BlackBerry Maker Plants Seeds For Comeback Attempt

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SAN JOSE, Calif. (AP) — Research In Motion CEO Thorsten Heins is promising to restore the BlackBerry phone's stature as a trailblazing device even as many investors fret about its potential demise.

Heins took the stage Tuesday at a conference for mobile applications developers to rally support for the upcoming release of BlackBerry 10, a new operating system that Research In Motion Ltd. is touting as its salvation after years of blundering wiped out some $80 billion in shareholder wealth.

With BlackBerry 10 still four to six months away from hitting the market, Tuesday's gathering in San Jose, Calif. felt more like a revival meeting than a product preview. RIM, which is based in Canada, has been laying off thousands of workers to offset mounting losses after being outmaneuvered by iPhone maker Apple Inc. and other phone makers relying on Google Inc.'s Android software.

"We recognize the need for change," said Heins, who was promoted to CEO eight months ago as RIM's troubles deepened. "There is a new energy and a lot of fighting spirit at RIM."

RIM aimed its message of hope and resilience at an audience of app developers because those programmers hold one of the biggest keys to its future. The success of the iPhone has proven that a broad selection of apps that make smartphones more fun and convenient can help drive sales of the devices.

One of the BlackBerry's biggest shortcomings has been its relatively small inventory of apps. RIM says BlackBerry has about 105,000 apps, which pales next to the more than 700,000 apps in Apple's iTunes store. Google's Play store is stocked with more than 600,000 apps.

RIM is wooing app developers by offering them more tools to work with on BlackBerry 10 and offering financial incentives to persuade them they will make money on the new platform. The company told developers Tuesday that they can start submitting BlackBerry 10 apps for approval on Oct. 10. The new system already plans to feature built-in apps from four popular digital networking services —Facebook, Twitter, LinkedIn and Foursquare.

As part of its attempt to win over more app developers, RIM played a humorous music video set to the tune of REO Speedwagon's "Keep on Loving You." Although the reworking of the tune drew laughter, the reference to a song released 32 years ago threatens to reinforce perceptions that RIM and BlackBerry have become relics in the rapidly evolving mobile computing market. Apple, in contrast, wrapped its

unveiling of the iPhone 5 two weeks ago with a live performance by the Foo Fighters, a band that is still winning Grammy awards for its music.

In an effort to prove RIM is preparing for the future, Heins and other top company executives spent most of Tuesday's conference providing a glimpse at some of BlackBerry 10's new features. Phones running on the redesigned software won't be sold until sometime during the first three months of next year. Heins and other RIM executives declined to provide a more specific timetable Tuesday.

That means RIM's new software won't be available during the holiday shopping season, costing the company more sales during a period when millions of people are expected to be snapping up the latest iPhone, Android devices and even a new handset from another struggling mobile phone company, Nokia, which is tying its fate to Microsoft's latest Windows software.

Despite RIM's missteps, the BlackBerry still commands a huge following with 80 million subscribers. That's up from 78 million in early June. The company intends to share more details about its recent subscriber gains on Thursday, when it's scheduled to release its fiscal second-quarter results. RIM has lost a total of $643 million in is previous two quarters.

In Tuesday's presentation, Heins did his best to argue that the BlackBerry 10 will be worth the long wait. The software was supposed to be released this fall before Heins decided the company needed more time to make it work right.

"We are committed to making BlackBerry 10 an inflection point in mobile computing," Heins said.

The system is being designed to make it easier to find and use multiple applications simultaneously by swiping a finger across the phone's display screen instead of relying on the iPhone's system requiring people to press on a home button to switch from one program to the next. All notifications from various applications are supposed to be sent a nerve center known as the BlackBerry Hub.

In an attempt to cater to its main customer base of business users, RIM also promises BlackBerry 10 will offer more security features, better calendar management and more ways to connect with other workers.

RIM is retooling the software to adapt to the growing number of people who want a smartphone that can fulfill both their personal and professional needs. In an effort to make its phones better suited for this "bring your own device" phenomenon, the new system includes a feature called "BlackBerry Balance." That enables users to touch an icon on the screen to switch between two different menus of applications and services, one set up for personal activities and the other programmed for work.

"We are convinced this platform will shape the next 10 years as profoundly and as positively as BlackBerry shaped the last decade," Heins said.

Investors appeared to be heartened by what they heard and saw from RIM Tuesday.

The company's stock gained 30 cents, or nearly 5 percent, close Tuesday at $6.60. That's still far below the stock's peak price of about $148, reached in June 2008. Back then, the iPhone was still considered to be a high-tech toy for affluent geeks and the first wave of Android-powered devices had not yet been released.

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