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## HANDSPRING POSTS Q1 REVENUE OF \$54.1 MILLION

**MOUNTAIN VIEW, CALIF. (October 17, 2002)** – Handspring, Inc. (NASDAQ: HAND) today announced revenue of \$54.1 million for the first quarter of fiscal 2003 ended September 28, 2002, compared with \$61.4 million for the same period last year and \$49.0 million in Q4 fiscal 2002.

“This quarter we moved our strategy forward to focus more on carrier partnerships and wireless communicators,” said Handspring CEO Donna Dubinsky. “A strong launch of the Treo 300 combined with significant expense reduction resulted in sequential growth and a good overall quarter.”

Net loss during Q1 was \$15.3 million. Excluding amortization of deferred stock compensation and intangibles and a charge associated with the restructuring, Handspring reported a net loss of \$10.0 million for the quarter. Excluding these costs, total operating expenses were \$23.8 million, or 44% of revenue. The company also reported gross margins of 24.4% during the first quarter as compared to gross margins of 24.5% in the prior quarter. The company’s ending cash and investments balance was \$118 million, of which \$73.8 million was unrestricted.

Highlights of the first quarter include:

- Launch of the Treo 300, a full-color wireless communicator for the Sprint PCS Vision nationwide network
- Release of the GPRS software upgrade in Asia, Europe and Canada
- Release of the Treo 90 in Europe
- Launch of the Treo 270 communicators in Mexico
- Launch of the Treo 180 communicators in China

Handspring’s earnings conference call will be webcast on its web site at [www.handspring.com](http://www.handspring.com), live at 2 p.m. PDT (Pacific Daylight Time) on Thursday, October 17, 2002, and archived through Sunday, October 27, 2002. The audio replay of the company’s Q1 conference call can be accessed via telephone after 4:00 p.m. PDT Thursday, October 17, 2002 until 4:00 p.m. PDT Sunday, October 27, 2002 by calling (402) 977-9140 and entering the reservation number 20903912.

### ABOUT HANDSPRING

Handspring is a leading innovator in personal communications and handheld computing. The company’s products include the Treo wireless communicators and Treo 90 organizer, the Visor expandable handheld computers, and client

and server software for fast Web access from handheld devices and mobile phones. Today Handspring sells its products and accessories at [www.handspring.com](http://www.handspring.com) and through select Internet, retail and carrier partners in the United States, Europe, Asia, Australia, New Zealand, Canada Middle East, and Mexico/Latin America.

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that involve risks and uncertainties, including those relating to: the Treo product family's contribution to revenue and increased gross margins; Handspring's future product development, carrier business development and expense control efforts; and the success of new product introductions and software releases in numerous markets around the world. Actual results may differ materially due to a number of factors including, among others: The timing of the build-out of advanced wireless networks and the quality and scope of voice and data service coverage offered by wireless carriers; the degree to which wireless carriers will facilitate the successful introduction of Handspring's wireless products; our dependence on third parties to supply components for Treo in sufficient volumes and at satisfactory quality levels; our ability to accurately forecast future Treo demand; customer acceptance of Handspring's Treo communicator products; the rapid pace of technological change and competitive developments in the wireless communications industry. Reported results should not be considered as an indication of future performance. The matters discussed in this press release also involve risks and uncertainties described in Handspring's most recent Form 10-K filed with the Securities and Exchange Commission. Handspring assumes no obligation to update the forward-looking information contained in this press release, except as otherwise required by applicable law.

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