

The Merriam Report RIMM 5/28/11 Research In Motion, INC.

All amounts in millions except for earnings per share

Quarterly period ending:	3	4	1	2	3	4	1	Averages	
	11/28/09	2/27/10	5/29/10	8/28/10	11/27/10	2/26/11	5/28/11		
Earnings Per Share (Incl. Ext. Items)	\$ 1.100	\$ 1.396	\$ 1.468	\$ 1.537	\$ 1.78244	\$ 1.765	\$ 1.330	\$ 1.483	
% Change in E.P.S. (from prev. qtr.)		26.9%	5.2%	4.7%	16.0%	-1.0%	-24.7%	4.5%	
Total Revenues	3924.3	4496.0	4235.0	4621.3	5494.5	5499.0	4908.0	4739.7	
% Change in Revenues (from prev. qtr.)		14.6%	-5.8%	9.1%	18.9%	0.1%	-10.7%	4.4%	
Cost of Revenues	2249.0	2339.0	2369.0	2593.0	3070.0	2888.0	2752.0	2608.6	
Accounts Receivable:	2712.4	2949.0	2911.0	3579.0	4449.0	4159.0	3722.0	3497.3	
% Change in Receivables (from prev. qtr.)		8.7%	-1.3%	22.9%	24.3%	-6.5%	-10.5%	6.3%	2.40%
DSO's (# of days it took customers to pay)	62.9	59.7	62.6	70.5	73.7	68.8	69.0	66.7	-0.49%
Inventories:	612.7	655.0	581.0	687.0	696.0	601.0	943.0	682.2	
% Change in Inventory (from prev. qtr.)		6.9%	-11.3%	18.2%	1.3%	-13.6%	56.9%	9.7%	-6.74%
Inventory as a % of Sales	15.6%	14.6%	13.7%	14.9%	12.7%	10.9%	19.2%	14.51%	
Prepaid Expenses:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	
Other Current Assets:	411.0	505.0	395.0	466.0	399.0	395.0	533.0	443.4	
Property, Plant & Equip. (net):	1843.7	2060.0	2169.0	2308.0	2402.0	2434.0	2576.0	2256.1	
% Change in P, P & E (from prev. qtr.)		11.7%	5.3%	6.4%	4.1%	1.3%	5.8%	5.8%	
Accounts Payable:	815.4	648.0	603.0	948.0	1307.0	809.0	1141.0	895.9	
% Change in Payables (from prev. qtr.)		-20.5%	-6.9%	57.2%	37.9%	-38.1%	41.0%	11.8%	-0.0418
Quarterly period ending:	11/28/09	2/27/10	5/29/10	8/28/10	11/27/10	2/26/11	5/28/11		
Total Liabilities:	2884.1	2739.0	2804.0	3432.0	4183.0	3826.0	4254.0	3446.0	
Shareholder equity:	6820.4	8006.0	8359.0	7675.0	8204.0	8688.0	9588.0	8191.5	
Retained Earnings (Accum. Deficit)	4564.2	5554.0	5910.0	5348.0	5961.0	8360.0	7444.8	5905.9	
Operating Cash Flow (OCF)	8781.7	10694.5	11356.8	9652.6	10691.6	11705.0	12989.0	10838.7	
OCF as % of Revenues	223.8%	237.9%	268.2%	208.9%	194.6%	212.9%	264.6%	230.11%	0.0214
Balance Sheet Cash Flow (BSCF)	-1054.7	-1363.0	-1105.0	-1561.0	-1972.0	-1537.0	-1142.0	-1390.7	
BSCF as % of Revenues	-26.9%	-30.3%	-26.1%	-33.8%	-35.9%	-28.0%	-23.3%	-29.17%	0.2023
Spread between OCF & BSCF	9836.4	12057.5	12461.8	11213.6	12663.6	13242.0	14131.0	12229.4	-8 0.0289
Ratios									
Spread to Revenues	250.65%	268.18%	294.26%	242.65%	230.48%	240.81%	287.92%	2.593	
Spread to OCF	-8.326	-7.846	-10.278	-6.184	-5.422	-7.615	-11.374	-8.149	
MR Dual Cash-Flow Figure	-5.820	-5.164	-7.335	-3.757	-3.117	-5.207	-8.495	-5.556	

The Merriam Report

Research In Motion, INC.

RIMM

5/28/11

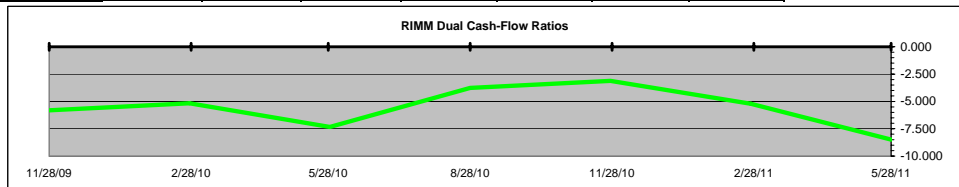
Quarterly period ending:

11/28/09	2/27/10	5/29/10	8/28/10	11/27/10	2/26/11	5/28/11
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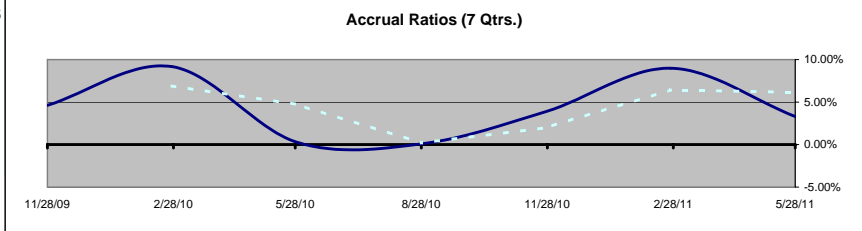
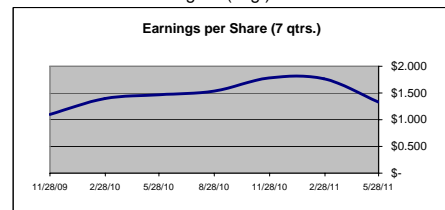
Merriam Report Signals:

Recent Bearish
Confirmed Bearish



MR Dual Cash-Flow Figure (avg.)

-5.556



Accrual Ratios
Average Accruals

11/28/09	2/27/10	5/29/10	8/28/10	11/27/10	2/26/11	5/28/11	
4.63%	9.17%	0.30%	0.08%	3.89%	8.99%	3.30%	-0.65
Average Accruals							4.34%

Revenue Metrics (as % of Sales)

Research & Development
Cost of Sales
S/G/A
Payables

Recent Qtr.

8.62%
56.07%
14.34%
23.25%

Combined Avg.

7.11%
55.04%
17.47%
18.90%

Capital Productivity

Inventory / Revenues
Receivables / Revenues
Inventory & Receivables / Revenues
P,P&E / Revenues

Recent Qtr.

\$ 0.192
\$ 0.758
\$ 0.950
\$ 0.525

Combined Avg.

\$ 0.144
\$ 0.738
\$ 0.882
\$ 0.476

Comments:

- ①
- ②
- ③
- ④

Accrual Ratios: According to the MR model, a ratio of -5 or less is very bullish and a ratio of +5 or more is very bearish.

-1.04% 3.13%

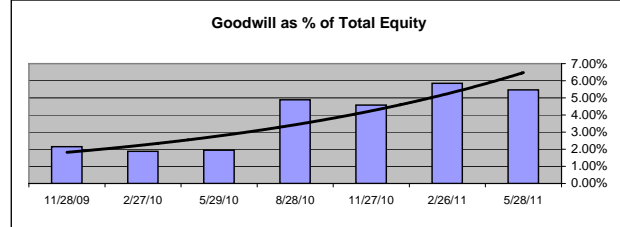
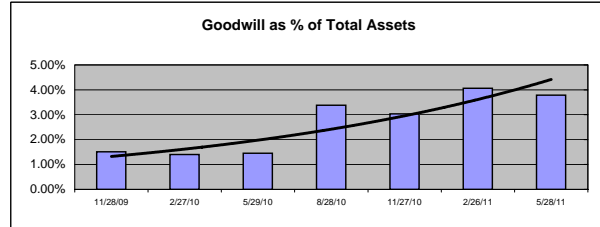
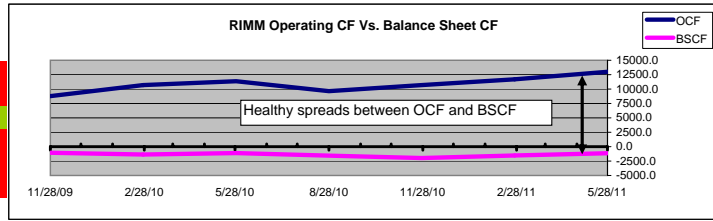
Summary of Merriam Report Signals

Dual Cash-Flow Figures

	Recent Bearish	Confirmed Bearish	Recent Bullish	Confirmed Bullish					
Operating Cash-Flow Trend	Bullish	OCF	8781.7	10694.5	11356.8	9652.6	10691.6	11705.0	12989.0
Balance Sheet Cash-Flow Trend	Bearish	BSCF	-1054.7	-1363.0	-1105.0	-1561.0	-1972.0	-1537.0	-1142.0

Comparison of Recent Quarter Changes to Average

EPS	Bearish	
Revenues	Bearish	
Accounts Receivable	Bullish	
Days Sales Outstanding	Bearish	
Inventory	Bearish	
Accounts Payable	Bearish	
Accrual Ratios	Mildly Bearish	



	11/28/09	2/27/10	5/29/10	8/28/10	11/27/10	2/26/11	5/28/11	AVG.
Goodwill as % of Total Assets	1.51%	1.40%	1.45%	3.38%	3.03%	4.06%	3.79%	2.66%
Goodwill as % of Total Equity	2.15%	1.88%	1.94%	4.89%	4.58%	5.85%	5.47%	3.82%
	1.42	1.34	1.34	1.45	1.51	1.44	1.44	1.44

Dual Cash Flow Trend	-2
Financial Ratios (conventional)	0
Balance Sheet and Income Statement	-8
Accrual Ratios	-0.65
Revenue Metrics and Capital Productivity	-4
Goodwill Trends	-2
Merriam Report Score	-16.65

Research In Motion, INC.	5/28/11	6/22/11
Ending Period Share Price	42.85	\$ 28.40
Estimated Fair Value	\$ 39.42	
End Price to Est. FV	4.84%	-27.95%

Valuation
UNDERVALUED

Adjustments (Payables)	\$	(1.71)
Adjustments (Receivables)	\$	0.98
Adjustments (DSO)	\$	(0.03)
Adjustments (OCF)	\$	0.88
Adjustments (BSCF)	\$	1.18
Adjustments (Inventory)	\$	(2.75)
Total Adjustments	\$	(1.45)

Earnings Quality
A+
A-
B+
B-
C+
C-

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