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Research In Motion F1Q10 (Qtr End 5/30/09) Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Keith Bachman. Please go ahead.

Keith Bachman - BMO Capital Markets

I wanted to see how you are thinking about the competitive dynamics, specifically against Apple's recently announced phones and the low-end price point at \$99. And then also how you are thinking about what impact on the share side that Pre may be having on the market. Thanks very much.

James L. Balsillie

Well, I think -- and I mean, we've had lots of offers for the BlackBerry that have been free and \$49 and \$99 and buy one, get one free, so I think we've had very aggressive promotion through a lot of carriers and we gave some sense of that.

I'm not one to really follow these other things. I mean, I think that was just a limited time offer for a year-old product, or I think that's a year-old product, you know, to really keep things moving, not to overhang with the new announcement. So I don't think it's a big structural kind of thing or anything like that, and other products that are out there -- I mean, they might be new, so it's kind of early to really tell anything. And we're pretty focused on doing what we have to do, so I don't really sort of fret those kinds of things. You know, we plan on [better] spaces opening up and the alignment with the value proposition, the strengthening, and the alignment with the carriers as key and we're just seeing that our strength -- you know, we've really -- I think we've demonstrated a lot of surging strength in the last two quarters and I'm not seeing anyone here take their foot off the gas, so you can extrapolate as you wish.

Next question.

Operator

Your next question comes from Jeffery Kvaal from Barclays Capital.

Jeffery Kvaal - Barclays Capital

Thanks very much. I was wondering if you could talk about units. It seems as though many of us might have been expecting a few more units in either this quarter or the next quarter. Jim, could you talk a little bit about the replacement rate, given activation seems to be relatively high? And to what extent phones sold without a data plan factors into that? Thank you.

James L. Balsillie

Well, I mean, I don't think that's a big, big part of it. One, I think we have a bit of a range there because there's a pretty exciting line-up of stuff we've really got lined up for the rest of the year, with some pretty spectacular roadmaps. So it comes a little bit on timing and normally, there can be some quietness in the summer time, so the fact that we are where as we are and we can see it going higher, you know, really heading into the holiday season is really very, very strong.

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