

BlackBerry still bleeding with US\$423m loss

MONTREAL, CANADA: The struggling smartphone manufacturer BlackBerry reported a loss of US\$423 million in the fourth quarter of its 2014 fiscal year, with revenues still falling.



John Chen says that BlackBerry is on track to return to profitability. Image: [Inside BlackBerry](#)

The company said revenues fell to US\$976m in the fourth quarter, down from US\$2.7bn 12 months earlier with sales of smartphones falling from 1.9m to 1.3m in the fourth quarter.

BlackBerry said it delivered 3.4m smartphones in the quarter, but 2.3m were the older models using its BlackBerry 7 operating system.

The company last year introduced the BlackBerry 10 operating system in an effort to regain ground lost to rivals such as Apple and others using the Google Android operating system.

In December, BlackBerry unveiled a manufacturing partnership with Taiwan-based Foxconn and a revamped organisational structure. The deal makes Foxconn the manufacturer and allows BlackBerry to focus on software and services.

The company also announced last year it was slashing 4 500 jobs, or 40% of its workforce, as part of the restructuring.

BlackBerry at one point last year put itself up for sale, but later abandoned hopes of finding a buyer, and instead pegged its future on a US\$1bn cash injection.

The revenue breakdown for the fourth quarter was 37% for hardware, 56% for services and seven percent for software and other revenue.

"I am very pleased with our progress and execution in the fourth quarter against the strategy we laid out three months ago," said chief John Chen, who took the reins in November as the company sought to revive its fortunes.

"We have significantly streamlined operations, allowing us to reach our expense reduction target one quarter ahead of schedule. BlackBerry is on sounder financial footing today and is on track to return to growth and profitability," he said.

The loss for the fiscal year ending March amounted to US\$5.9bn, a huge increase from the loss of US\$646m a year earlier. Revenues meanwhile slumped nearly 40% for the full year to US\$6.8bn.

Source: AFP via I-Net Bridge

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