the strength of the conclusions reached by the Patent Office, no value has been ascribed to the NTP license. This resulted in an additional charge to earnings of $18.3 million reflecting the book value of the intangible asset at the time the Term Sheet was ruled unenforceable. The charge of $162.5 million, the write-off of the intangible asset of $18.3 million, as well as incremental legal and professional fees in respect of the litigation, resulted in a charge to earnings of $201.8 million in fiscal 2006.

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, changes 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.

Change in Estimate During Fiscal 2006

During fiscal 2006, RIM increased its estimated warranty accrued liability by $4.2 million, or 0.2% of consolidated revenue, as a result of an increase in both the unit warranty repair costs and in the current and expected future returns (for warranty repair) rates for certain of its devices.

Earnings Sensitivity

The Company estimates that a 10% change to either the current average unit warranty repair cost, measured against the device sales volumes currently under warranty as at March 4, 2006, or to the current average warranty return rate, would have resulted in adjustments to warranty expense and pre-tax earnings of approximately $2.2 million.

Investments

The Company's investments are classified as available-for-sale under Statement of Financial Accounting Standards 115 and are carried at fair value. Changes in fair values are accounted for through accumulated other comprehensive income, until such investments mature or are sold. The Company does not exercise significant influence with respect to any of these investments.

In fiscal 2005, the Company reviewed its intent to continue to hold certain investments previously classified as held-to-maturity and determined this intent was no longer present. These investments were reclassified as available-for-sale, and prior period carrying values have been adjusted to reflect these securities as available-for-sale since acquisition. This change resulted in an increase of $5.4 million in the carrying amount of investments at February 28, 2004, and increased other total accumulated comprehensive income by $5.4 million for the year ended February 28, 2004 (March 1, 2003 - increase of $4.2 million).

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 market 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. In the event that a decline in the fair value of an investment occurs and the decline in value is considered to be other-than-temporary, an appropriate write-down would be recorded.

Income taxes

The Company uses the flow-through method to account for investment tax credits ("ITCs") earned on eligible scientific research and development ("SR&ED") expenditures. Under this method, the ITCs are recognized as a reduction in income tax expense. The liability method of tax allocation is used to account for income taxes. Under this method, deferred income tax assets and liabilities are determined 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 tax asset balance represents temporary differences between the financial reporting and tax basis of assets and liabilities, including research and development costs and incentives, financing costs, capital assets, non-deductible reserves, and operating loss carryforwards, net of valuation allowances. 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. The Company records a valuation allowance when required to reduce deferred income tax assets to the amount that is more likely than not to be realized.

Should RIM determine 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 for which such determinations are made.

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 consolidated income tax rate is affected by the amount of net income earned in various operating jurisdictions and the rate of taxes payable in respect of that income. RIM 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.

Change in Estimate During Fiscal 2006

During fiscal 2006, the tax provision was reduced by $27.0 million as a result of the Company realizing incremental cumulative investment tax credits attributable to prior fiscal years. See "Results of Operations - Income Taxes" and note 9 to the Consolidated Financial Statements.

Stock-Based Compensation

The Company has stock-based compensation plans which are described in note 11(b) to the Consolidated Financial Statements. Stock options are granted with an exercise price equal to the fair market value of the shares on the day of grant of the options. Any consideration paid by employees on exercise of stock options is credited to share capital. Compensation expense is recognized when stock

options are issued with an exercise price of the stock option that is less than the market price of the underlying stock on the date of grant. The difference between the exercise price of the stock option and the market price of the underlying stock on the date of grant is recorded as compensation expense ("intrinsic value method"). As the exercise price of options granted by the Company is equal to the market value of the underlying stock at the date of grant, no compensation expense has been recognized. This method is consistent with U.S. GAAP, APB Opinion 25, Accounting for Stock Issued to Employees.

On December 16, 2004, the Financial Accounting Standards Board ("FASB") issued amended Statement of Financial Accounting Standards 123 ("SFAS 123(R)") Accounting for Share-Based Payments, which requires all companies to use the fair-value based method of accounting for stock-based compensation, and is in effect for all interim periods beginning after June 15, 2005. SFAS 123(R) requires that all companies adopt either the modified prospective transition ("MPT") or modified retrospective transition ("MRT") approach. Stock compensation expense calculated using the MPT approach would be recognized on a prospective basis in the financial statements over the requisite service period, while the MRT method allows a restatement of prior periods for amounts previously recorded as proforma expense.

On April 14, 2005, the SEC announced that it would provide for a phased-in implementation process for SFAS 123(R). The Company will now be required to adopt a fair-value based method in the first quarter of fiscal 2007.

At the Company's Annual General Meeting on July 18, 2005, shareholders approved the establishment of the Restricted Share Unit ("RSU") Plan. The eligible participants under the RSU Plan include any officer or employee of the Company or its subsidiaries. RSUs are redeemed for either common shares issued by the Company, common shares purchased on the open market or the cash equivalent on the vesting dates established by the Company. Compensation expense, based on the fair value of the Company's shares at the date of the grant, will be recognized upon issuance of RSUs over the RSU vesting period.

Stock Split

The Company declared an effective two-for-one stock split in the form of a one-for-one stock dividend payable on June 4, 2004 to all shareholders of record on May 27, 2004. All earnings (loss) per share data for prior periods have been adjusted to reflect this stock split. See "Results of Operations - Net Income" and note 11 (a) to the Consolidated Financial Statements.

Common Shares Outstanding

On May 3, 2006, there were 186.4 million common shares, 8.5 million stock options to purchase common shares and 7,800 RSUs outstanding.

Summary Results of Operations - Fiscal 2006 Compared to Fiscal 2005

The following table sets forth certain consolidated statement of operations and consolidated balance sheet data for the periods indicated:

<TABLE>
<CAPTION>

As at and for the Fiscal Year Ended				
March 4, 2006	February 26, 2005	Changer 2006/2005	Februart=y 28, 2004	
(in thousands, except for per share amounts)				
<S>	<C>	<C>	<C>	<C>
Revenue	$ 2,065,845	$ 1,350,447	$ 715,398	$ 594,616
Cost of sales	925,215	635,914	289,301	323,365
Gross margin	1,140,630	714,533	426,097	271,251
Expenses				
Research and development	157,629	101,180	56,449	62,638
Selling, marketing and administration	311,420	190,730	120,690	108,492
Amortization	49,951	35,941	14,010	27,911
Sub-total	519,000	327,851	191,149	199,041
Litigation (1)	201,791	352,628	(150,837)	35,187
	720,791	680,479	40,312	234,228
Income from operations	419,839	34,054	385,785	37,023
Investment income	66,218	37,107	29,111	10,606
Income before income taxes	486,057	71,161	414,896	47,629
Provision for (recovery of) income taxes (2)	103,979	(142,226)	246,205	(4,200)
Net income	$ 382,078	$ 213,387	$ 168,691	$ 51,829
Earnings per share (3)				
Basic	$ 2.02	$ 1.14	$ 0.88	$ 0.33
Diluted	$ 1.96	$ 1.09	$ 0.87	$ 0.31
Total assets	$ 2,312,156	$ 2,620,994	$(308,838)	
Total liabilities	$ 313,389	$ 637,318	$(323,929)	
Total long-term liabilities	$ 34,709	$ 6,504	$ 28,205	
Shareholders' equity	$ 1,998,767	$ 1,983,676	$ 15,091	

</TABLE>

Notes:
- -----

(1) See "Results of Operations - Litigation" and note 15 to the Consolidated Financial Statements.

(2) See "Results of Operations - Income Taxes" and note 9 to the Consolidated Financial Statements.

(3) See "Stock Split" and note 11(a) to the Consolidated Financial Statements.

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

<TABLE>
<CAPTION>

Fiscal Year Ended			
March 4, 2006	February 26, 2005	Change 2006/2005	February 28, 2004
<S>	<C>	<C>	<C>
Revenue	100.0%	100.0%	--	100.0%
Cost of sales	44.8%	47.1%	(2.3%)	54.4%
Gross margin	55.2%	52.9%	2.3%	45.6%
Expenses				
Research and development	7.6%	7.5%	0.1%	10.5%
Selling, marketing and administration	15.1%	14.1%	1.0%	18.2%
Amortization	2.4%	2.7%	(0.3%)	4.8%
Sub-total	25.1%	24.3%	0.8%	33.5%
Litigation	9.8%	26.1%	(16.3%)	5.9%
34.9%	50.4%	(15.5%)	39.4%	
Income from operations	20.3%	2.5%	17.8%	6.2%
Investment income	3.2%	2.7%	0.5%	1.8%
Income before income taxes	23.5%	5.2%	18.3%	8.0%
Provision for (recovery of) income taxes	5.0%	(10.5%)	(15.5%)	(0.7%)
Net income	18.5%	15.7%	2.8%	8.7%

</TABLE>

Executive Summary

As the above tables highlight, the Company experienced significant revenue and earnings growth in fiscal 2006 compared to fiscal 2005. The key factors that contributed to this net improvement are discussed below. A more comprehensive analysis of these factors is presented in "Results of Operations".

The Company's net income increased by $168.7 million to $382.1 million, or $2.02 basic earnings per share ("EPS") and $1.96 diluted EPS, in fiscal 2006, compared to net income of $213.4 million, or $1.14 basic EPS and $1.09 diluted EPS, in fiscal 2005.

Fiscal 2006 Key Factors

Revenue and resulting gross margin growth

Revenue increased by $715.4 million, or 53.0%, to $2.07 billion in fiscal 2006 compared to $1.35 billion in the preceding fiscal year. The number of BlackBerry devices sold increased by 1.6 million units, or 65.4%, to 4.04 million units in fiscal 2006 compared to 2.44 million units in fiscal 2005. Device revenue increased by $505.7 million, or 54.1%, to $1.44 billion in fiscal 2006 reflecting the higher number of devices sold, partially offset by a 6.8% decrease in ASP. Service revenue increased by $148.0 million, or 63.0% to $383.0 million in fiscal 2006 consistent with the Company's increase in BlackBerry relay subscribers during the year. Software revenue increased by $24.7 million, or 18.8%, to $156.6 million in fiscal 2006 which is also consistent with the increase in BlackBerry subscriber base. The Company believes revenue and subscriber account additions were adversely affected in the latter part of fiscal 2006 as a result of certain customers delaying purchases due to the uncertainty created by the NTP litigation.

Gross margin increased to $1.14 billion, or 55.2% of revenue in fiscal 2006, compared to $714.5 million, or 52.9% of revenue, in fiscal 2005. The increase of 2.3% in gross margin percentage in fiscal 2006 is primarily attributable to increased manufacturing and service delivery cost efficiencies as a result of the increase in device volumes, favorable overall product mix, including higher software and NRE revenues in fiscal 2006, lower net warranty expense as well as the Company's continuing cost reduction efforts for its BlackBerry devices and service revenue streams which was partially offset by a 6.8% decrease in ASP.

Research and development, Selling, marketing and administration, and Amortization

The Company continued to invest in research and development, and sales, marketing and administration in fiscal 2006. These expenses increased by $191.1 million, or 58.3%, to $519.0 million in fiscal 2006 from $327.9 million in the preceding fiscal year. The 58.3% increase in fiscal 2006 was higher than the revenue increase of 53.0% reflecting the Company's investment in research and development and sales and marketing activities.

Litigation charges

Litigation expenses totalled $201.8 million, a decrease of $150.8 million from $352.6 million in fiscal 2005, as a result of the Company and NTP completing a full and final settlement agreement for $612.5 million on March 3, 2006. The litigation expense of $201.8 million reflects the incremental amount required to adjust the accrual from $450 million to the $612.5 million amount, the write-off of the intangible asset plus additional legal and other professional fees incurred during fiscal 2006 - see "Results of Operations - Litigation" and note 15 to the Consolidated Financial Statements.

Investment income

Investment income increased by $29.1 million to $66.2 million in fiscal 2006 from $37.1 million in fiscal 2005 primarily as a result of improved investment yields and the increase in cash, cash equivalents, short-term investments and investments.

Income taxes

The Company recorded income tax expense of $104.0 million in fiscal 2006 compared to an income tax recovery of $142.2 million in fiscal 2005 - see "Results of Operations - Income Taxes" and note 9 to the Consolidated Financial Statements.

Net Income

Net income increased by $168.7 million to $382.1 million, or $2.02 basic EPS and $1.96 diluted EPS, in fiscal 2006 compared to net income of $213.4 million, or $1.14 basic EPS and $1.09 diluted EPS in the prior year. See "Results of Operations - Net Income" for an analysis and reconciliation of the fiscal 2006 increase in net income and EPS.

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 ended March 4, 2006. The information has been derived from RIM's quarterly unaudited consolidated financial statements that, in management's opinion, have been prepared on a basis consistent with the Consolidated Financial Statements and include all adjustments necessary for a fair presentation of information when read in conjunction with the Consolidated Financial Statements. 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.

<TABLE>
<CAPTION>

Fiscal 2006 Year			
Fourth Quarter	Third Quarter	Second Quarter	First Quarter
(in thousands, except per share data)			
<S>	<C>	<C>	<C>
Revenue	$ 561,219	$ 560,596	$ 490,082	$ 453,948
Gross margin	$ 308,653	$ 312,745	$ 269,015	$ 250,217
Research and development, Selling, marketing and administration, and Amortization	151,494	138,329	121,489	107,688
Litigation (1)	162,500	26,176	6,640	6,475
Investment income	(19,219)	(17,483)	(15,700)	(13,816)
Income before income taxes	13,878	165,723	156,586	149,870
Provision for (recovery of) income taxes (2)	(4,476)	45,574	45,531	17,350
Net income	$ 18,354	$ 120,149	$ 111,055	$ 132,520
Earnings per share (3)				
Basic	$ 0.10	$ 0.63	$ 0.58	$ 0.70
Diluted	$ 0.10	$ 0.61	$ 0.56	$ 0.67
Research and development	$ 43,851	$ 41,567	$ 37,677	$ 34,534
Selling, marketing and administration	92,321	83,965	72,263	62,871
Amortization	15,322	12,797	11,549	10,283
$ 151,494	$ 138,329	$ 121,489	$ 107,688	

</TABLE>

<TABLE>
<CAPTION>
Fiscal 2005 Year

	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
(in thousands, except per share data)				
<S>	<C>	<C>	<C>	<C>
Revenue	$ 404,802	$ 365,852	$ 310,182	$ 269,611
Gross margin	$ 229,924	$ 191,295	$ 158,681	$ 134,633
Research and development, Selling, marketing and administration, and Amortization	94,785	84,771	78,046	70,249
Litigation (1)	294,194	24,551	18,304	15,579
Investment income	(11,926)	(10,133)	(8,588)	(6,460)
Income (loss) before income taxes	(147,129)	92,106	70,919	55,265
Provision for (recovery of) income taxes (2)	(144,556)	1,711	326	293
Net income (loss)	$ (2,573)	$ 90,395	$ 70,593	$ 54,972
Earnings (loss) per share (3)				
Basic	$ (0.01)	$ 0.48	$ 0.38	$ 0.30
Diluted	$ (0.01)	$ 0.46	$ 0.36	$ 0.28
Research and development	$ 29,076	$ 27,137	$ 24,588	$ 20,379
Selling, marketing and administration	56,595	49,297	44,016	40,822
Amortization	9,114	8,337	9,442	9,048
	$ 94,785	$ 84,771	$ 78,046	$ 70,249

</TABLE>

Notes:

(1) See "Results of Operations - Litigation" and note 15 to the Consolidated Financial Statements.

(2) See "Results of Operations - Income Taxes" and note 9 to the Consolidated Financial Statements.

(3) See "Stock Split" and note 11(a) to the Consolidated Financial Statements.

Results of Operations

Fiscal year ended March 4, 2006 compared to the fiscal year ended February 26, 2005

The fiscal year ended March 4, 2006 comprised 53 weeks compared to 52 weeks for the fiscal year ended February 26, 2005.

Revenue

Revenue for fiscal 2006 was $2.07 billion, an increase of $715 million, or 53.0%, from $1.35 billion in the preceding fiscal year.

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

<TABLE>
<CAPTION>

Fiscal 2006	Fiscal 2005	Change - Fiscal 2006/2005	
<S>	<C>	<C>	<C>
Number of devices sold	4,043,000	2,444,000	1,599,000 65.4%
ASP	$ 356	$ 382	$ (26) (6.8%)
Revenues			
Devices	$ 1,439,674 69.7%	$ 933,989 69.2%	$ 505,685 54.1%
Service	383,021 18.5%	235,015 17.4%	148,006 63.0%
Software	156,556 7.6%	131,811 9.8%	24,745 18.8%
Other	86,594 4.2%	49,632 3.6%	36,962 74.5%
	$ 2,065,845 100.0%	$ 1,350,447 100.0%	$ 715,398 53.0%

</TABLE>

Device revenue increased by $505.7 million, or 54.1%, to $1.44 billion, or 69.7% of consolidated revenue in fiscal 2006 compared to $934.0 million, or 69.2% of consolidated revenues, in fiscal 2005. This increase in device revenue over the prior fiscal year is primarily attributable to a volume increase of 65.4%, or 1.60 million units, to approximately 4.04 million units from approximately 2.44 million units in the prior year, partially offset by a decrease in ASP. The Company has launched a number of new products in the current fiscal year and now has devices operating on the GPRS, iDEN, EDGE, CDMA and Ev-DO wireless networks and expanded its customer base of carrier customers, which account for the volume growth. ASP decreased 6.8%, or $26, in fiscal 2006 to $356 per unit from $382 per unit in fiscal 2005, primarily as a result of overall device mix. The Company expects its ASP for devices to remain relatively steady in the first quarter of fiscal 2007 based on projected future sales volumes and product mix, offset in part, by a continued drive to expand the Company's prosumer offering as well as increased competition in the industry. The Company believes revenue and subscriber account additions were adversely affected in the latter part of fiscal 2006 as a result of certain customers delaying

purchases due to the uncertainty created by the NTP litigation.

The Company estimates that a $10 change in ASP would result in an annual revenue change of approximately $40 million, based upon the Company's volume of devices shipped in fiscal 2006.

Service revenue increased $148.0 million, or 63.0%, to $383.0 million and comprised 18.5% of consolidated revenue in fiscal 2006 compared to $235.0 million, or 17.4% of consolidated revenue, in fiscal 2005. This also reflects the impact of the 53 week fiscal year in fiscal 2006 compared to the 52 week year in fiscal 2005. BlackBerry subscriber account additions were approximately 2.3 million in fiscal 2006, or a 93.1% increase on the total subscriber base, compared to approximately 1.44 million subscriber additions in fiscal 2005. The total base of BlackBerry subscriber accounts at the end of fiscal 2006 was approximately 4.9 million.

Software revenue includes fees from licensed BES software, CALs, technical support, maintenance and upgrades. Software revenue increased $24.7 million to $156.6 million in fiscal 2006 from $131.8 million in fiscal 2005, primarily as a result of increased sales of CALs as well as increased revenues from technical support and maintenance.

Other revenue, which includes accessories, non-warranty repairs, NRE, and sundry, increased by $37.0 million, or 74.5%, to $86.6 million in fiscal 2006, compared to $49.6 million in fiscal 2005. The majority of the increase was attributable to increases in non-warranty repair and accessories revenue.

Gross Margin

Gross margin increased by $426.1 million, or 59.6%, to $1.14 billion, or 55.2% of revenue, in fiscal 2006, compared to $714.5 million, or 52.9% of revenue, in the previous fiscal year. The net improvement of 2.3% in consolidated gross margin percentage was primarily due to the following factors:

- Favorable changes in BlackBerry device product mix;
- A decline in certain fixed costs as a percentage of consolidated revenue as the Company continues to realize economies of scale in its manufacturing operations as well as certain raw material cost reductions relating to the leverage of its supply chain;
- Improved service margins resulting from cost efficiencies in RIM's network operations infrastructure as a result of the increase in BlackBerry subscribers;
- Reductions in unit warranty rates and net warranty expense (see "Critical Accounting Policies and Estimates - Warranty" and note 13 to the Consolidated Financial Statements);
- A decline in amortization expense as a percentage of consolidated revenue, as the Company continues to realize economies of scale in its manufacturing operations; and
- An increase in non-warranty repair revenues.

Research and Development, Selling, Marketing and Administration, and Amortization Expense

The table below presents a comparison of Research and development, Selling, marketing and administration, and Amortization expenses for fiscal 2006 compared to fiscal 2005.

<TABLE>
<CAPTION>

Fiscal Year Ended March 4, 2006		February 26, 2005	
$	% of Revenue	$	% of Revenue
Revenue		$ 2,065,845	$ 1,350,447
<S>	<C>	<C>	<C>	<C>
Research and development	$ 157,629	7.6%	$ 101,180	7.5%
Selling, marketing and administration	311,420	15.1%	190,730	14.1%
Amortization	49,951	2.4%	35,941	2.7%
$ 519,000	25.1%	$ 327,851	24.3%	

</TABLE>

Research and Development

Research and development expenditures consist primarily of salaries for technical personnel, engineering materials, certification and tooling expense, outsourcing and consulting services, software tools and related information technology infrastructure support and travel.

Research and development expenditures increased by $56.4 million to $157.6 million, or 7.6% of revenue, in fiscal 2006 compared to $101.2 million, or 7.5% of revenue, in the previous year. The majority of the increases during the current fiscal year, compared to fiscal 2005, were attributable to salaries and benefits (primarily as a result of increased personnel to accommodate the Company's growth), third party new product development costs, travel, recruiting, and materials, certification and tooling expenses.

Selling, Marketing and Administration

Selling, marketing and administrative expenses consist primarily of salaries and benefits, marketing, advertising and promotion, travel and entertainment, legal, audit and other professional fees, related information technology and office infrastructure support, recruiting and foreign exchange gain or loss.

Selling, marketing and administrative expenses increased by $120.7 million to $311.4 million for fiscal 2006 compared to $190.7 million for fiscal 2005. As a percentage of revenue, selling, marketing and administrative expenses increased to 15.1% in the current year compared to 14.1% in fiscal 2005. Sales and marketing costs continue to increase as the number of carrier partners grow and as efforts into the prosumer market and retail channels continue to build.

The net increase of $120.7 million in selling, marketing and administrative expenses was primarily attributable to increased expenditures for marketing, advertising and promotion expenses, compensation

expense as well as increases in consulting and external advisory costs. Other increases were attributable to recruiting, travel and legal fees.

Amortization

Amortization expense relating to certain capital and all intangible assets other than licenses increased by $14.1 million to $50.0 million for fiscal 2006 compared to $35.9 million for fiscal 2005. The increased amortization expense in fiscal 2006 reflects the impact of a full year's amortization expense with respect to capital and certain intangible asset expenditures incurred during fiscal 2005 and also incremental amortization with respect to capital and certain intangible asset expenditures incurred during fiscal 2006.

Cost of sales

Amortization expense with respect to capital assets employed in the Company's manufacturing operations and BlackBerry service operations increased to $18.5 million in fiscal 2006 compared to $14.3 million in fiscal 2005 and is charged to Cost of sales in the Consolidated Statements of Operations. The increased amortization expense in fiscal 2006 reflects the impact of a full year's amortization expense with respect to these capital asset expenditures incurred during fiscal 2005 and also incremental amortization with respect to capital asset expenditures incurred during fiscal 2006. See also note 6 to the Consolidated Financial Statements.

Amortization expense with respect to licenses (a component of Intangible assets) is charged to Cost of sales and was $17.5 million in fiscal 2006 compared to $16.5 million in fiscal 2005.

Total amortization expense with respect to Intangible assets was $23.2 million in fiscal 2006 compared to $19.7 million in fiscal 2005. See also notes 1(l) and 7 to the Consolidated Financial Statements and "Critical Accounting Policies and Estimates - Valuation of long-lived assets, intangible assets and goodwill".

Changes in Capital Assets Amortization

During fiscal 2005, the Company re-evaluated the estimated useful lives of certain of its information technology assets and determined that the estimated useful lives should be reduced from five years to periods of three to four years. The impact of this change was applied on a prospective basis commencing in the first quarter of fiscal 2005. The impact of this change of accounting estimate resulted in incremental amortization expense of $4.3 million for the year. Of this amount, $1.8 million was included in Cost of sales, and $2.5 million was included in Amortization. See also note 1 (k) to the Consolidated Financial Statements.

During fiscal 2005, the Company also re-evaluated the estimated useful lives of capital assets used in manufacturing, and research and development operations that resulted from the application of the 20% declining balance amortization methodology. As a result of the plant capacity and capital asset utilizations currently approaching 100% compared to much lower levels in prior fiscal years, the Company now believes that the 20% declining balance method will not produce quarterly and annual depreciation expense and resulting residual net book values that are consistent with the increased current

and future capital asset usage. The Company, therefore, revised its amortization method to a straight-line method and determined estimated useful lives to be between five and eight years for such capital assets, on a prospective basis, effective the second quarter of fiscal 2005. The impact of this change of method of accounting was insignificant for fiscal years 2006 and 2005. See also notes 2 and 6 to the Consolidated Financial Statements.

Litigation

As has been more fully disclosed in the Company's annual consolidated financial statements and notes for the fiscal years ended March 4, 2006, February 26, 2005, February 28, 2004 and March 1, 2003, the Company was the defendant in a patent litigation matter brought by NTP alleging that the Company infringed on eight of NTP's patents.

The matter went to trial in 2002 in the United States District Court for the Eastern District of Virginia ("the District Court"), and the jury issued a verdict in favor of NTP. In 2003, the District Court ruled on NTP's request for an injunction with respect to RIM continuing to sell BlackBerry devices, software and service in the United States. The District Court granted NTP the injunction requested; however, the District Court then immediately granted RIM's request to stay the injunction sought by NTP pending the completion of RIM's appeal. In December 2004, the Court of Appeals for the Federal Circuit (the "CAFC") ruled on the appeal by the Company of the District Court's judgment. In August 2005, the CAFC granted RIM's request to reconsider the December 2004 decision. The CAFC's August 2005 decision vacated the District Court's judgment and the injunction, and remanded the case to the District Court for further proceedings consistent with the CAFC's ruling. Further court proceedings followed.

For the year ended February 28, 2004, the Company recorded charges with respect to the NTP matter totaling $35.2 million to fully provide for enhanced compensatory damages, current and estimated future costs with respect to ongoing legal and professional fees, prejudgment interest and postjudgment interest for the period August 6, 2003 to February 28, 2004. The $36.3 million attributable to enhanced compensatory damages and postjudgment interest was classified as Restricted cash on the Consolidated Balance Sheets as at February 28, 2004.

On March 16, 2005, the parties jointly announced the signing of a binding Term Sheet to resolve all current litigation between them. The parties announced that RIM would pay NTP $450 million in final and full resolution of all claims to date against RIM, as well as a fully-paid up license going forward. During fiscal 2005, the Company recorded an incremental expense of $352.6 million to adjust the total NTP provision to the resolution amount plus current and estimated legal, professional and other fees, less the previous cumulative quarterly provisions for enhanced compensatory damages, prejudgment interest, plaintiff's attorney fees, estimated postjudgment interest, and current and estimated future costs with respect to legal and other professional fees, and the acquisition of a $20 million intangible asset. The $76.2 million attributable to enhanced compensatory damages and postjudgment interest with respect to fiscal 2005 was classified as Restricted cash on the Consolidated Balance Sheets as at February 26, 2005.

On June 9, 2005, RIM announced that, due to an impasse in the process of finalizing a definitive licensing and settlement agreement, RIM would take court action to enforce the Term Sheet. Further

court proceedings followed. On November 30, 2005, the District Court ruled that the March 2005 settlement was not enforceable. During the third quarter of fiscal 2006, the Company recorded an expense of $26.2 million to account for incremental current and estimated future legal and professional fees in the amount of $7.9 million as well as a charge in the amount of $18.3 million to write-off the intangible asset following the November 30, 2005 ruling.

On December 16, 2005, the District Court issued a scheduling order which requested initial briefs by both parties on these matters by January 17, 2006 with responses by both parties and the U.S. federal government due by February 1, 2006 on the question of damages and an injunction in light of the CAFC's August 2005 ruling. A hearing was convened on February 24, 2006 at the District Court.

On March 3, 2006, the Company and NTP signed definitive licensing and settlement agreements. All terms of the agreement were finalized and the litigation against the Company was dismissed by a court order on March 3, 2006. The agreement eliminated the need for any further court proceedings or decisions relating to damages or injunctive relief. On March 3, 2006, the Company paid NTP $612.5 million in full and final settlement of all claims against the Company, as well as for a perpetual, fully-paid up license going forward. This amount included money already escrowed by the Company as of March 3, 2006.

The licensing and settlement agreement relates to all patents owned and controlled by NTP and covers all of the Company's products, services and technologies. NTP granted the Company an unfettered right to continue its business, including its BlackBerry related business. The resolution permits the Company and its partners to sell the Company's products and services completely free and clear of any claim by NTP, including any claims that NTP may have against wireless carriers, channel partners, suppliers or customers in relation to the Company's products or services, (including BlackBerry Connect and Built-In technology), or in relation to third party products and services, to the extent they are used in connection with the Company's products and services.

As at February 26, 2005, the Company had an accrued liability of $450.0 million in respect of the NTP litigation which included an intangible asset of $20.0 million. As the full and final settlement amount paid on March 3, 2006 was $612.5 million, an additional charge to earnings in the amount of $162.5 million was recorded in the fiscal 2006 operating results. During fiscal 2006, the Patent Office issued various office actions rejecting all claims in all NTP patents. Accordingly, though the rulings of the Patent Office are subject to appeal by NTP, given the conclusions and the strength of the conclusions reached by the Patent Office, no value has been ascribed to the NTP license. This resulted in an additional charge to earnings of $18.3 million reflecting the book value of the intangible asset at the time the Term Sheet was ruled unenforceable. The charge of $162.5 million, the write-off of the intangible asset of $18.3 million as well as incremental legal and professional fees in respect of the litigation resulted in a charge to earnings of $201.8 million in fiscal 2006.

Investment Income

Investment income increased by $29.1 million to $66.2 million in fiscal 2006 from $37.1 million in fiscal 2005. The increase primarily reflects the incremental interest income as a result of improved

interest rate yields in fiscal 2006 compared to fiscal 2005 as well as the significant increase in cash, cash equivalents, short-term investments and investments during the current year primarily from higher net earnings compared to the prior year.

Income Taxes

The Company's income tax expense in fiscal 2006 was $104.0 million, resulting in an effective tax rate of 21.4%. During the first quarter of fiscal 2006, the income tax provision was reduced by $27.0 million because of the Company recognizing incremental cumulative ITCs attributable to prior fiscal years. ITCs are generated as a result of the Company incurring eligible SR&ED expenditures, which, under the "flow-through" method, are credited as a reduction of income tax expense. The Company recorded this $27.0 million reduction in its deferred income tax provision as a result of a favorable tax ruling involving another Canadian technology corporation, but also applicable to the Company. The tax ruling determined that stock option benefits are considered eligible SR&ED expenditures.

The deferred income tax asset recorded on the balance sheet relates primarily to ITCs and other tax loss carry-forwards. The Company's fiscal 2006 current tax expense primarily reflects certain large corporation taxes, and certain other minimum and foreign taxes.

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

In fiscal 2005, the Company recorded an income tax recovery $142.2 million. The Company's recognition of its deferred income tax assets in the fourth quarter of fiscal 2005 was primarily responsible for the income tax recovery. In the fourth quarter of fiscal 2005, the Company determined that it was more likely than not that it could realize the full value of its deferred tax assets and that a valuation allowance was no longer required. Accordingly, the Company recognized the full value of its deferred income tax assets on its balance sheet at the end of fiscal 2005.

Net Income

Net income increased by $168.7 million to $382.1 million, or $2.02 per share basic and $1.96 per share diluted, in fiscal 2006 compared to net income of $213.4 million, or $1.14 per share basic and $1.09 per share diluted in the prior year. The increase reflects primarily higher operating profit/gross margin resulting from increased device shipments as well as lower litigation costs in fiscal 2006 when compared to fiscal 2005 (see Litigation). See "Executive Summary" for an analysis and reconciliation of the fiscal 2006 increase in net income and earnings per share.

The weighted average number of shares outstanding was 188.9 million common shares for basic EPS and 194.9 million common shares for diluted EPS for the year ended March 4, 2006 compared to 187.7 million common shares for basic EPS and 196.4 million common shares for diluted EPS for fiscal year 2005.

Summary Results of Operations - Fourth Quarter of Fiscal 2006 Compared to the Fourth Quarter of Fiscal 2005

The quarter ended March 4, 2006 comprised 14 weeks compared to 13 weeks for the quarter ended February 26, 2005.

The following table sets forth certain unaudited interim consolidated statement of operations data, which is expressed in thousands of dollars and as a percentage of revenue for the interim periods indicated:

<TABLE>
<CAPTION>

For the Three Months Ended				Change	
March 4, 2006		February 26, 2005		2006/2005	
(in thousands, except for percentages and per share amounts)					
<S>	<C>	<C>	<C>	<C>	<C>
Revenue	$ 561,219	100.0%	$ 404,802	100.0%	$ 156,417
Cost of sales	252,566	45.0%	174,878	43.2%	77,688
Gross margin	308,653	55.0%	229,924	56.8%	78,729
Expenses					
Research and development	43,851	7.8%	29,076	7.2%	14,775
Selling, marketing and administration	92,321	16.5%	56,595	14.0%	35,726
Amortization	15,322	2.7%	9,114	2.2%	6,208
Sub-total	151,494	27.0%	94,785	23.4%	56,709
Litigation (1)	162,500	29.0%	294,194	72.7%	(131,694)
	313,994	55.9%	388,979	96.1%	(74,985)
Loss from operations	(5,341)	(1.0%)	(159,055)	(39.3%)	153,714
Investment income	19,219	3.4%	11,926	2.9%	7,293
Earnings (loss) before income taxes	13,878	2.5%	(147,129)	(36.3%)	161,007
Recovery of income taxes (2)	(4,476)	(0.8%)	(144,556)	(35.7%)	140,080
Net income (loss)	$ 18,354	3.3%	$ (2,573)	(0.6%)	$ 20,927
Earnings (loss) per share					
Basic	$ 0.10		$ (0.01)		$ 0.11
Diluted	$ 0.10		$ (0.01)		$ 0.11

</TABLE>

Notes:
- ------

(1) See "Results of Operations - Litigation" and note 15 to the Consolidated Financial Statements.

(2) See "Results of Operations - Income Taxes" and note 9 to the Consolidated Financial Statements.

Revenue

Revenue for the fourth quarter of fiscal 2006 was $561.2 million, an increase of $156.4 million or 38.6% from $404.8 million in the preceding year's fourth quarter.

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

<TABLE>
<CAPTION>

	FY 2006 4th Quarter		FY 2005 4th Quarter		Change 2006/2005	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Number of devices sold	1,118,000		712,000		406,000	57.0%
ASP	$ 350		$ 379		$ (29)	(7.7%)
Revenues						
Devices	$ 390,961	69.7%	$ 269,458	66.6%	$ 121,503	45.1%
Service	116,672	20.8%	67,639	16.7%	49,033	72.5%
Software	28,968	5.2%	55,899	13.8%	(26,931)	(48.2%)
Other	24,618	4.3%	11,806	2.9%	12,812	108.5%
	$ 561,219	100.0%	$ 404,802	100.0%	$ 156,417	38.6%

</TABLE>

Device revenue increased by $121.5 million, or 45.1%, to $391.0 million in the fourth quarter of fiscal 2006 compared to $269.5 million in the preceding year's comparable period. The number of BlackBerry devices sold increased by 406,000, or 57.0%, to 1,118,000 in fiscal 2006 compared to 712,000 in the fourth quarter of fiscal 2005. ASP decreased by $29 or 7.7% to $350 primarily as a result of overall device mix.

Service revenue increased by $49.0 million to $116.7 million in the current quarter, compared to $67.6 million in the fourth quarter of fiscal 2005, as a result of the increased number of BlackBerry subscribers as well as the impact of the 14 week quarter in fiscal 2006 compared to the 13 week quarter in fiscal 2005. BlackBerry subscriber account additions were approximately 625,000 in the fourth quarter of fiscal 2006 compared to approximately 470,000 for the comparable period last year.

Software revenue decreased by $26.9 million to $29.0 million, compared to $55.9 million in the fourth quarter of fiscal 2005, primarily as a result of the timing of the BES v4.1 release which occurred subsequent to fiscal 2006 compared to the fiscal 2005 BES v4.0. release which occurred during the fourth quarter last year.

Overall, the Company believes fiscal 2006 fourth quarter revenue and subscriber account additions were adversely affected as a result of certain customers delaying purchases due to the uncertainty created by the NTP litigation.

Gross Margin

Gross margin decreased to 55.0% of revenue in the fourth quarter of fiscal 2006, compared to 56.8% of revenue in the same period of the previous fiscal year. The net decrease of 1.8% in consolidated gross margin percentage was primarily due to the following factors:

- Software revenues at $29.0 million comprised 5.2% of the total revenue mix, compared to $55.9 million and 13.8% respectively, in the fourth quarter of fiscal 2005 relating to the timing of the BES v4.1 software release which occurred subsequent to fiscal 2006 compared to the BES v4.0 release which was introduced in the fourth quarter of fiscal 2005;
- An increase in amortization expense as a percentage of consolidated revenue; offset in part by
- A reduction in net warranty expense; and
- Improved service margins resulting from cost efficiencies in RIM's network operations infrastructure as a result of the increase in BlackBerry subscribers.

Research and Development, Selling, Marketing and Administration, and Amortization Expense

The table below presents a comparison of Research and development, Selling, marketing and administration, and Amortization expenses for the fourth quarter ended March 4, 2006 compared to the quarter ended November 26, 2005 and the fourth quarter ended February 26, 2005. The Company believes it is also meaningful to provide a comparison between the fourth quarter and the third quarter of fiscal 2006, given the quarterly increases in revenue realized by the Company during fiscal 2006.

<TABLE>
<CAPTION>
Three Month Fiscal Periods Ended

March 4, 2006		November 26, 2005		February 26, 2005	
$	% of Revenue	$	% of Revenue	$	% of Revenue
<S>	<C>	<C>	<C>	<C>	<C>
Revenue		$561,219		$560,596		$404,802	
Research and development		$ 43,851	7.8%	$ 41,567	7.4%	$ 29,076	7.2%
Selling, marketing and administration		92,321	16.5%	83,965	15.0%	56,595	14.0%
Amortization		15,322	2.7%	12,797	2.3%	9,114	2.2%
		$151,494	27.0%	$138,329	24.7%	$ 94,785	23.4%

</TABLE>

NTP Litigation Matter

As at November 26, 2005, the Company had an accrued liability of $450.0 million in respect of the NTP litigation which represented, at that time, management's best current estimate as to the litigation expense relating to this matter based on then current knowledge and consultation with legal counsel. As the full and final settlement amount paid on March 3, 2006 was $612.5 million, an additional charge to earnings in the amount of $162.5 million was recorded in operating results in the three-month period ending March 4, 2006. During fiscal 2006, the Patent Office issued various office actions rejecting all claims in all NTP patents. Accordingly, though the rulings of the Patent Office are subject to appeal by NTP, given the conclusions and the strength of the conclusions reached by the Patent Office, no value has been ascribed to the NTP license. See "Critical Accounting Policies and Estimates - Litigation", "Results of Operations - Litigation" and note 15 to the Consolidated Financial Statements.

Income Taxes

During the fourth quarter of fiscal 2006, the Company recorded a net income tax recovery of $4.5 million, compared to a net tax recovery of $144.6 million in the fourth quarter of fiscal 2005. The fiscal 2006 income tax recovery on the incremental NTP settlement amount was in excess of the income tax expense on pre-tax earnings excluding the litigation accrual.

Prior to the fourth quarter of fiscal 2006, the deferred income tax asset recorded on the balance sheet primarily related to the NTP matter and the November 30, 2005 District Court ruling that the Term Sheet was not binding. Pursuant to the NTP settlement on March 3, 2006, the litigation amount became fully deductible for income tax purposes in the current quarter. This resulted in a reallocation of income tax expense between deferred income taxes and current income taxes as well as between different components of the Company's deferred income tax asset.

For the fourth quarter of fiscal 2005, the Company's net income tax recovery of $144.6 million primarily related to the Company's recognition of its deferred income tax assets. As at February 26, 2005, the Company determined that it was, more likely than not that, it could realize the full value of its deferred income tax assets and that a valuation allowance was no longer required. Accordingly, the Company recognized the full value of its deferred income tax assets on its balance sheet in the fourth quarter of fiscal 2005.

Net Income

Net income was $18.4 million, or $0.10 per share basic and diluted, in the fourth quarter of fiscal 2006, compared to a net loss of $2.6 million, or $0.01 per share basic and $0.01 per share diluted, in the prior year's fourth quarter. Both fiscal 2006 and fiscal 2005 included litigation provisions of $162.5 million and $294.2 million respectively relating to the NTP litigation matter (see above).

The weighted average number of shares outstanding was 185.6 million common shares for basic EPS and 191.5 million common shares for diluted EPS for the quarter ended March 4, 2006, compared to 189.2 million common shares for basic EPS and 189.2 million common shares for diluted EPS for the quarter ended February 26, 2005.

Liquidity and Capital Resources

Cash and cash equivalents, short-term investments and investments decreased by $430.3 million to $1.25 billion as at March 4, 2006 from $1.68 billion as at February 26, 2005 resulting primarily from the Company's share repurchase of 6.3 million common shares in fiscal 2006 in the amount of $391.2 million pursuant to the Company's Common Share Repurchase Program and the settlement payment to NTP in the amount of $612.5 million, partially offset by the net cash generated from operations in the current year. The majority of the Company's cash and cash equivalents, short-term investments and investments are denominated in U.S. dollars as at March 4, 2006.

A comparative summary of cash and cash equivalents, short-term investments and investments is set out below.

<TABLE>
<CAPTION>

As at March 4, 2006	February 26, 2005	Change
<S>	<C>	<C>	<C>
Cash and cash equivalents	$ 459,540	$ 610,354	$ (150,814)
Short-term investments	175,553	315,495	(139,942)
Investments	614,309	753,868	(139,559)
Cash, cash equivalents, short-term investments and investments	$ 1,249,402	$ 1,679,717	$ (430,315)

</TABLE>

Operating Activities

Cash flow provided by operating activities was $150.1 million in fiscal 2006, compared to cash flow provided by operating activities of $278.0 million in the preceding fiscal year, representing a decrease of $127.9 million. This decrease resulted primarily from NTP funding in the current fiscal year of $500.5 million (includes $86.7 million which was funded in escrow during the year) compared to $75.7 million relating to the NTP litigation which was funded in escrow in fiscal 2005, offset in part by higher income from operations. The table below summarizes the key components of this net decrease.

<TABLE>
<CAPTION>

Fiscal Year Ended March 4, 2006	February 26, 2005	Change 2006/2005
<S>	<C>	<C> <C>
Net income	$ 382,078	$ 213,387 $ 168,691
Amortization	85,873	66,760 19,113
Deferred income taxes	77,938	(143,651) 221,589
Changes in:		
Trade receivables	(87,528)	(126,177) 38,649
Other receivables	(18,727)	(7,326) (11,401)
Inventory	(42,034)	(49,653) 7,619
Accounts payable	11,031	32,894 (21,863)
Accrued liabilities	57,134	16,528 40,606
Litigation provision	(435,610)	351,218 (786,828)
Restricted cash	111,978	(75,717) 187,695
All other	7,958	(281) 8,239
$ 150,091	$ 277,982	$ (127,891)

</TABLE>

Financing Activities

Cash flow used in financing activities was $368.2 million for fiscal 2006 compared to cash flow provided by financing activities of $54.0 million in fiscal 2005. The use of cash in fiscal 2006 was primarily attributable to the repurchase of 6.3 million common shares in the amount of $391.2 million pursuant to the Company's Common Share Repurchase Program.

Investing Activities

Cash flow provided by investing activities was $67.3 million for fiscal 2006, which included capital asset additions of $178.7 million and intangible asset additions of $23.7 million offset by transactions involving the proceeds on sale or maturity of short-term investments and investments, net of the costs of acquisition in the amount of $273.6 million. For the prior fiscal year, cash flow used in investing activities was $878.1 million and included capital asset additions of $109.4 million and intangible asset

additions of $17.1 million as well as transactions involving the costs of acquisition of short-term investments and investments, net of the proceeds on sale or maturity in the amount of $747.8 million.

NTP Litigation Funding

See also "Litigation" and notes 10 and 15 to the Consolidated Financial Statements.

As a result of the definitive licensing and settlement agreements that were signed on March 3, 2006, the litigation against RIM was dismissed by a court order. The agreement eliminated the need for any further court proceedings or decisions relating to damages or injunctive relief. On March 3, 2006, RIM paid NTP $612.5 million in full and final settlement of all claims against RIM, as well as for a perpetual, fully-paid up license going forward. This amount included money already escrowed by RIM as of March 3, 2006.

As at March 4, 2006, the Company had a $70 million Letter of Credit Facility (the "Facility") in place with a Canadian financial institution and utilized $48 million of the Facility in order to fund a letter of credit to partially satisfy the Company's liability and funding obligation in the NTP matter as described in note 10 to the Consolidated Financial Statements. The Company had pledged specific investments as security for the Facility. As a result of the settlement of the NTP matter, the Company cancelled the letter of credit on March 6, 2006, subsequent to the fiscal 2006 year end.

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 4, 2006:

<TABLE>
<CAPTION>

	Total	Less than One Year	One to Three Years	Four to Five Years	Greater than Five Years
<S>	<C>	<C>	<C>	<C>	<C>
Long-term debt	$ 7,112	$ 262	$ 6,850	$ -	$ -
Operating lease obligations	54,691	3,459	13,391	8,870	28,971
Purchase obligations and commitments	323,176	323,176	-	-	-
Total	$ 384,979	$ 326,897	$ 20,241	$ 8,870	$ 28,971

</TABLE>

Purchase obligations and commitments of $323.2 million as of March 4, 2006, in the form of purchase orders or contracts, are primarily for the purchase of raw materials, as well as for capital assets and other goods and services. The expected timing of payment of these purchase obligations and commitments is estimated based upon current information. Timing of payment and actual amounts paid may be different depending upon the time of receipt of goods and services or changes to agreed-upon amounts for some obligations. The Company may also be liable for certain key suppliers' component part inventories and purchase commitments if the Company's changes to its demand plans adversely affects these certain key suppliers.

As of March 4, 2006, the Company had commitments on account of capital expenditures of approximately $8.3 million included in the $323.2 million above, primarily for manufacturing, information technology including service operations.

The Company intends to fund current and future capital and intangible asset expenditure requirements from existing financial resources and cash flows.

The Company has not declared any cash dividends in the last three fiscal years.

Cash, cash equivalents, short-term investments and investments were $1.25 billion as at March 4, 2006. The Company believes its financial resources are sufficient to meet funding requirements for current financial commitments, for future operating and capital expenditures not yet committed, and also provide the necessary financial capacity to meet current and future growth expectations.

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 of the U.S. Dollar. The majority of the Company's revenues in fiscal 2006 are transacted in U.S. Dollars, 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 most manufacturing overhead, are incurred primarily in Canadian Dollars. At March 4, 2006, approximately 5% of cash and cash equivalents, 28% of trade receivables and 19% of accounts payable and accrued liabilities are denominated in foreign currencies (February 26, 2005 - - 2%, 42% and 22%, respectively). These foreign currencies include the Canadian Dollar, British Pound and Euro.

As part of its risk management strategy, the Company maintains net monetary asset and/or liability balances in foreign currencies and engages in foreign currency hedging activities using derivative financial instruments, including forward contracts and options. The Company does not use derivative instruments for speculative purposes.

To hedge exposures relating to foreign currency anticipated transactions, the Company has entered into forward contracts to sell U.S. Dollars and purchase Canadian Dollars. These contracts have been designated as cash flow hedges, with the resulting changes in fair value recorded in other comprehensive income, and subsequently reclassified to earnings in the period in which the cash flows from the associated hedged transactions affect earnings. These cash flow hedges were fully effective at March 4, 2006. As at March 4, 2006, the unrealized gain on these forward contracts was approximately $24.9 million (February 26, 2005 - $14.6 million). These amounts were included in Other current assets and Accumulated other comprehensive income.

To hedge exposure relating to foreign currency denominated long-term debt, the Company has entered into forward contracts to sell U.S. Dollars and purchase Canadian Dollars. These contracts have been

designated as fair value hedges, with gains and losses on the hedge instruments being recognized in earnings each period, offsetting the change in the U.S. dollar value of the hedged liability. As at March 4, 2006, a gain of $0.02 million was recorded in respect of this amount (February 26, 2005 - gain of $0.5 million). This amount was included in Selling, marketing and administration expenses.

To hedge exposure relating to foreign currency cash and receivable balances, the Company has entered into forward contracts to sell Canadian dollars, Euros, British Pounds and Hungarian Forint and purchase U.S. dollars. These contracts have been designated as fair value hedges, with gains and losses on the hedge instruments being recognized in earnings each period, offsetting the change in the U.S. Dollar value of the hedged assets. As at March 4, 2006, a loss of $0.4 million was recorded in respect of this amount (February 26, 2005 - loss of $0.5 million). This amount was included in Selling, marketing and administration expenses.

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 a small but increasing number of significant customers and on large complex contracts with respect to sales of the majority of its products. The Company expects this trend to continue as it sells an increasing number of its products and service relay access through network carriers and resellers rather than directly. The Company is undergoing significant sales growth in North America and internationally, resulting in the growth in its carrier customer base in terms of numbers, sales and trade receivables volumes and in some instances new or significantly increased credit limits. The Company, in the normal course of business, monitors the financial condition of its customers and reviews the credit history of each new customer. The Company establishes an allowance for doubtful accounts that corresponds to the specific credit risk of its customers, historical trends and economic circumstances. The Company also places insurance coverage for a portion of its foreign trade receivables. The allowance as at March 4, 2006 is $1.6 million (February 26, 2005 - $1.7 million).

While the Company sells to a variety of customers, three customers comprised 18%, 13% and 13% of trade receivables as at March 4, 2006 (February 26, 2005 - two customers comprised 23% and 12%). Additionally, four customers comprised 19%, 16%, 12% and 12% of the Company's sales (fiscal 2005 - four customers comprised 14%, 13%, 13% and 10%).

The Company is exposed to credit risk on derivative financial instruments arising from the potential for counterparties to default on their contractual obligations to the Company. The Company minimizes this risk by limiting counterparties to major financial institutions and by continuously monitoring their creditworthiness. As at March 4, 2006 the maximum exposure to a single counterparty was 40% of outstanding derivative instruments (February 26, 2005 - 38%).

The Company is exposed to market and credit risk on its investment portfolio. The Company limits this risk by investing only in liquid, investment grade securities and by limiting exposure to any one entity or group of related entities. As at March 4, 2006, no single issuer represented more than 12% of the total cash, cash equivalents and investments (February 26, 2005 - no single issuer represented more than 9% of the total cash, cash equivalents and short-term investments).

Subsequent event

On March 9, 2006, the Company completed the acquisition of 100% of the capital stock of Ascendent Systems Inc. ("Ascendent"). Ascendent specializes in enterprise solutions to simplify voice mobility implementations. The purchase price allocation will be finalized in fiscal 2007.

Impact of Accounting Pronouncements Not Yet Implemented

Other-Than-Temporary Impairment of Certain Investments

In March 2004, the Emerging Issues Task Force ("EITF") released Issue No. 03-01 Other-Than-Temporary Impairment and its Application to Certain Investments ("EITF 03-01"). EITF 03-01 provided guidance when an investment is considered impaired, whether that impairment is considered to be other-than temporary, and the measurement of an impairment loss. Rather than provide additional guidance on EITF 03-01, the FASB issued a proposed FASB Staff Position ("FSP") EITF 03-1-a Implementation Guidance for the Application of Paragraph 16 of EITF Issue 03-01, which superseded EITF 03-01 and EITF Topic No. D-44, Recognition of Other-Than-Temporary Impairment upon the Planned Sale of Security Whose Cost Exceeds Fair Value. EITF 03-01-a was renamed FSP FAS 115-1 The Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments. FSP FAS 115-1 is effective for fiscal periods beginning after December 15, 2005. The adoption of FSP FAS 115-1 is not expected to have a significant impact on the Company's results of operations or financial condition.

Stock-Based Compensation

On December 16, 2004, the FASB issued amended SFAS 123 ("SFAS 123(R)") Accounting for Share-Based Payment. SFAS 123(R) requires all companies to use the fair-value based method of accounting for stock-based compensation, and is in effect for all interim periods beginning after June 15, 2005. SFAS 123(R) requires that all companies adopt either the modified prospective transition ("MPT") or modified retrospective transition ("MRT") method. Stock compensation expense calculated using the MPT approach would be recognized on a prospective basis in the financial statements over the requisite service period, while the MRT method allows a restatement of prior periods for amounts previously recorded as proforma expense. On April 14, 2005, the U.S. Securities and Exchange Commission announced that it would provide for a phased-in implementation process for SFAS 123(R). As previously disclosed, the Company will now be required to adopt a fair-value based method in the first quarter of fiscal 2007. See note 1(u) of the Consolidated Financial Statements for proforma disclosure and related EPS impact.

Accounting Changes and Error Corrections

In May 2005, the FASB issued SFAS 154 Accounting Changes and Error Corrections. SFAS 154 completely replaces APB Opinion 20 ("APB 20") and SFAS 3, with many of those provisions being carried forward without change. If practical, SFAS 154 requires retrospective application to prior year's financial statements for a voluntary change in accounting principle. In addition, SFAS 154 also requires that a change in depreciation method for long-lived non-financial assets be accounted for as a change in estimate, as opposed to a change in accounting principle under APB 20. The standard is effective for fiscal years beginning after December 15, 2005.

Disclosure Controls and Procedures

The Company's Co-Chief Executive Officers and Chief Financial Officer have evaluated the Company's disclosure controls and procedures as at March 4, 2006 and have determined that such disclosure controls and procedures are effective.

A. Disclosure Controls and Procedures

Disclosure controls and procedures are defined by the U.S. Securities and Exchange Commission (the "Commission") as those controls and other procedures that are designed to ensure that information required to be disclosed by Research In Motion Limited (the "Registrant") in reports filed or submitted by it under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. The Registrant's co-Chief Executive Officers and Chief Financial Officer have evaluated the Registrant's disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 40-F and have determined that such disclosure controls and procedures are effective.

B. Changes in Internal Control Over Financial Reporting

Since the most recent evaluation of the Registrant's internal control over financial reporting, there has not been any significant change in the Registrant's internal control over financial reporting that has materially affected or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

C. 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 4, 2006.

D. Audit Committee Financial Expert

The Registrant's board of directors has determined that John E. Richardson, an individual serving on the audit 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. Mr. Richardson is independent, as that term is defined in the rules and regulations of the Nasdaq Stock Market, Inc..

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 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 committee or board of directors.

E. Code of Ethics

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

F. Principal Accountant Fees and Services

Audit Fees

The aggregate fees billed by Ernst & Young LLP ("E&Y"), the Registrant's principal accountant, for the fiscal years ended February 26, 2005 and March 4, 2006, respectively, for professional services rendered by E&Y for the audit of the Registrant's annual financial statements or services that are normally provided by E&Y in connection with statutory and regulatory filings or engagements for such years were $706,000 and $804,000, respectively.

Audit-Related Fees

The aggregate fees billed by E&Y for the fiscal years February 26, 2005 and March 4, 2006, respectively, for assurance and related services rendered by it that are reasonably related to the performance of the audit or review of the Registrant's financial statements and are not reported above as audit fees were $63,000 and $60,000, respectively. Professional services provided included accounting research and internal control review procedures.

Tax Fees

The aggregate fees billed by E&Y for the fiscal years ended February 26, 2005 and March 4, 2006, respectively, for professional services rendered by it for tax compliance, tax advice, tax planning and other services were $56,000 and $152,000, respectively. Tax services provided included international tax compliance engagements.

All Other Fees

The aggregate fees billed by E&Y for the fiscal years ended February 26, 2005 and March 4, 2006, respectively, for products and services provided by E&Y, other than the services reported in the preceding three paragraphs, were $nil and $nil, respectively.

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 committee of the Registrant.

G. 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.

H. 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 year ended March 4, 2006 under the heading "Liquidity and Capital Resources - Aggregate Contractual Obligations" filed with the Commission as Document 3 herein.

I. Identification of Audit Committee

The Registrant has an audit committee comprised of four individuals: John E. Richardson, Kendall Cork, James Estill and Dr. Douglas Wright (Chair). Each of the members of the audit committee is independent as that term is defined by the rules and regulations of the Nasdaq Stock Market, Inc.

J. 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 year ended March 4, 2006 under the heading "Critical Accounting Policies and Estimates" filed with the Commission as Document 3 herein.

J. 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.

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: May 10, 2006 By: /s/ DENNIS KAVELMAN

Name: Dennis Kavelman
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Document
1.	Consent of Ernst & Young LLP
31.	Certification of the co-CEO's and CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.	Certification of the co-CEO's and CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002