

### RESEARCH IN MOTION LIMITED

Price (May 19, 2011) **\$42.87**  
 52-Week Range **\$69.30-\$41.46**  
 Shares O/S **523.87 million**  
 Market Cap **\$22.46 billion**  
 50-day Average Volume **2,284,100**  
 200-day Average Volume **2,275,800**  
 Fiscal Year-End **February 28**  
 Symbol **TSX/NASDAQ: RIM/RIMM**  
 Website **www.rim.com**

#### Financial Data

##### Selected Income/Cash Flow

(millions)	Year End Feb-09	Year End Feb-10	Year End Feb-11
Revenues	\$11,065	\$14,953	\$19,907
Operating Profit	\$5,097	\$6,584	\$8,825
EBITDA	\$2,996	\$3,740	\$5,082
Net Income	\$1,893	\$2,457	\$3,411
Cash Flow (CF) From Ops	\$2,221	\$3,196	\$4,505
Free Cash Flow	\$651	\$1,623	\$2,415

##### Selected Balance Sheet

	Year End Feb-09	Year End Feb-10	Year End Feb-11
Cash (& Equivalents)	\$836	\$1,551	\$1,791
Total Debt	\$0	\$0	\$0
Shareholders' Equity	\$5,874	\$7,603	\$8,938
Total Assets	\$8,101	\$10,205	\$12,875
Working Capital	\$2,726	\$3,381	\$3,858
Working Capital Ratio	2.29x	2.39x	2.06x

##### Key Ratios

Monthly Cash Burn	\$182	\$239	\$313
EBITDA Margin	27.1%	25.0%	25.5%
Return on Equity (ROE)	32.2%	32.3%	38.2%
Return on Assets (ROA)	23.4%	24.1%	26.5%
Sales Per Share	\$19.54	\$26.83	\$38.00
Earnings Per Share	\$3.34	\$4.41	\$6.51
Free Cash Flow Per Share	\$1.15	\$2.91	\$4.61

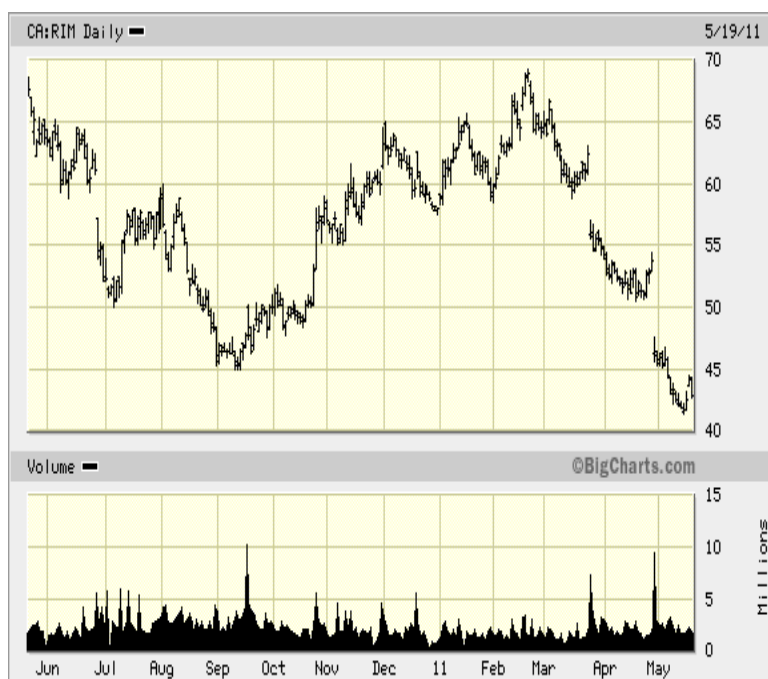
##### Multiples

Price/ EPS (multiple)	15.21x	16.91x	9.92x
Price/ EBITDA (multiple)	9.61x	11.11x	6.66x
Price/ Cash Flow (multiple)	12.96x	13.00x	7.51x
Equity Book Value Per Share	\$10.37	\$13.64	\$17.06

eResearch Analyst: Bob Weir, B.Sc., B.Comm., CFA  
 theUpTrend.com Analyst: Stephen Whiteside

eResearch Corporation 56 Temperance Street Suite 501 Toronto, ON M5H 3V5 Telephone: 416-643-7650 Toll Free: 877-856-0765	theUpTrend.com 33 Hazelton Avenue Suite 100 Toronto, ON M5R 2E3 Telephone: 416-915-6396
---	---

Note: Report prepared with public information only.



Source: [www.bigcharts.com](http://www.bigcharts.com)

#### THE COMPANY

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. A global leader in wireless innovation, RIM revolutionized the mobile industry with the introduction of the BlackBerry® solution in 1999.

The BlackBerry product line includes the BlackBerry® PlayBook™ tablet, the award-winning BlackBerry smartphone, and software for businesses and accessories.

BlackBerry products and services are used by millions of customers around the world to stay connected to the people and content that matter most throughout their day. The Company’s sales and marketing efforts include collaboration with strategic partners and distribution channels to promote the sale of its products and services as well as its own supporting sales and marketing teams.



---

## COMMENTARY

RIM the Company, and RIM the stock, have both been under pressure for some time. Apple Inc. has generated much of the media's attention as it has won so many kudos for its iPad product. RIM has to find a way to regain its luster, and get its products back in the lime-light.

Compared to Apple, RIM is perceived to be weak as a software company, which shows up in its lack of developer tools and software applications.

In addition, on the hardware side, regaining market acceptance is a distinct challenge.

To address this the Company seems to be taking steps in the right direction. The recent Blackberry World 2011 conference featured the Blackberry Bold 9900, which exhibited a lightning-fast processor, powerful graphics, a touch-screen, a physical keyboard, and a new Blackberry 7 operating system.

But an absolute necessity for RIM is getting the new Bold and other devices ready this summer for the back-to-school crowd. The Company simply cannot afford to miss that key shopping window.

RIM is making headway on other fronts, primarily achieved through a spate of acquisitions, which included QNX Systems, Torch Mobile, and The Astonishing Tribe. Together, these companies provided RIM with a new operating system (QNX), a laudable web browser (Torch), and greatly improved user-interface design skills (TAT). In addition, RIM and Adobe Systems have become "friends" after Apple scorned Adobe.

Another key challenge ahead of RIM is getting its new Playbook "up to snuff".

Time is running out. The world is watching.

## CORPORATE INFORMATION

### Head Office

Research In Motion Limited  
295 Phillip Street  
Waterloo, Ontario Canada N2L 3W8  
Telephone: (519) 888-7465  
Fax: (519) 888-7884

## TECHNICAL OPINION

Thursday, May 19, 2011

### Research In Motion (TSX: RIM)

Target Price: \$35.00 – \$37.50

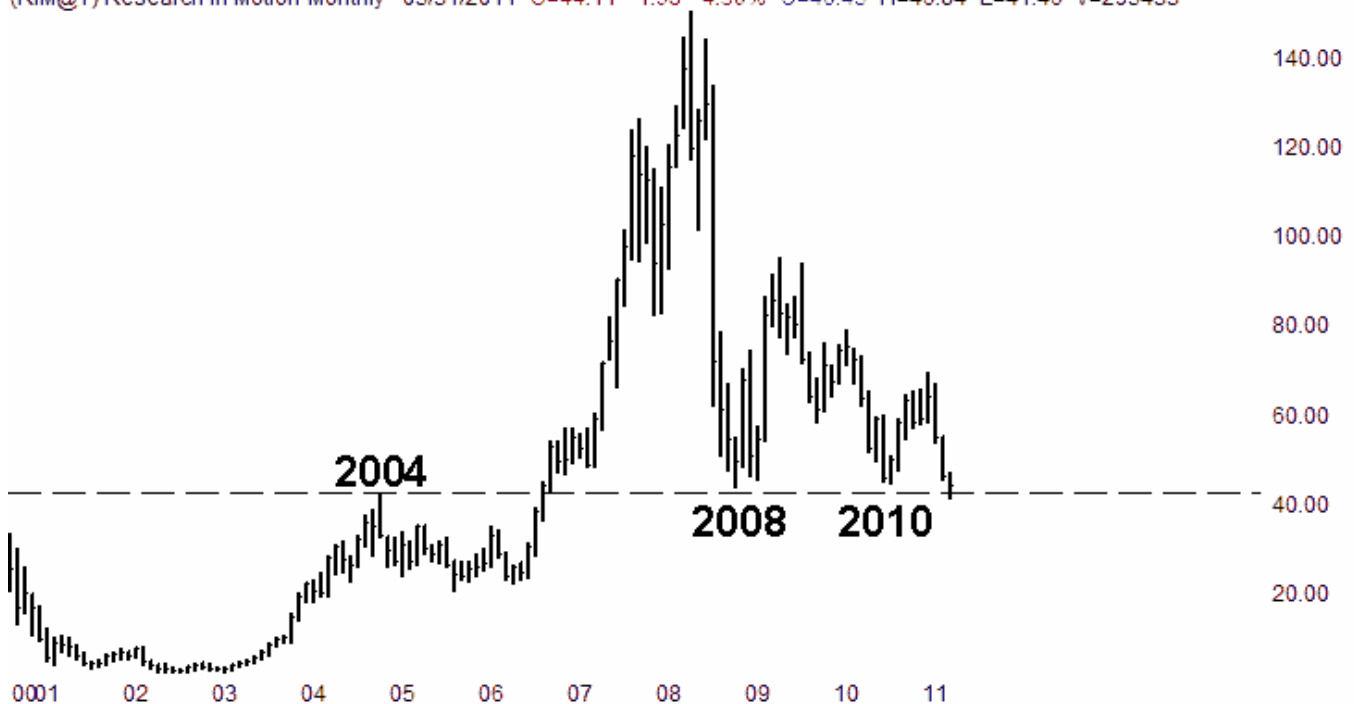
#### BASKET CASE BOUNCE?

The worst-performing stock on the TSX 60 for the last couple of years has been Research In Motion: down 48% in the last two years, and down 30% in the last year.

Over the past couple of weeks, RIM has broken down below its 2010 and 2008 lows, and has found support clustered around the 2004 highs.

While there may be some short-term strength over the next couple of weeks, we expect the stock to trend down to the \$37.50 - \$35.00 area during the summer of 2011.

(RIM@T) Research In Motion-Monthly 05/31/2011 C=44.11 -1.98 -4.30% O=46.45 H=46.84 L=41.46 V=295433



## LONG-TERM BEAR TREND

Looking at the weekly Panic Zone chart, RIM has been making a series of lower highs and lower lows, a trend that started in September 2009. This is extremely bearish, and totally out of sync with the rest of the market and the technology sector.

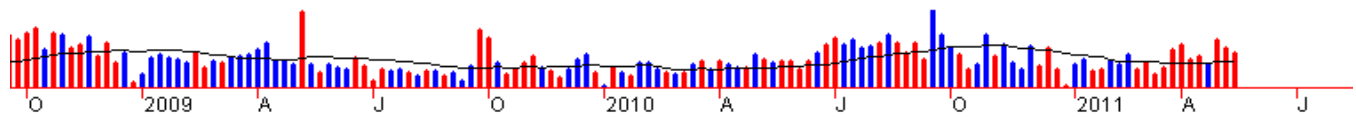
Although a new Pressure Zone (1) is forming, which can indicate the development of a new low-risk buying opportunity, we are still projecting lower prices (2) in the months ahead.



## IF THE DOWNTREND CONTINUES ...

RIM recently made a new low of \$41.46. A break of that low could take the stock down to the psychological support level of \$40.00. A break of \$40.00, and the next downside target is \$37.50.

(RIM@T) Research In Motion-Weekly 05/13/2011 C=41.92 -2.64 -5.92% O=44.26 H=44.31 L=41.83 V=112901



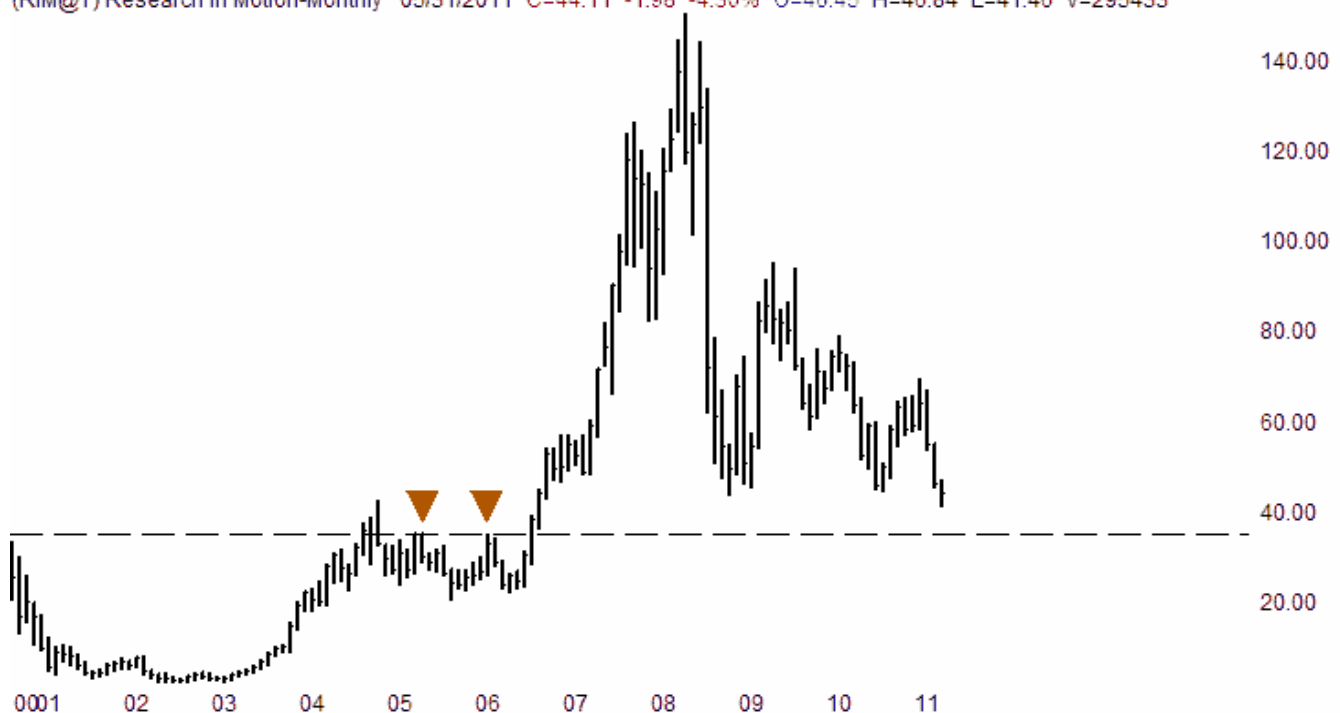
## IF HISTORY IS A GUIDE ...

After \$40.00, \$37.50 is the next mathematical projection. At the same time, it is useful to examine RIM's history as an indicator of just how low the stock could go over the next couple of months.

In the summer of 2005 and the spring of 2006, RIM traded up and found resistance at just above, and just below, the \$35.00 level (\$35.13 and \$34.83).

If the stock does break down below \$37.50, then the next target would be \$35.00.

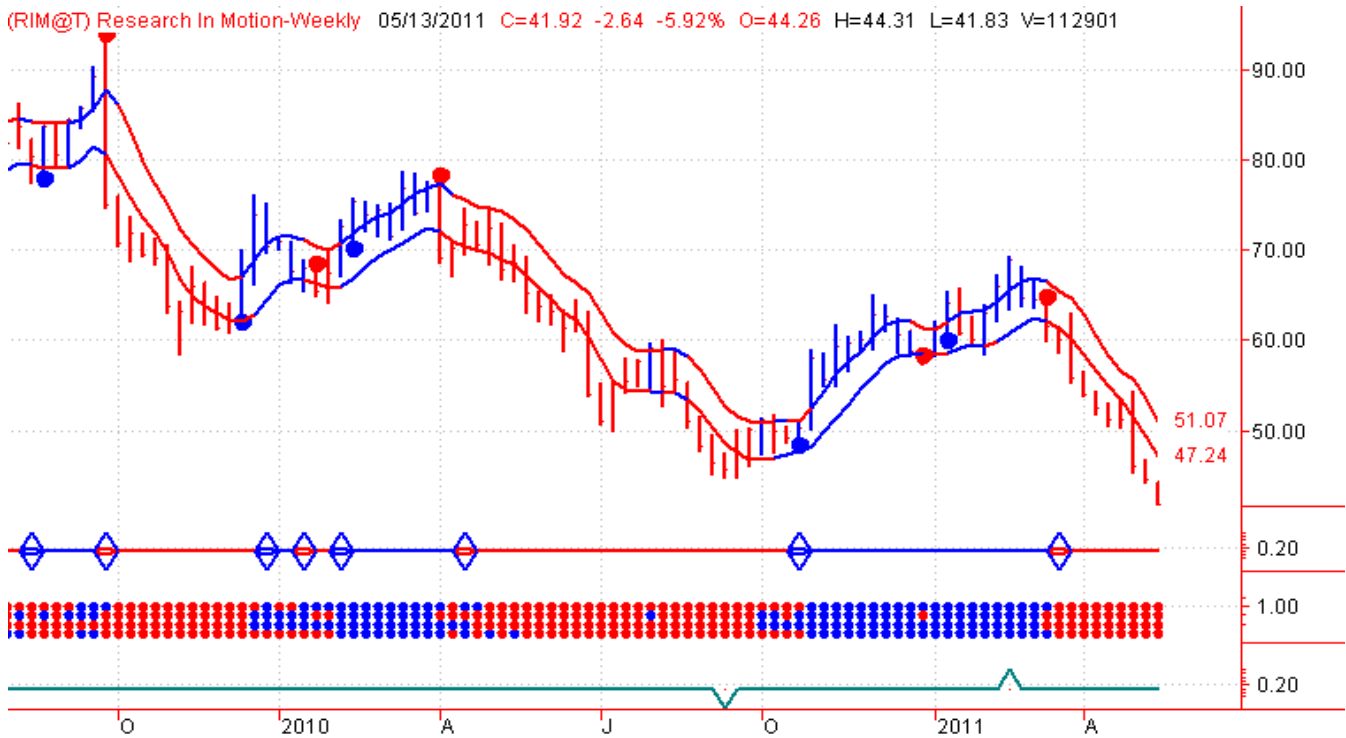
(RIM@T) Research In Motion-Monthly 05/31/2011 C=44.11 -1.98 -4.30% O=46.45 H=46.84 L=41.46 V=295433



## “RIM CAN'T GO DOWN FOREVER”

This statement may become true someday, but it is not true today.

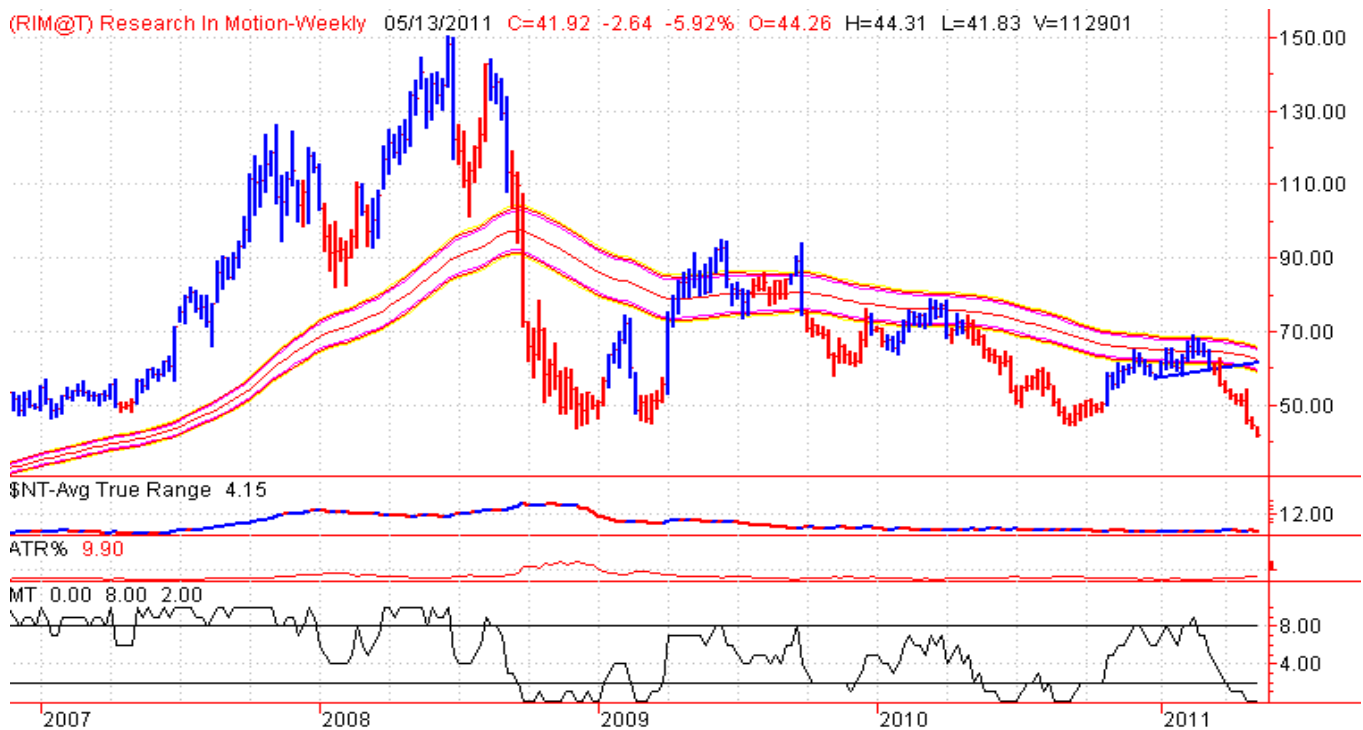
The first sign that RIM has started to turn around on a long-term basis will be a weekly close above (currently) \$51.07. For a while, this break-out point will continue to move lower over time.



## FLY PAPER

Unless RIM come out with a new hot product, dramatically changes its business model, or does something to regalvanize investor interest, it is likely that the Weekly Fly Paper chart (shown below) will contain any upward momentum this stock may achieve in the \$60-\$66 range.

As long as the stock does not make any dramatic upward moves, this range will continue to move lower over time.

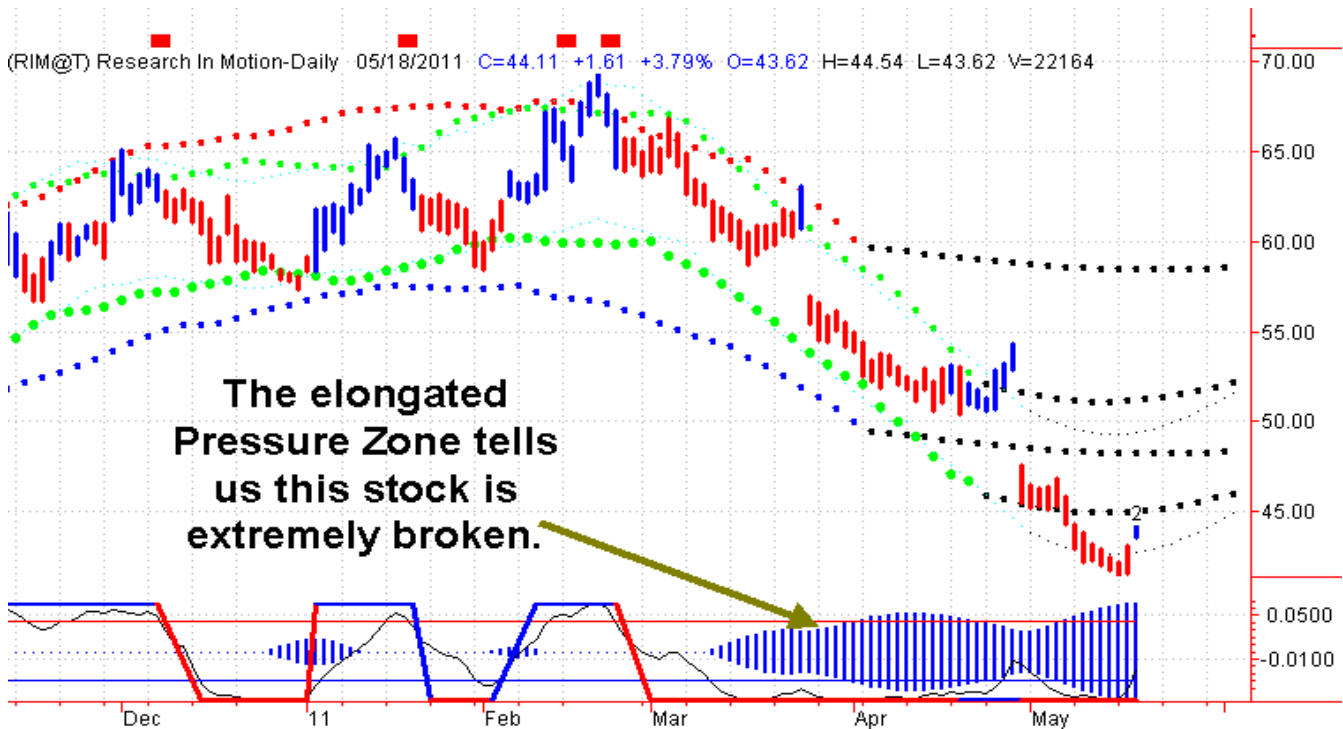


## WHY FEATURE RIM TODAY?

The Daily Panic Zone chart shows see that RIM is extremely oversold.

And, looking at the daily charts, RIM looks like it may be ready to generate a new Daily Buy Signal.

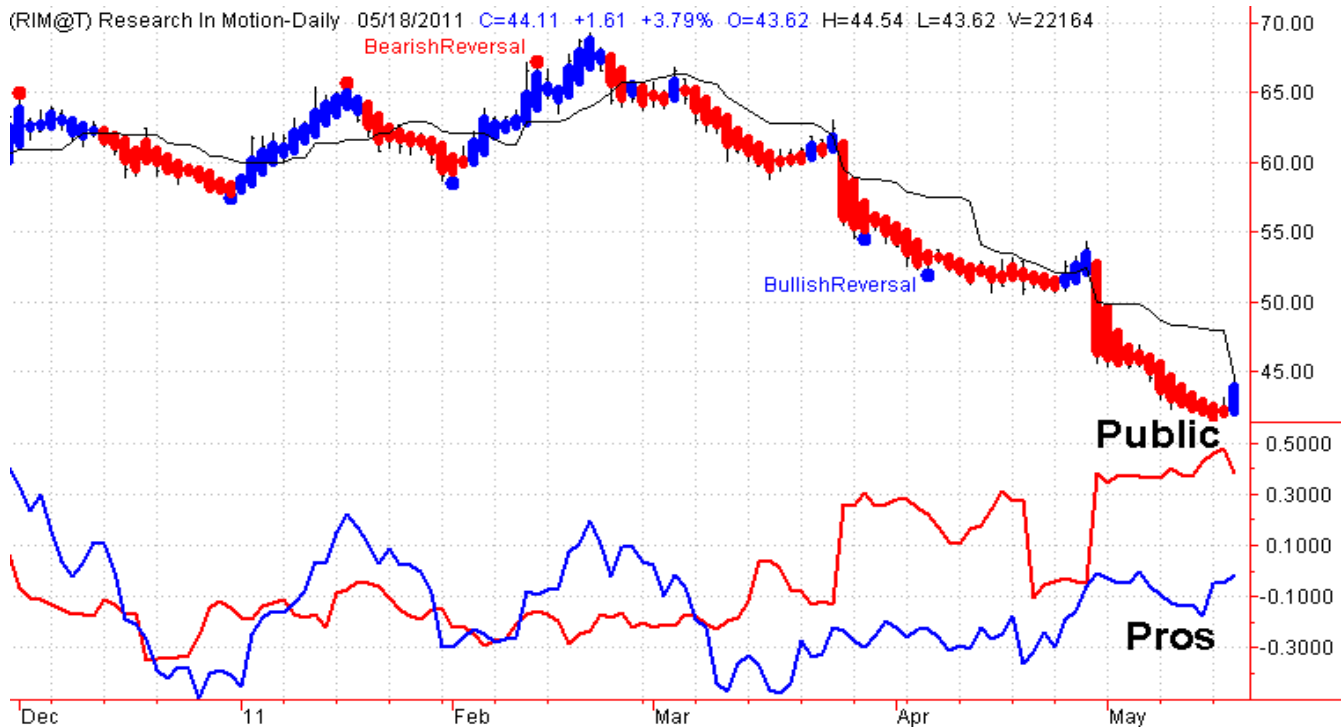
Currently, a daily close above \$44.30 would generate a new Daily Buy Signal.



## INSTITUTIONS VERSUS THE PUBLIC

The public (red line) remains firmly “in control” of this stock.

Even though the stock has risen lately, the institutions (blue line) have shown little interest in the stock at this time.



## GAP TRAP

Technically, setting price targets involves examining the mathematically-derived price lines on the chart shown below. One line is a reasonable weekly target, and two lines represents a monthly target. In the case of RIM, as shown on the chart, those target prices are \$50.00 and \$56.25 respectively.

Unfortunately, RIM has not taken an escalator to the basement, it has taken the elevator, and missed a few floors along the way.

The open gaps shown on the chart are going to act as resistance on the way back up. Both the bottom of each gap and the top of each gap can equally act as selling triggers for short-term investors.



## CONCLUSION

Research In Motion is a “broken” stock. Anyone considering purchasing RIM at this time is using a strategy most commonly referred to as Bottom Fishing. While this strategy can often produce amazing results, usually it turns to be a waste of time and money.

A better strategy would be to wait for a sizable pull-back rather than chase the stock down to new multi-year lows. But how long does one wait, and how “sizable” is a sizable pull-back? The answer is to watch for a buying signal(s). For RIM, a key indicator would be a new Weekly Buy Signal.

Once recovery gets underway, however, the recent lower gaps, the recent lower highs, and the Fly Paper Channel will all act as resistance levels and, therefore, dramatically limit upside potential.



---

## DISCLAIMERS

### **eResearch Disclosure Statement**

eResearch operates two business segments: (1) the provision of equity research to the investment community; and (2) the offering of its abilities to assist companies raise capital.

The research activities and operations of eResearch are carried out solely by its Research Services division, which provides published research and analysis to the investing public on its website ([www.eresearch.ca](http://www.eresearch.ca)), through its extensive electronic distribution network, and through newswire agencies. eResearch makes all reasonable efforts to provide its research, via e-mail, simultaneously to all subscribers.

The capital raise activities and operations of eResearch are carried out solely by its Capital Services division, which engages only in capital market services with Corporate Issuers and Accredited Investors. eResearch does not manage money or trade with the general public which, combined with the full disclosure of all fee arrangements, the strict application of its Best Practices Guidelines, and the creation of an effective "Ethical Wall" between the Research Services and the Capital Services divisions, should eliminate potential conflicts of interest.

### **theUpTrend.com Disclosure Statement**

TheUpTrend.com is an information service for investors and traders, and is neither a recommendation nor an offer to buy or sell securities. TheUpTrend.com is not a broker or an investment adviser, and is not acting in any capacity to influence the purchase of any security.

TheUpTrend.com and its personnel may already have positions in equities presented.

TheUpTrend.com, its officers, directors, employees, and consultants shall not be liable for any damages, losses, or costs of any kind or type arising out of or in any way connected with the use of its products or services.

In many instances, securities presented should be considered speculative with a high degree of volatility and risk. Before trading securities, an investor or trader should consult with a qualified broker, investment adviser, and/or other market professionals.

All commentaries, suggestions, recommendations, and trade decisions are based solely on technical analysis and are not based upon company fundamentals, news, earnings, or rumours. Past performance is not indicative of future performance.

Further information regarding theUpTrend.com can be obtained from its website: [www.theuptrend.com](http://www.theuptrend.com).