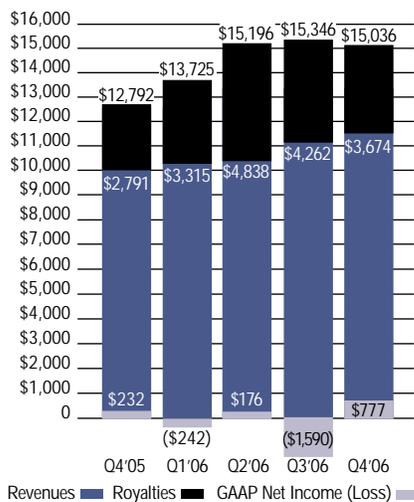


Investment Highlights

- Successful business model based on combination of licensing and royalties - multiple revenue streams
- Pioneer in Silicon Aware IP™ and leading provider of semiconductor intellectual property (IP) platforms based on silicon-proven memory, logic and I/Os
- Market leader in embedded memory and world's largest embedded memory design team
- Focus on system-on-chip (SoC) applications
- Blue-chip customer base including large fabless semiconductor companies, leading integrated device manufacturers (IDMs), and third-party foundries developing a multitude of advanced SoC designs
- Strong patent portfolio

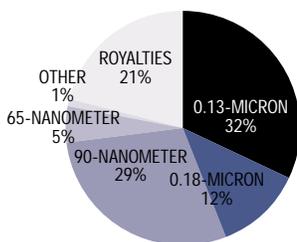
Financial Highlights

QUARTERLY REVENUES AND GAAP NET INCOME (LOSS) Q4'05 – Q4'06 (In Thousands)



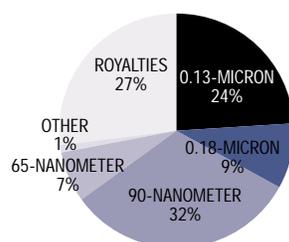
ANNUAL REVENUES BY PROCESS TECHNOLOGY AND ROYALTIES

FY 2005



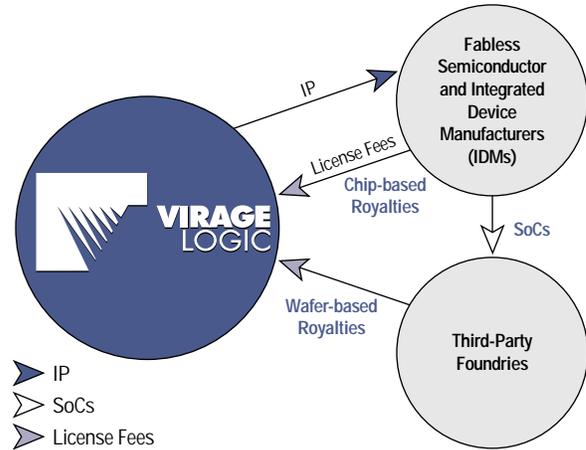
REVENUES \$53.4 MILLION

FY 2006



REVENUES \$59.3 MILLION

VIRAGE LOGIC BUSINESS MODEL - MULTIPLE REVENUE STREAMS



Market Highlights

The proliferation of consumer and wireless products, the growth of the Internet and the development of higher-speed computers and more robust visual communication systems are creating demand for electronic devices that offer lower power consumption and higher performance in order to achieve lower system operating power and higher processing throughput. In order to meet intense time-to-market pressures, SoC designers are outsourcing pre-designed, production-tested IP from third-party suppliers such as Virage Logic.

Semico research forecasts the semiconductor IP market will grow to \$2.5 billion by 2007, up from \$1.1 billion in 2003 for a compounded annual growth rate of 23%. This growth rate is significantly faster than the overall semiconductor industry growth rate.

Business Overview

Founded in 1996, Virage Logic Corporation (Nasdaq:VIRL) rapidly established itself as a technology and market leader in providing advanced embedded memory intellectual property (IP) for the design of complex integrated circuits. Today the company is a global leader in semiconductor IP platforms comprising embedded memories, logic, and I/Os and is pioneering the development of a new class of IP called Silicon Aware IP. Silicon Aware IP tightly integrates Physical IP (memory, logic and I/Os) with the embedded test, diagnostic, and repair capabilities of Infrastructure IP to help ensure manufacturability and optimized yield at the advanced process nodes. Virage Logic's highly differentiated product portfolio provides higher performance, lower power, higher density and optimal yield to foundries, integrated device manufacturers (IDMs) and fabless customers who develop products for the consumer, communications and networking, hand-held and portable, and computer and graphics markets. The company uses its FirstPass-Silicon™ Characterization Lab for certain products to help ensure high quality, reliable IP across a wide range of foundries and process technologies.

Continued on next side

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Historically, Virage Logic has generated revenues almost entirely from license fees, but now royalties comprise approximately 27% of total annual revenues. In addition, the company has agreements with leading and emerging third-party foundries to pay Virage Logic royalties on their sales of silicon chips that they manufacture for Virage Logic's fabless customers. More recently, however, the company's product portfolio has been expanded to include products that give the company the opportunity to collect royalties directly from its IDM and fabless customers, in addition to license fees, and the royalties generated from foundries.

Product Overview

Virage Logic's IP[™] Foundation technology-optimized semiconductor IP platforms are based on the Area, Speed and Power (ASAP) Memory[™] High-Density (HD) memories, the ASAP Logic[™] HD standard cell libraries, and the company's Base I/O libraries. These platforms enable customers to expedite the creation of next-generation SoCs by addressing the increasingly complex task of identifying and obtaining the semiconductor IP needed to produce successful, on-time products. This offering also complements Virage Logic's rich portfolio of highly differentiated IP including the Self-Test and Repair (STAR) Memory System[™], the ASAP Memory High-Speed (HS) and Ultra-Low-Power (ULP) product lines, the ASAP Logic Ultra-High-Density (UHD) Standard Cell Libraries, the patented ASAP Logic HD and HS Metal Programmable Cell Libraries, the company's NOVeA[®] non-volatile embedded memories, and specialty I/Os such as SSTL-2, HSTL-2, PCI and PCI-S, and USB1.1. The company also recently launched its first application-optimized semiconductor IP platform, IP[™] Mobile, to meet the requirements of the hand-held and portable applications market. Virage Logic's semiconductor IP platform strategy calls for the delivery of these platforms for a broad range of third-party foundry and IDM processes in order to offer customers maximum flexibility in their design choices.

Building on its semiconductor IP platform strategy, the company recently introduced a new class of semiconductor IP called Silicon Aware IP that tightly integrates the company's physical IP (memory, logic and I/Os) with the embedded test, diagnostic, and repair capabilities of infrastructure IP to help ensure manufacturability and optimized yield at advanced process nodes.

Semiconductor IP Company Landscape

Semiconductor intellectual property companies that serve some SoC market requirements include ARM Holdings, CEVA, DSP Group, MIPS Technologies, MoSys, and Rambus. Virage Logic believes it is the only commercial provider of Silicon Aware IP and a leading provider of the most advanced semiconductor IP platform solutions available today.

Selected Customers

Virage Logic's customers include large fabless semiconductor companies, leading IDMs, and third-party foundries focused primarily on the consumer, communications and networking, handheld and portable, and computer and graphics markets.

- Agere
- Agilent
- AMCC
- AMI Semiconductor
- ATI Technologies
- Broadcom
- Chartered Semiconductor
- Cisco Systems
- Conexant Systems
- DongbuAnam Semiconductor
- Freescale Semiconductor
- Fujitsu
- Hitachi
- IBM
- Infineon Technologies
- Kawasaki
- LSI Logic
- Matsushita Electronic
- NEC
- NVIDIA
- Oki Electric
- Philips

- PMC-Sierra
- Sharp
- SilTerra
- SMIC
- Sony
- STMicroelectronics
- Toshiba
- TSMC
- UMC
- Vitesse Semiconductor

Stock Information

- Market: Nasdaq National Market
- Ticker symbol: VIRE
- Initial public offering: August 1, 2000
- Shares sold: 4.72 million (includes over allotment of 0.56 million shares purchased by lead underwriter and 0.40 million shares purchased in a simultaneous private placement)
- Offering price: \$12.00 per share
- Net proceeds: \$50.7 million
- Underwriters:
 - Lehman Brothers
 - Robertson Stephens
 - SG Cowen Securities
 - Fidelity Capital Markets
- Shares outstanding (basic): 22.4 million
- Insider shares: 8.8 million
- Shares in public float: 13.6 million

Sell-Side Research Coverage

- Dennis Wassung, Canaccord Adams
- Tim Fox, Deutsche Bank Securities
- Raj Seth, S.G. Cowen Securities
- Corey Tobin, William Blair & Company

Transfer Agent

Mellon Investor Services
525 Market Street, Suite 3500
San Francisco, CA 94105
415-951-4180

Corporate Legal Counsel

Heller Ehrman White & McAuliffe LLP

Independent Auditors

Burr, Pilger & Mayer LLP

Representative Market Makers

| | |
|-------------------------------|-------------------------------|
| Automated Trading Desk | Lehman Brothers Inc. |
| Canaccord Adams | Merrill Lynch, Pierce, Fenner |
| Citadel Derivatives Group LLC | Morgan Stanley & Company |
| Cowen and Company, LLC | NASDAQ Execution Services |
| Credit Suisse Securities USA | National Financial Services |
| Deutsche Banc Alex Brown | RBC Capital Markets |
| Direct Edge ECN LLC | SG Americas Securities LLC |
| E*Trade Capital Markets LLC | Track ECN |
| Goldman, Sachs & Company | UBS Securities, LLC |
| Knight Equity Markets, L.P. | William Blair & Company |

