

**BUSINESS ISSUES (/CATEGORY/BUSINESS-ISSUES)**

[blackberry \(/tag/blackberry/\)](/tag/blackberry/), [business \(/tag/business/\)](/tag/business/)

BlackBerry sold 6.8 million smartphones but lost \$84 million last quarter

By [Mikael Ricknäs \(/author/Mikael-Ricknäs/\)](/author/Mikael-Ricknäs/), IDG News Service

Jun 28, 2013 5:00 AM |

BlackBerry shipped 6.8 million smartphones and recorded a \$84 million loss during the three months to June 1, as it struggles to turn around its fortunes.

The first quarter of BlackBerry's fiscal year served as a referendum on how consumers and business users have received the new BlackBerry 10 smartphones. The company's quarterly earnings, released Friday, noted that 2.7 million phones running the new OS were sold, a figure that disappointed analysts.

Shipments of 7.7 million phones would have been an "OK" result, according to IDC research director Francisco Jeronimo. The soft sales lead analysts to question the future of BlackBerry 10 and the company during a conference call on the results.

BlackBerry CEO Thorsten Heins offered various themes on the same reply as a defense: "BlackBerry 10 is still in the early stages on its transition. In fact, we are only five months in to what is the launch of an entirely new mobile computing platform," he said.

The BlackBerry Z10 is now available in 147 countries, while the QWERTY-equipped Q10 is on sale in 96 countries, with 50 being added during BlackBerry's fiscal second quarter. The cheaper Q5, which also has a physical keyboard, premiered in Dubai last week. It

will be distributed more widely during the second quarter, according to Heins. More products are on the way, but the company will not have more than six new devices in the market at any time, he said.

Marina Koytcheva, an analyst at CCS Insight, isn't surprised by BlackBerry's continued struggles, but agreed with Heins' assessment.

"It remains too early to tell whether the new BlackBerry 10 platform can emerge as a credible alternative to Android or iOS with shipments of the long-awaited Q10 device and recently announced Q5 only just starting in many markets. We need to wait a couple more quarters before writing off BlackBerry's chances," she said via email.

The company may be working on new products, but a BlackBerry 10 upgrade for its PlayBook tablet is not one of them.

"Our teams have spent a great deal of time and energy looking at solutions that could move the BlackBerry 10 experience to PlayBook. But unfortunately I am not satisfied with the level of performance and user experience, and I made the difficult decision to stop these efforts," Heins said.

BlackBerry reported revenue of \$3.1 billion, up 9 percent from the same period a year earlier. Net loss from continuing operations for the quarter was \$84 million, compared to a net loss of \$510 million a year earlier.

BlackBerry's OSeS had a 2.9 percent market share during the first three months of the calendar year, compared to 6.4 percent during the same period in 2012. To grow sales, BlackBerry has to do a couple of things.

"It needs strong campaigns to drive awareness of the new platform and user experience; new devices at lower price points, and to refocus on the enterprise segment where they still have a chance. The consumer segment is lost and the only chance is on the enterprise segment, particularly the large enterprises," Jeronimo said.

The smartphone market remains highly competitive, making it difficult to estimate units, revenue and levels of profitability, according to BlackBerry.

Updated at 12:25 p.m. PT with comments from Thorsten Heins and an analyst.

WE RECOMMEND



Deep inside Windows 8.1's hidden new features

(<http://www.pcworld.com/article/2043091/deep-inside-windows-8-1s-hidden-new-features.html>)



How Intel Survived Their Biggest Challenge Ever...And Came Out On Top

what's this?