

Better Connected™



Pioneering wireless connectivity

Forward Looking Statements

During the course of our presentation and within the slides, we will make certain “forward-looking statements”, including statements regarding CSR’s financial position, financial targets, business strategy, plans, objectives and market opportunities, including market growth projections, including information based on market research and using third party assessments and assumptions. By their nature, forward-looking statements involve assumptions, risks and uncertainties because they relate to events and depend on circumstances that will, may or may not occur in the future. Actual results may be materially different from any projections which may be implied by such forward-looking statements depending upon a variety of factors.

These factors include growth in the markets generally, the adoption of new technologies and unforeseen trends or developments; consumer and market acceptance of CSR’s products and the products that use CSR’s products; declines in average selling prices of CSR’s products; decreases in the demand for CSR’s products; CSR’s dependence on a few key customers and distributors, the timing of significant orders; potential cancellations and deferrals of significant orders; CSR’s failure to anticipate changing customer product requirements; CSR’s failure to successfully develop or introduce new products and implement new technologies in a timely manner, the lengthy design cycle for CSR’s products; CSR’s ability to secure sufficient capacity from third-parties that manufacture, assemble and test its products; increased expenses associated with new product introductions, any disruption in the supply of wafers or assembly or testing services due to changes in business conditions, natural disasters, terrorist activities or other factors; the yields that CSR’s subcontractors achieve with respect to CSR’s products, possible errors or failures in the hardware or software components of CSR’s products; CSR’s ability to successfully manage its recent expansion and growth; CSR’s ability to protect its intellectual property, the impact and outcome of any future litigation involving intellectual property; CSR’s ability to attract and retain key personnel including engineers and technical personnel, competitive developments in CSR’s markets; difficulty in predicting future results; the cyclicity of the semiconductor industry and overall economic conditions. These forward-looking statements speak only as at the date of this presentation and CSR undertakes no obligation to up-date the forward looking statements made in this presentation.

Better Connected™



Joep van Beurden
CEO

Pioneering wireless connectivity

Key messages



Delivering growth

Unequivocal focus on connectivity

Bluetooth leadership is key to future success

Execution

Agenda



CSR today

CSR tomorrow

Executing the strategy

Summary

Agenda



CSR today

CSR tomorrow

Executing the strategy

Summary

Short term issues



- Difficult trading conditions persist
- Weakness is market related
 - Market share remains robust
 - New product pipeline on track
- Unrelenting focus on execution
- While continuing to build a solid foundation for future growth

A company of considerable strengths



Leader in wireless connectivity

Outstanding customer list

Leading Bluetooth market share

Best products & solutions

World class talent

Agenda



CSR today

CSR tomorrow

Executing the strategy

Summary

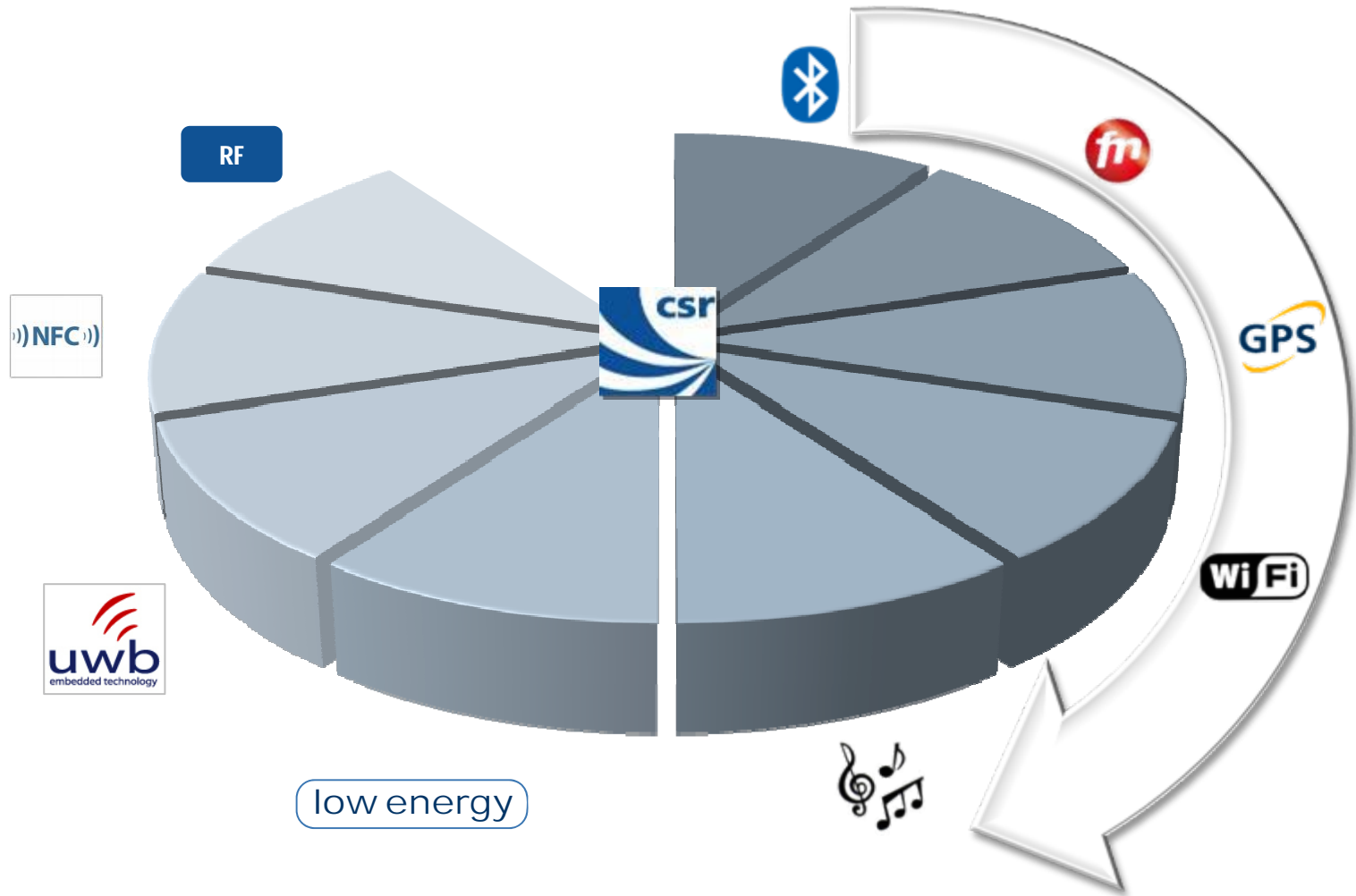
Operational assessment

All about choice and focus

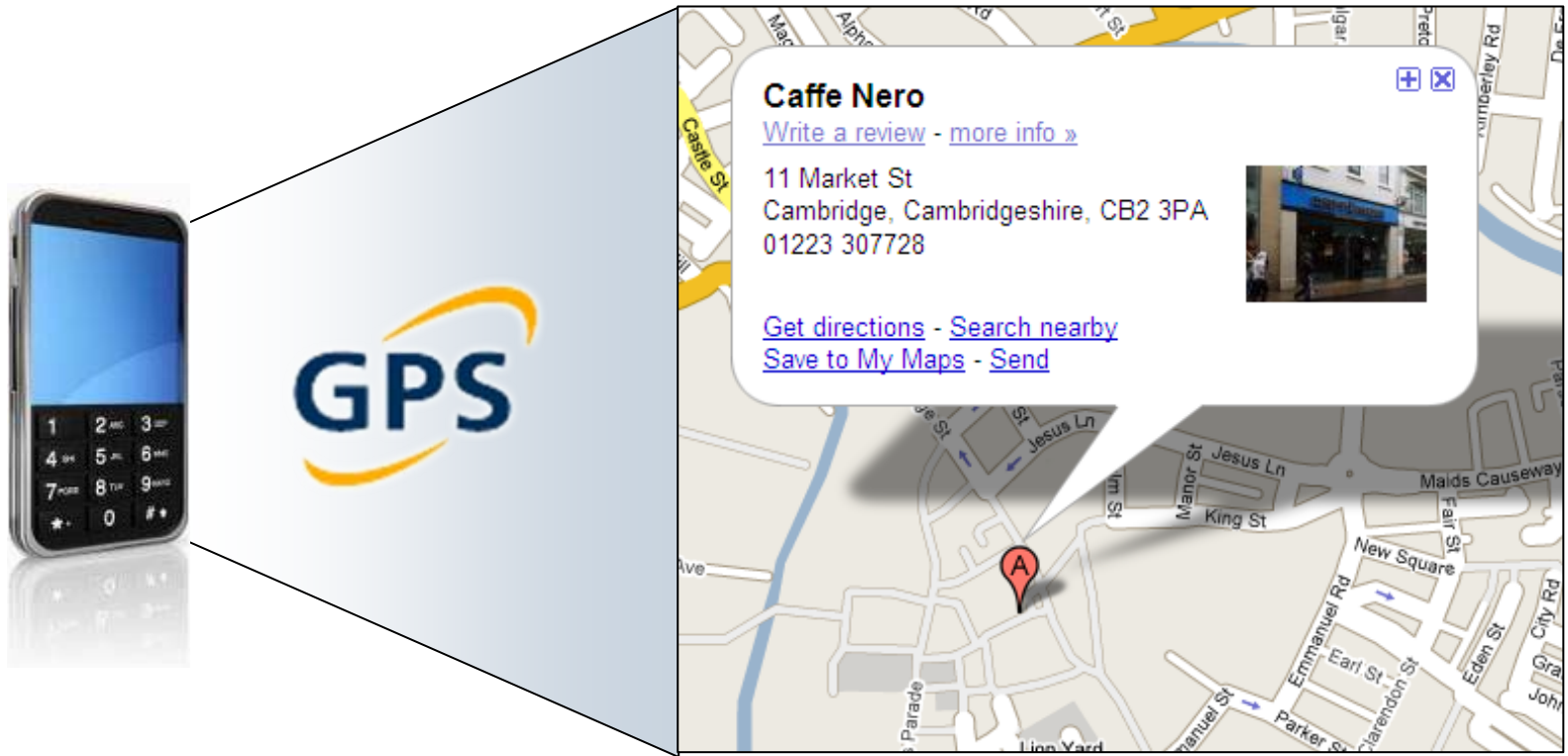
- In-depth review led by CEO
- Examined existing and potential future markets
 - In-depth customer interviews
 - Extensive third party research
 - Detailed analysis of consumer trends
 - Stress tested a number of key scenarios
- Assessed operational efficiency and structure
- Detailed recommendations, strategy and action plan agreed

Wireless connectivity centre is rapidly emerging

Creating the wireless connectivity centre



Connectivity centre - connecting daily life



Connectivity centre - connecting daily life



Connectivity centre - connecting daily life



Connectivity centre - connecting daily life



low energy



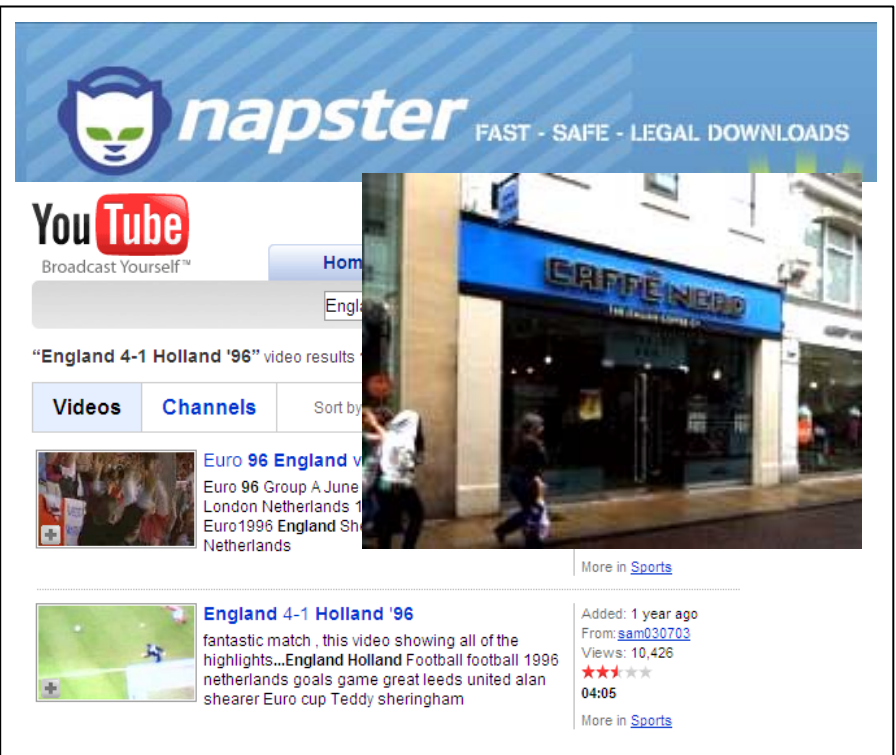
low energy



Connectivity centre - connecting daily life



low energy



Connectivity centre - connecting daily life



low energy



Connectivity centre - connecting daily life



low energy



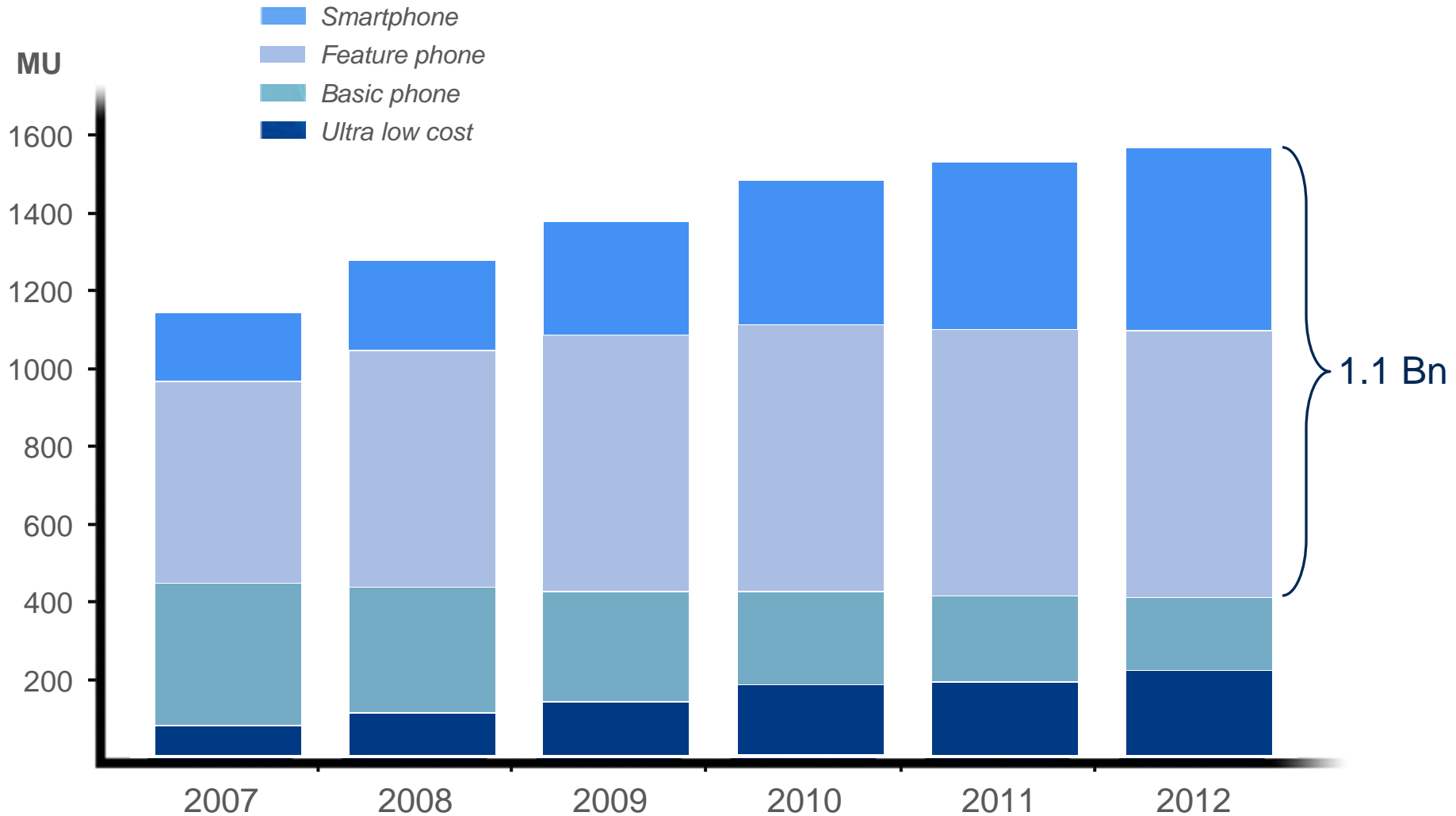
This is driven by the smart phone



Smart phone & feature phone volume growth is strong



Source: Estimates based on - ABI 2007, IMS 2007

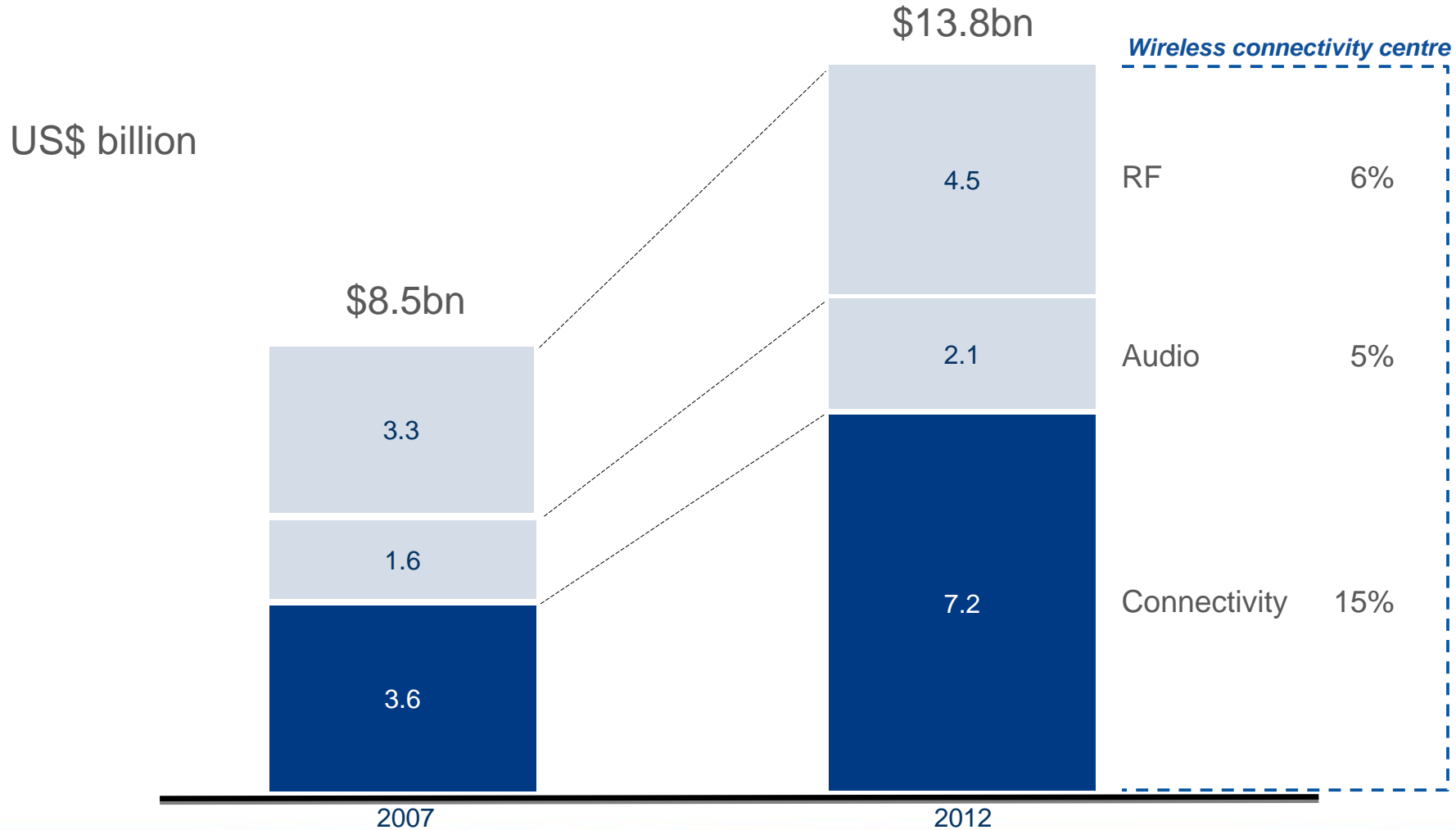


CSR's total addressable market



Market value forecast - 2012

Source: Estimates based on - ABI 2007, IMS 2007, In-Stat 2007, iSuppli 2008 & 2007, CSR

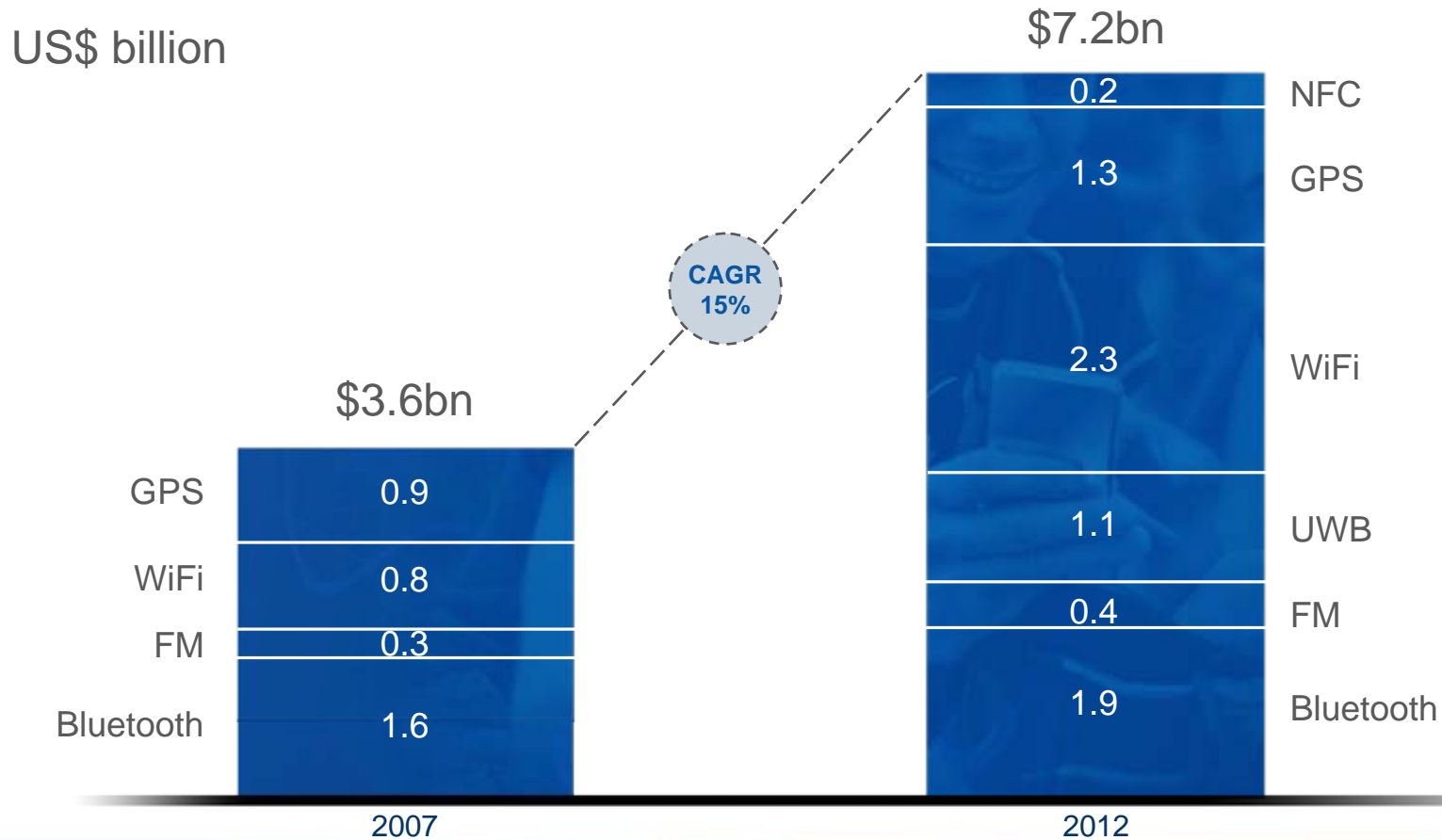


Connectivity is the fastest growing segment of CSR's TAM



Wireless connectivity market growth

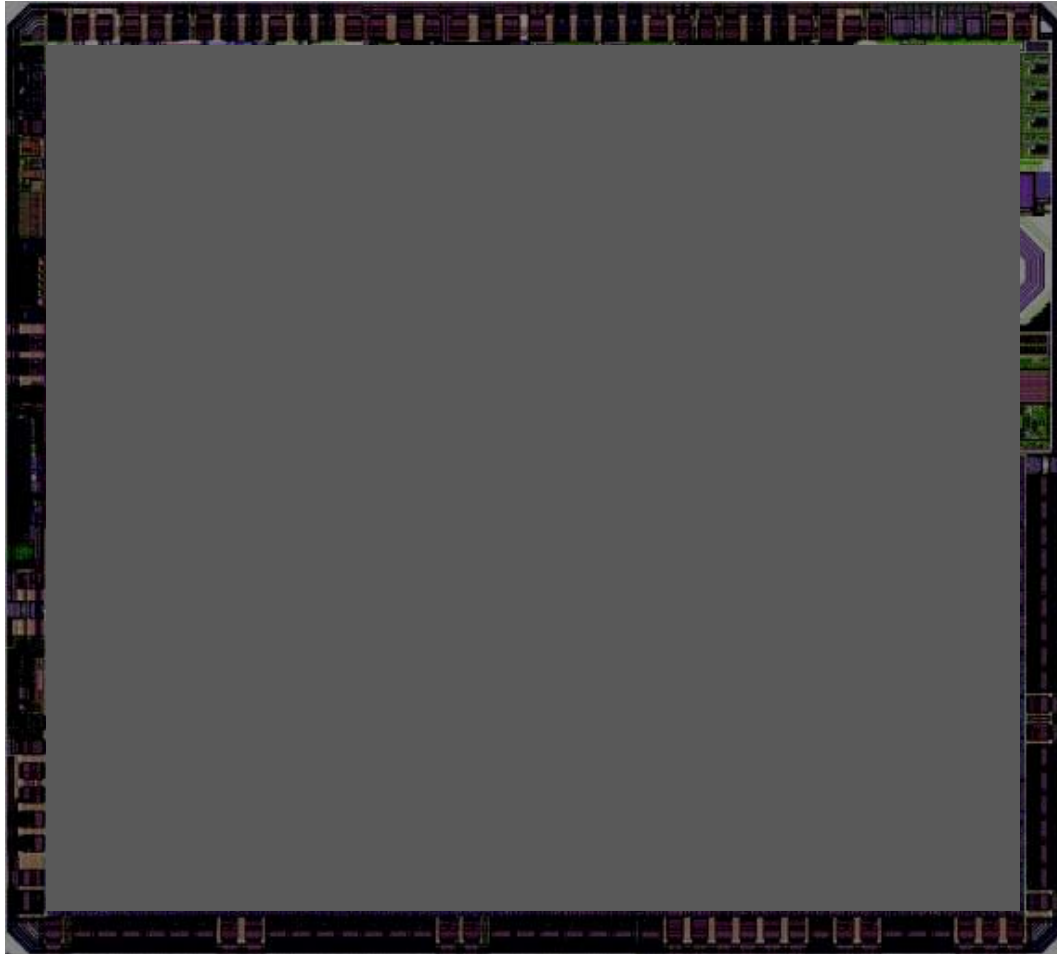
Source: Estimates based on - ABI 2007, IMS 2007, In-Stat 2007, iSuppli 2007, CSR



The connectivity centre exists today BLUECORE



The world's first integrated chip solution combining:



- GPS Radio
- Bluetooth v2.1 & ULP Radio
- FM Transmitter
- FM Receiver
- Stereo Audio Output
- Digital circuitry, embedded DSP, RAM & ROM

Audio differentiation is here today

MusiCore



- Music is important to our customers
- Industry defining audio functionality
 - Bluetooth + 100 hour music play back
 - Create the world's best music phone
- Reduction in overall bill of materials
 - No extra chip required
 - No increase in PCB size (3.8x4.8mm CSP)
- Under evaluation by all of top 5 phone OEMs



Our analysis is corroborated by third party research



“Growth of the top 8 connectivity technologies (Bluetooth, WiFi, GPS, UWB, Mobile TV, WiMAX, NFC, and FM) is expected to contribute \$4.3B to the mobile phone market by 2011”

IDC, March 2008

“Network connectivity is no longer the defining factor in differentiating portable devices. In-Stat expects more devices to connect via multiple networks so users can be assured of finding access and selecting the preferred network based on availability, cost, speed, or other factors”

In-Stat, 2008

“We expect strong consumer demand for connectivity ... Consumer and mobile phone markets will drive integration and intelligent radios”
IDC, March 2008

IDC, March 2008

Baseband integration



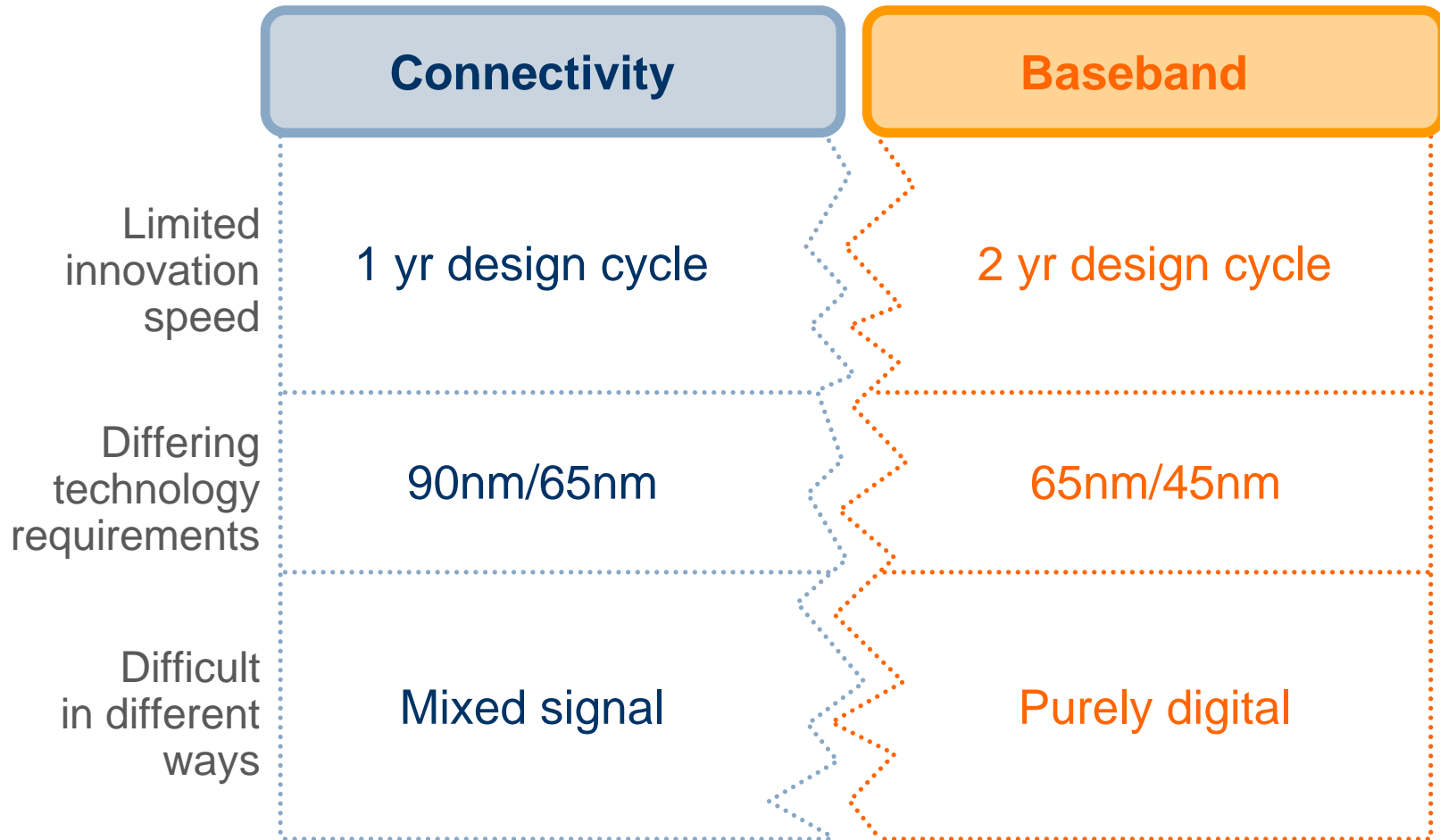
The threat of baseband integration has been a concern

CSR has studied baseband integration in great detail

Conclusions are definitive

Baseband integration is not a threat

Baseband not integrating with connectivity

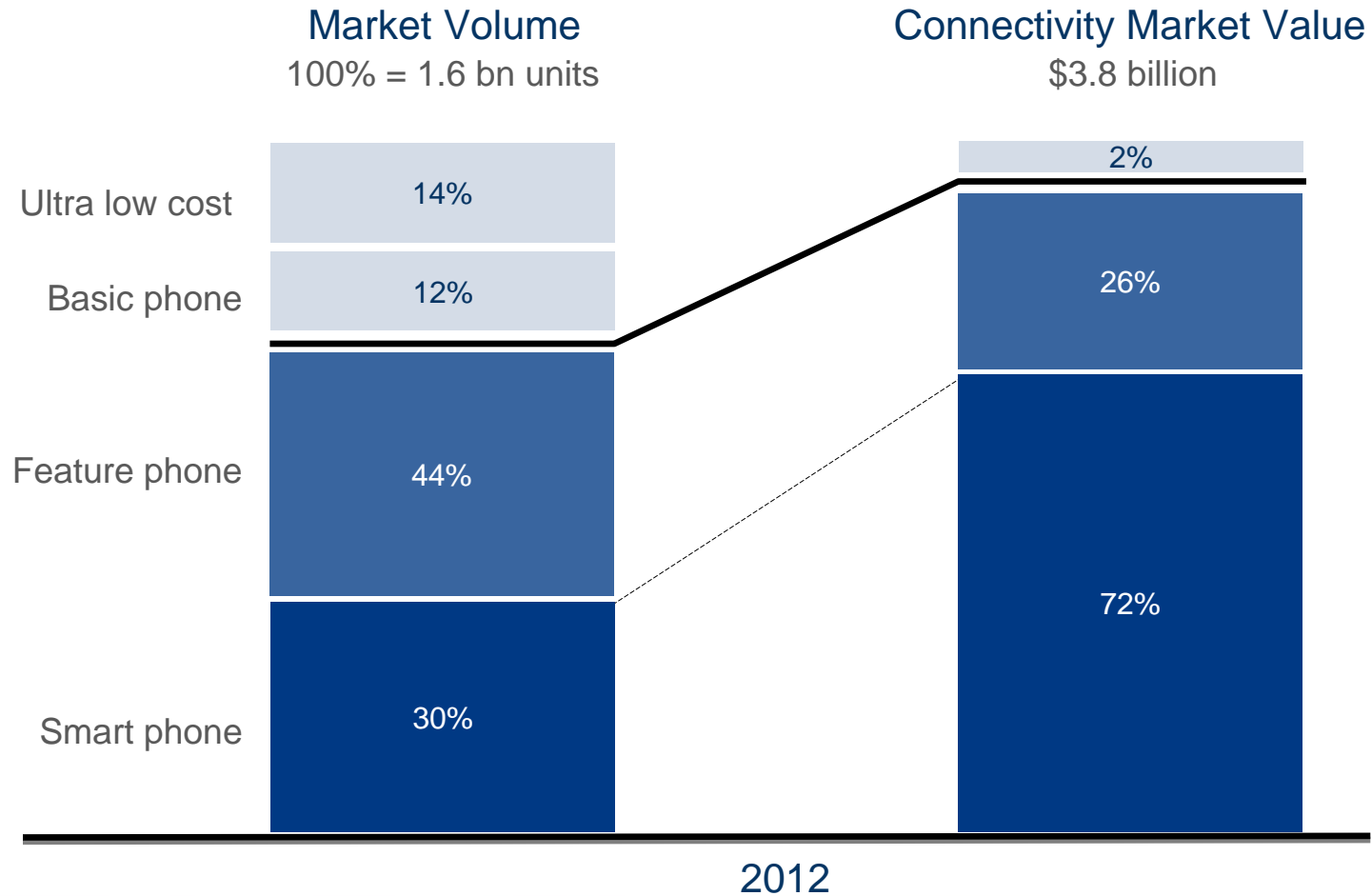


Integration threat corresponds to low value segments



Mobile phone market - 2012

Source: Estimates based on - ABI 2007, IMS 2007, CSR

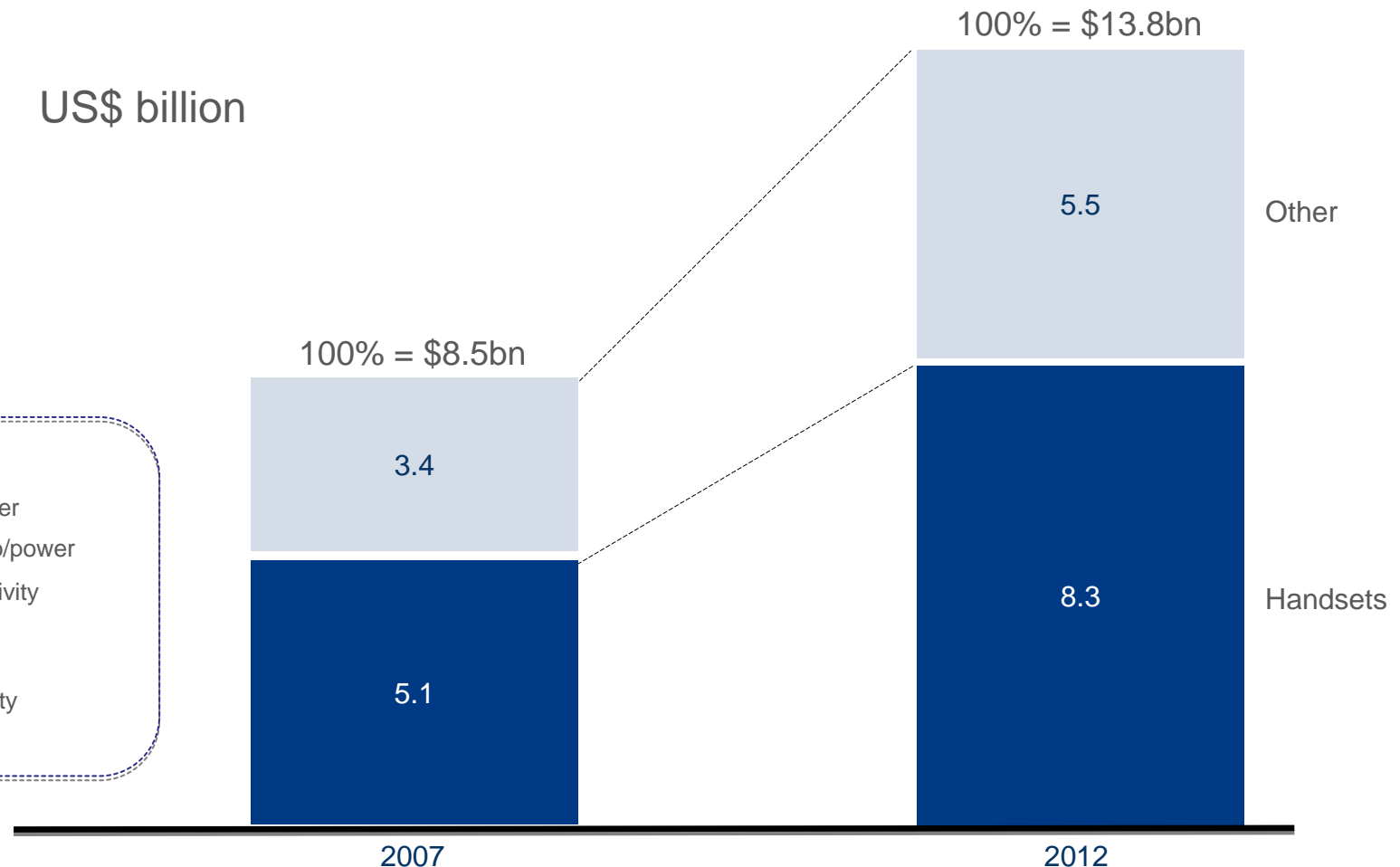


Handsets will lead but all segments will grow strongly



Source: Estimates based on - ABI 2007, Gartner 2007, IMS 2007, In-Stat 2007, iSuppli 2008 & 2007, CSR

US\$ billion



Agenda



CSR today

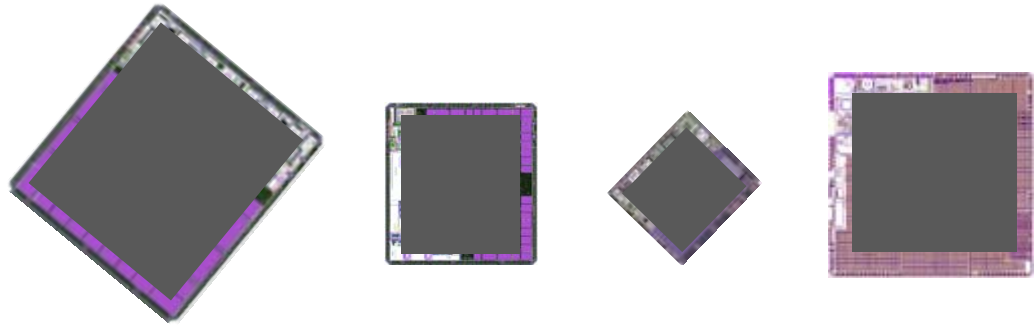
Executing the strategy

Summary

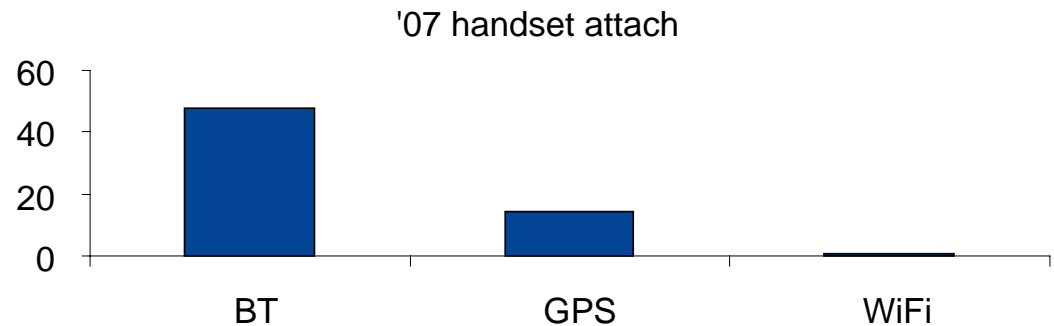
Why do we win?



- We have the first generation of all the products












- Bluetooth leadership makes all the difference



- Connectivity is driven by the handset where CSR is particularly strong



Competitive landscape

	CSR	Competitor 1	Competitor 2	Competitor 3	Competitor 4	Competitor 5	
Bluetooth 	✓	✓	✓	✓	✓	✗	<div>  <p>Have product or technology in active development</p> </div> <div>  <p>No product or technology announced</p> </div>
Embedded 	✓	✓	✓	✗	✓	✓	
	✓	✓	✓	✓	✓	✗	
	✓	✓	✓	✗	✗	✗	
	✓	✗	✗	✓	✗	✗	
	✓	✓	✗	✓	✗	✗	
	✓	✗	✗	✗	✗	✗	
low energy	✓	✓	✓	✗	✗	✗	

Execution is the difference between success and failure



We have made clear choices on where to focus

These choices are supported by transition to a programme management structure

Single owner from conception to production

Incentivised against delivery

Simplified business unit structure

Improved alignment of sales force

Key messages



Delivering growth

Unequivocal focus on connectivity

Bluetooth leadership is key to future success

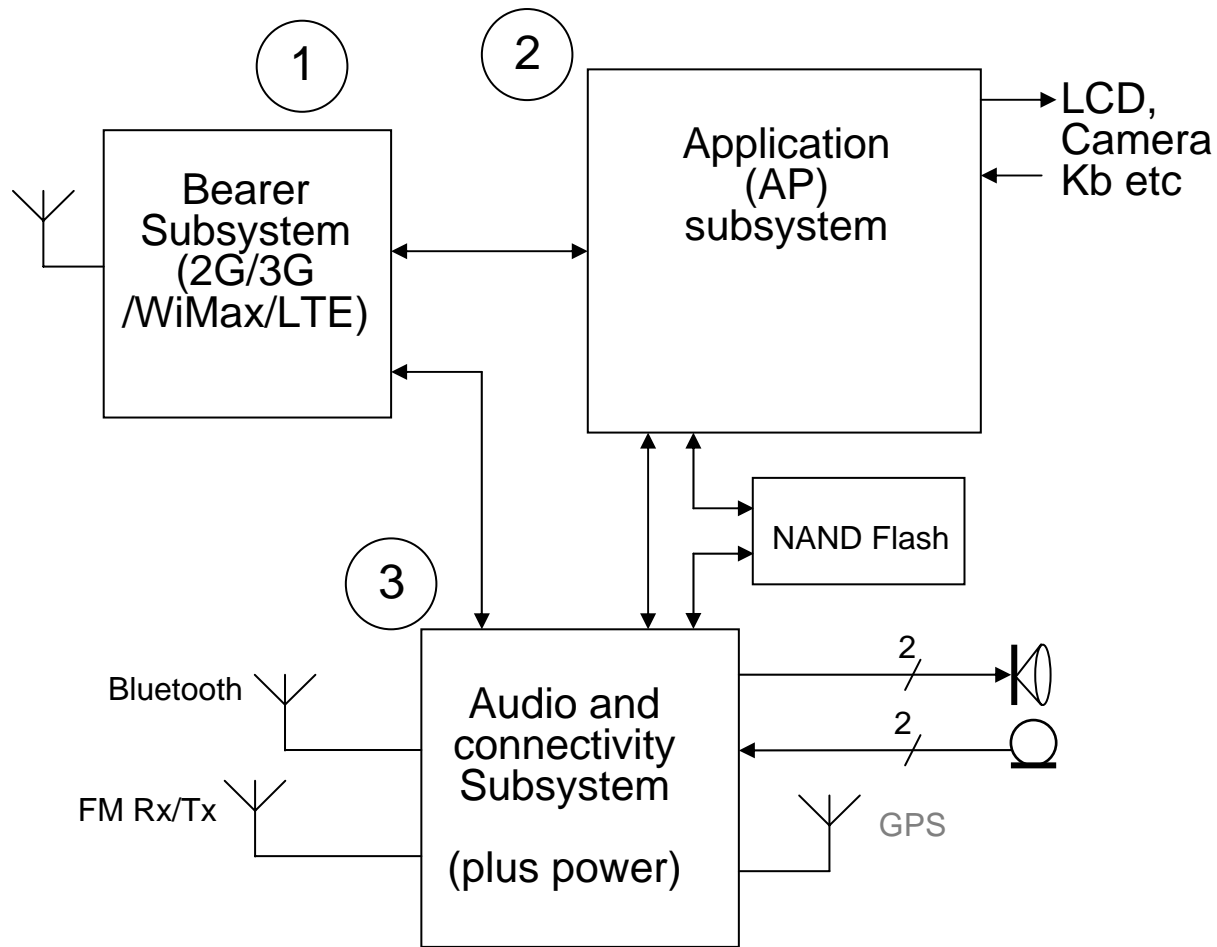
Execution



James Collier
CTO

Pioneering wireless connectivity

Three Silicon value centres in portable products



1. Requires very large investment, slow pace of change to standard and large qualification costs, analog content reducing fast.

2. Needs advanced Silicon process, but little scope for differentiation through design: its about printing Silicon

3. Is about analog and mixed signal, moderate process evolution, lots of complex small bits 'know-how' driven

Connectivity technologies

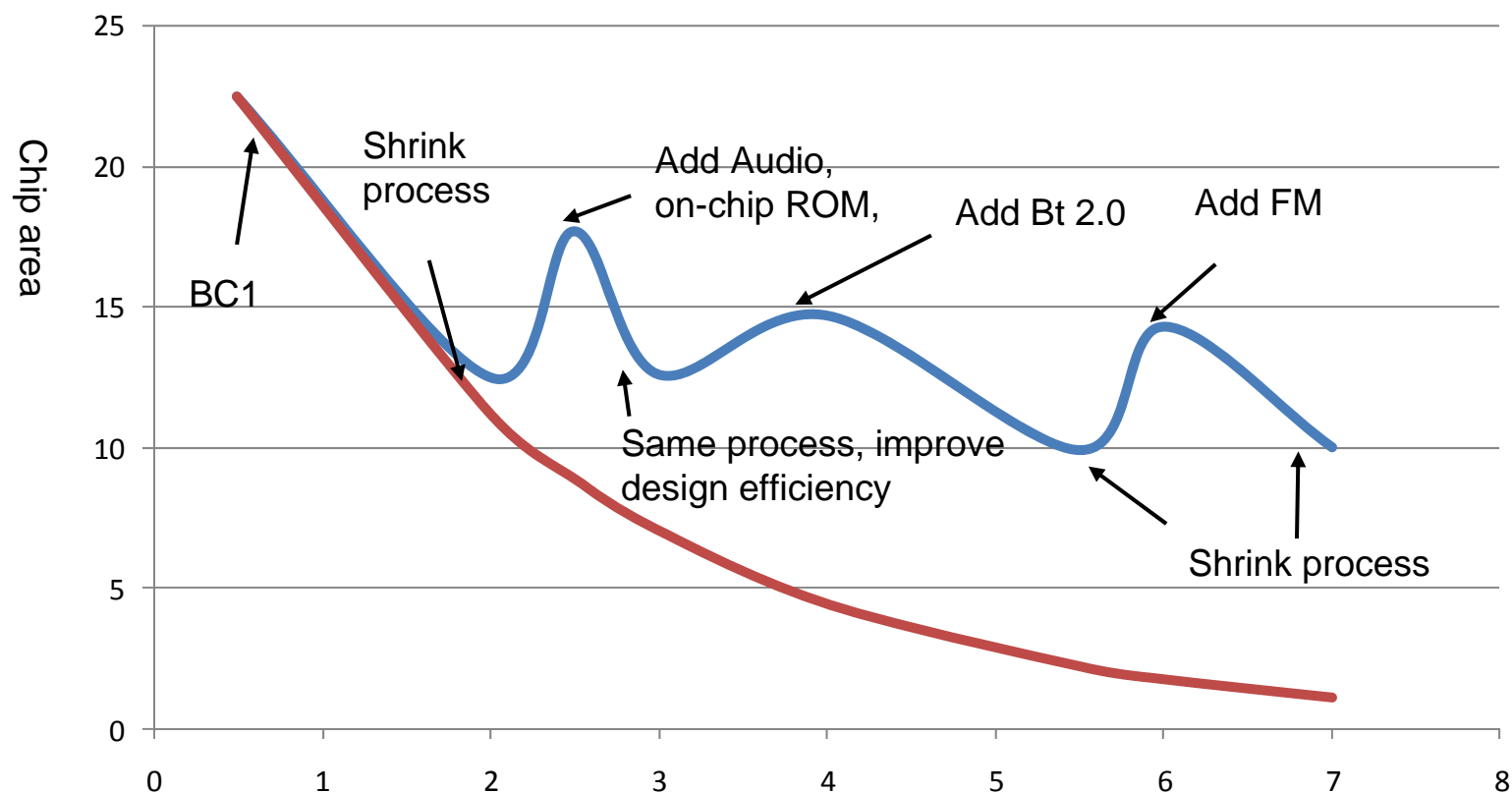
- Bluetooth
- Low Energy Bluetooth (fka ULP)
- FM receive, including RDS
- FM transmit, including RDS
- 802.11 / WiFi
- UWB / WiMedia
 - BG1 and BG3/6
 - W-USB and Bt 3.0
- NFC (reader and card)
- GPS (autonomous and assisted)
- Audio
- Power management
- DSP processor and associated algorithms

- Best Bluetooth – by far!
 - First to Bluetooth 1.2
 - First to Bluetooth 2.0
 - First to Bluetooth 2.1
- Yet the smallest die, and the lowest power consumption
- Shipped more than a billion units – what other company has shipped a billion of any SoC?
- ULP / Bluetooth2.1 dual device sampling now. CSR performed world's first public demonstration of ULP last month
- BT3.0 (high speed AMP) working and demonstrated
- Both 802.11 and UWB versions will be released this year
- CSR's host stack most used in more phone models than any other
- Profile pack distributed as part of Vista
- Only stack on Cell-processor

CSR has always led, and still does

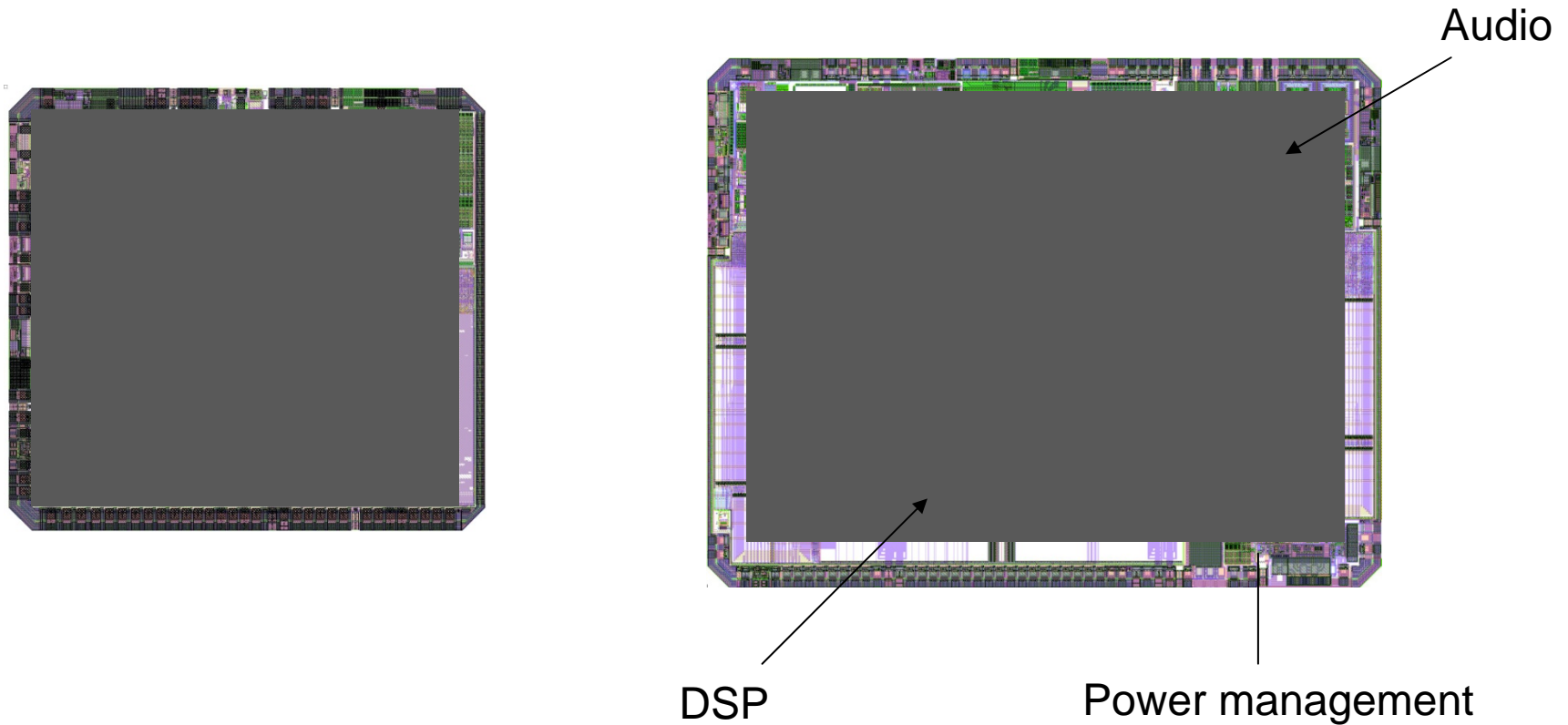


Calendar year of CSR product

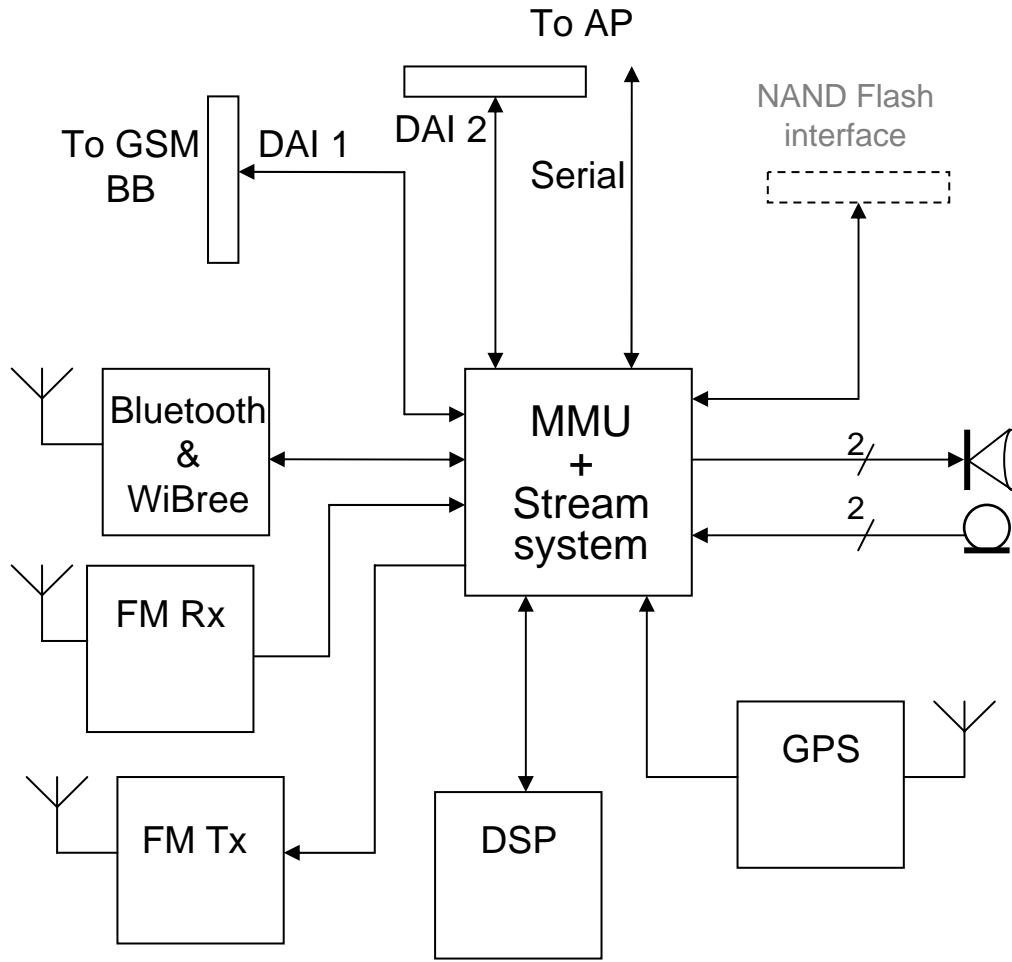


Audio and connectivity subsystem already exists

BlueCore6 and MusiCore6 with Full audio and PMU subsystem



Audio and connectivity subsystem: CSR's MusiCore



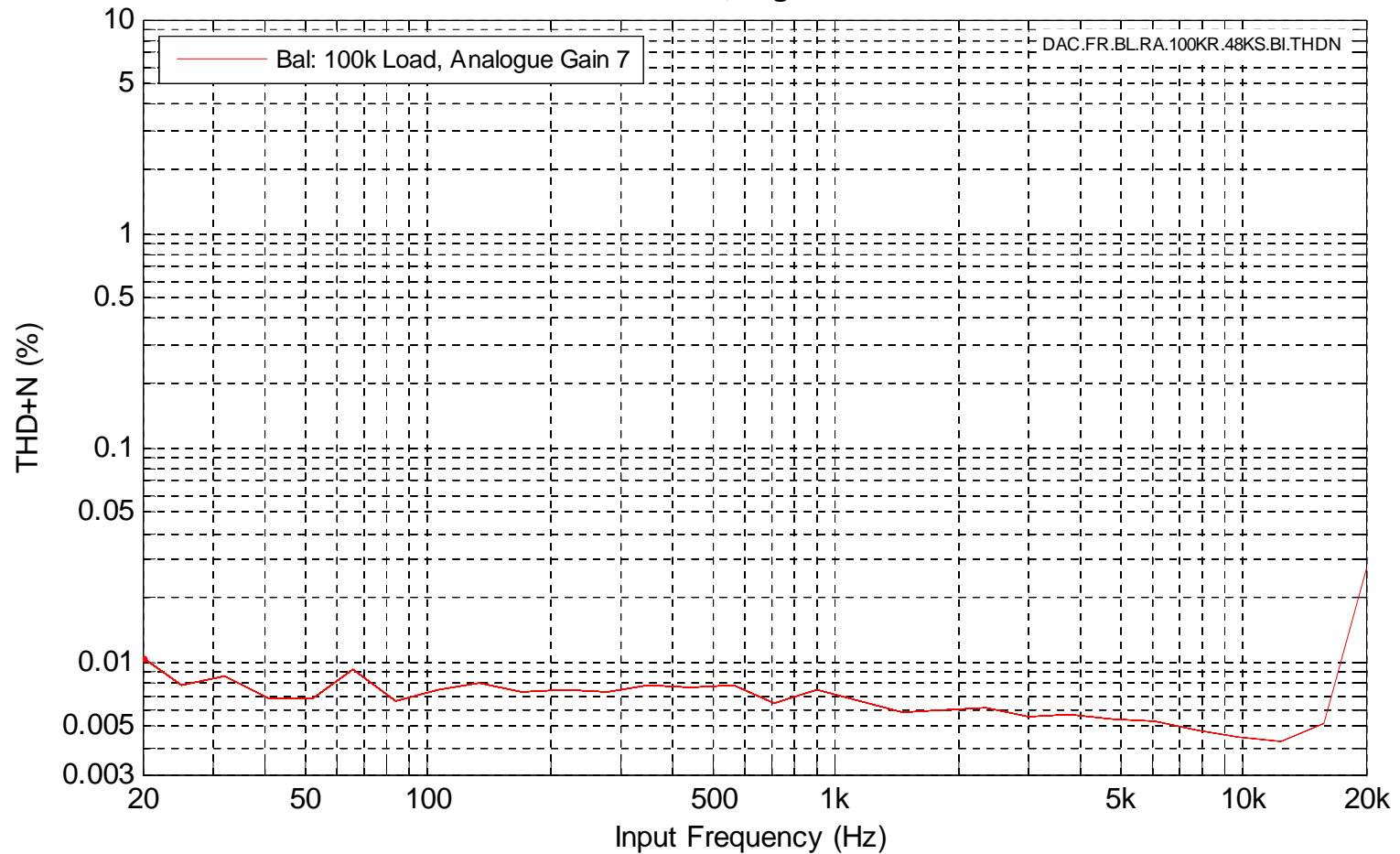
Audio Subsystem

- Analog audio interfaces
- Can do MP3 decoding without any AP involvement
- Echo and noise cancellation for hands-free
- Beeps and key clicks
- MIDI synthesiser and other DSP functions
- Includes Bluetooth and FM
- DAI to cellular engine
- 2nd DAI for AP when the AP is decoding MP4 video
- Lowest cost:
Audio + BT + FM + GPS
- Suitable architecture for 100% Bluetooth attach rate

-95dBc THD Analog codecs are easily good enough



DAC Input Frequency vs THD+N @ 0dBFS Digital Input
DAC @ 48k, Digital Gain 0



- DSP developed in-house
- Already used in \$300m+ of CSR products
- Algorithms already for:
 - MP3, AAC, AAC+, WMA, WMA+, SBC
 - Stereo surround sound enhancement
 - AMR-NB, GSM HR, GSM FR, GSM EFR
 - G711, G722, G729
 - Single and multiple microphone noise cancellation
 - Echo cancellation for hands-free operation
 - MIDI synthesis
 - Text to speech
 - Many, many more (triple DES etc)
- CSR Development centres in UK and US
- Over 30 outside firms developing code
- A network of contractors

Other companies coding for Kalimba DSP

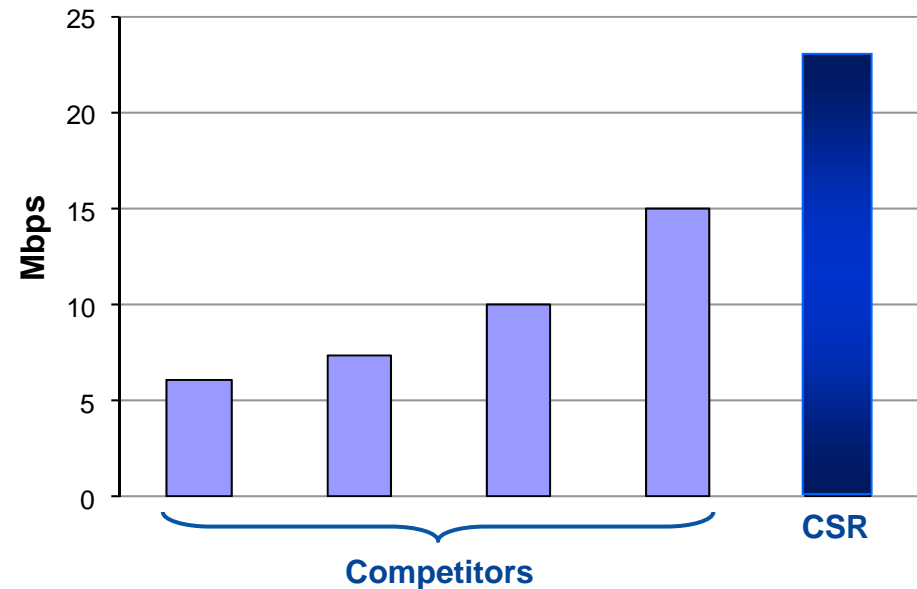


UniFi (802.11 / WiFi)



- First to single chip 802.11a.b.g
 - With diversity (MIMO)
 - With 802.11e
- Leading firmware robustness
- Best coexistence with Bluetooth
- 33% faster data rate than best competitor
- UniFi is here, works, is in production

Windows Mobile throughput comparison (Chariot)

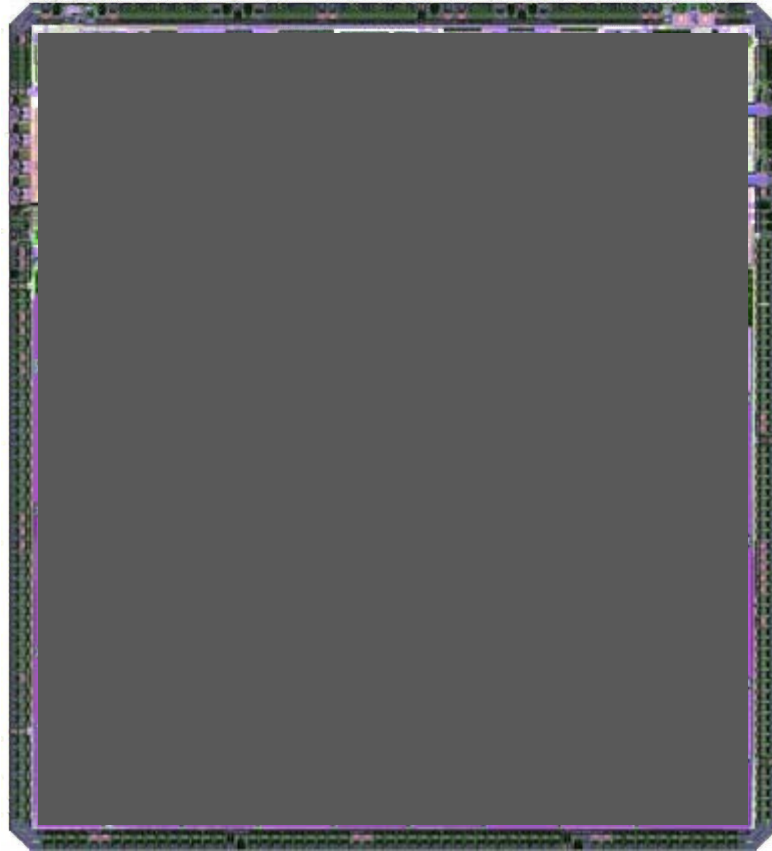


802.11 silicon optimised for embedded products



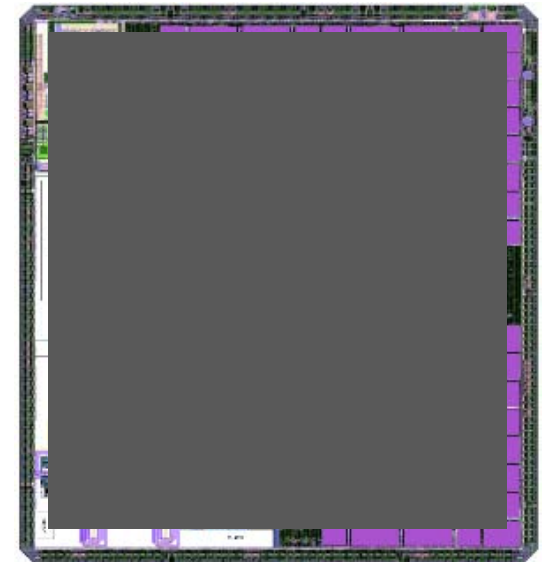
UF1050 *a,b,g*

Generation 1



UF6026 *a,b,g,n*

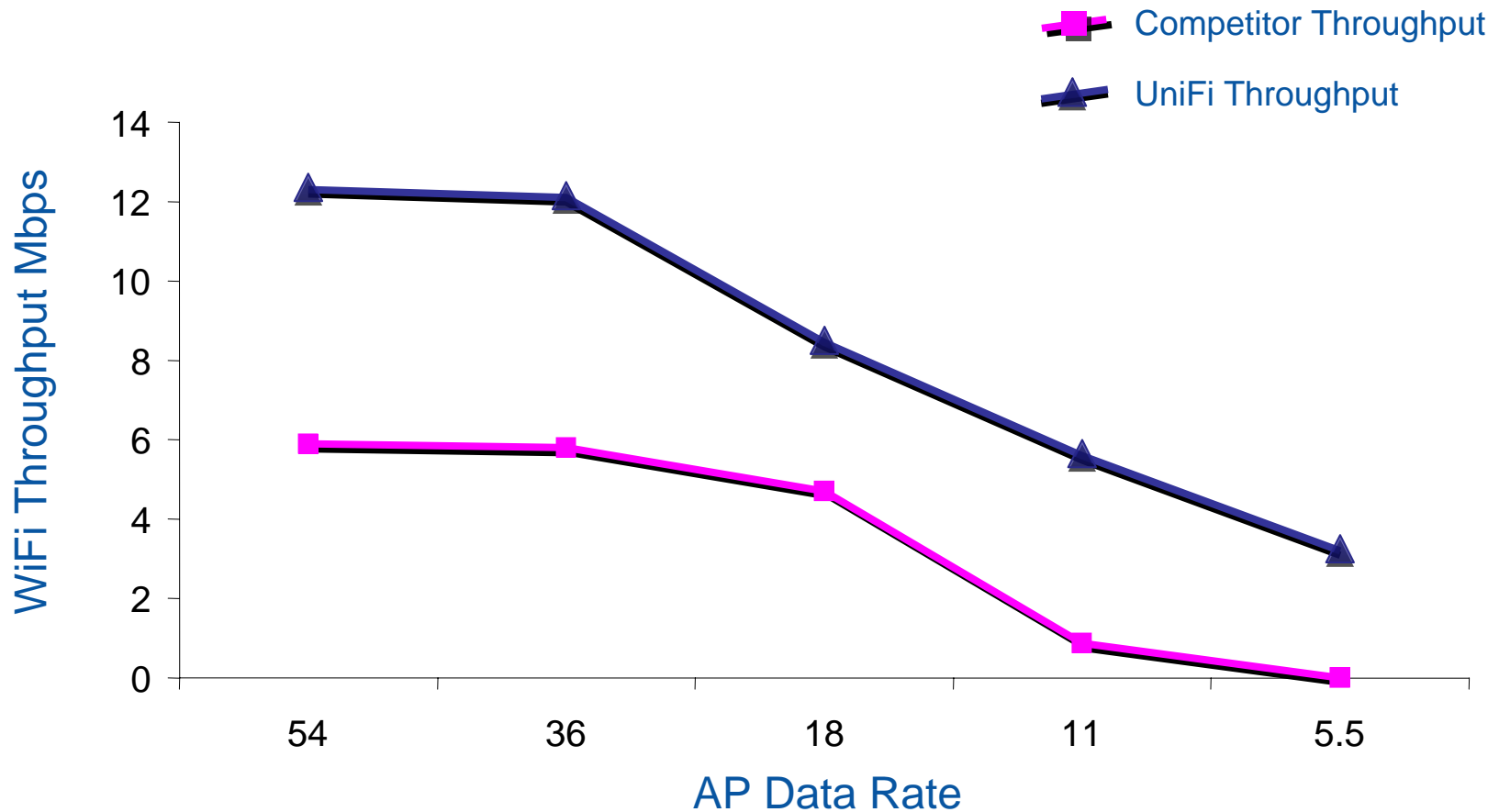
Generation 2



**Over 55%
smaller**

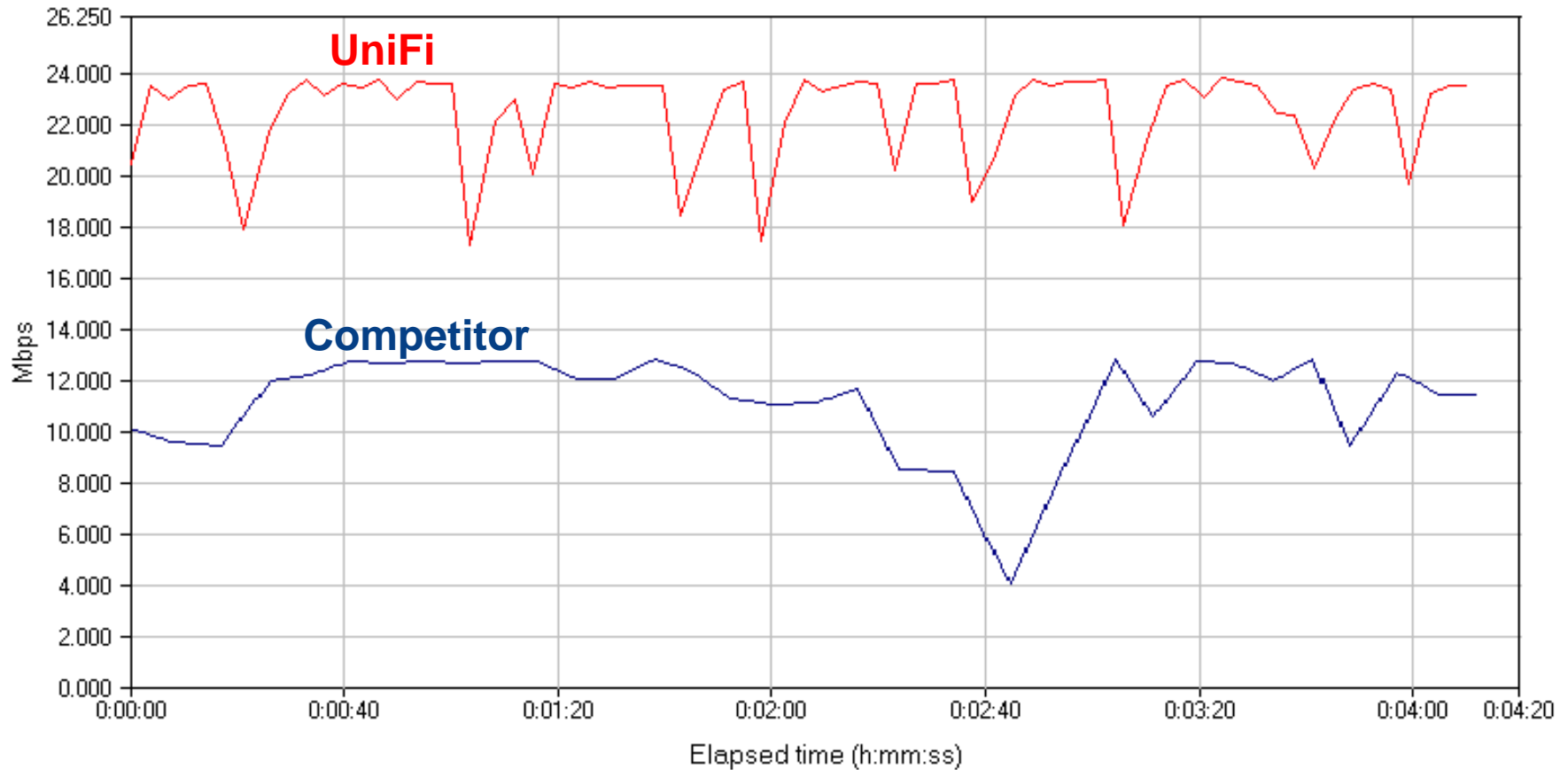
Best coexistence with Bluetooth

Throughput comparison competitor vs. UniFi with concurrent Bluetooth SCO



Best throughput – UniFi vs Competitor

Throughput



UltraCore (UWB / Wimedia)

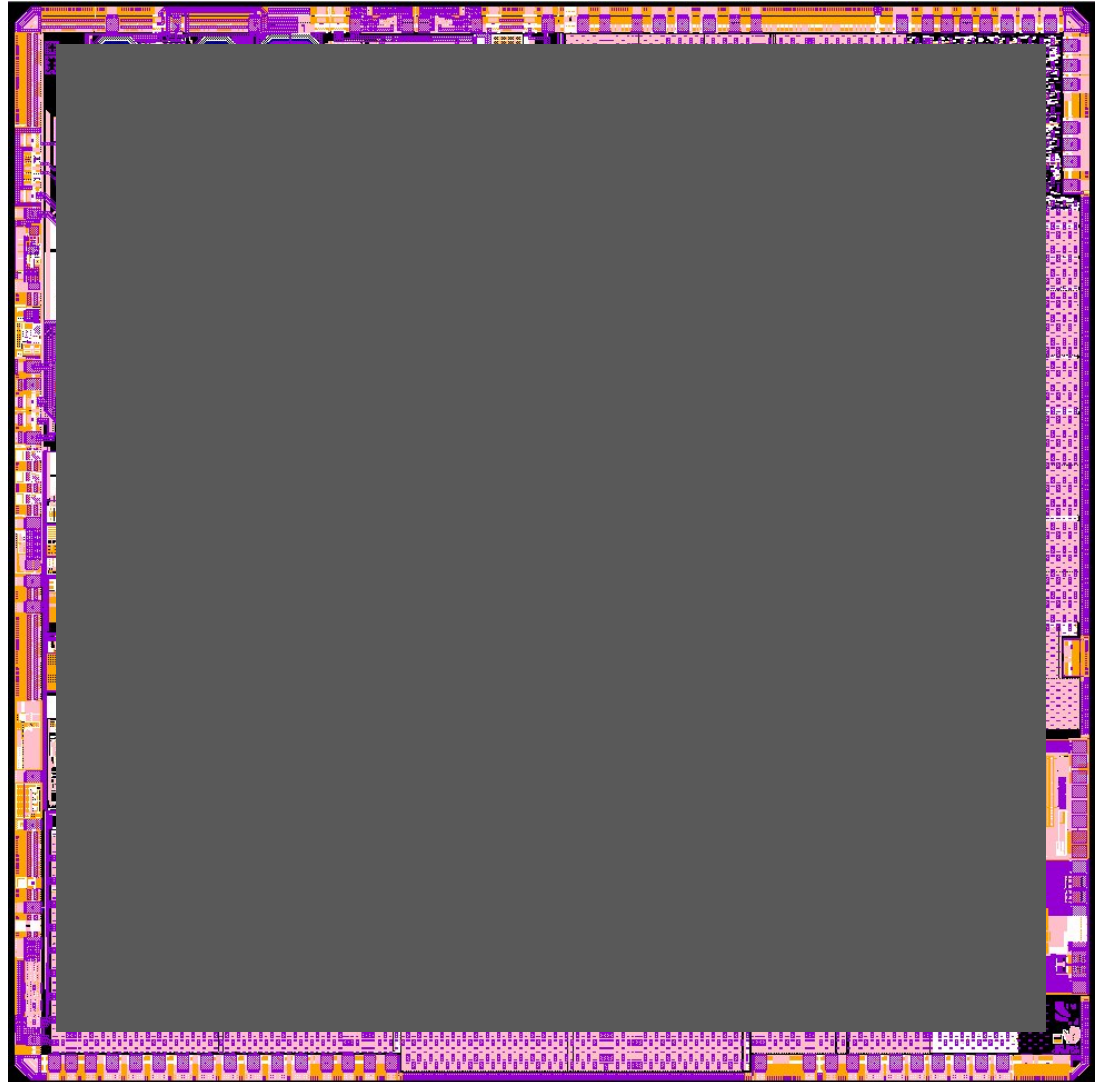


- Single chip; RF, PHY and MAC
- Band group 1 (3-5GHz) and Band groups 3 & 6 (6-9GHz)
- 5x5mm CSP gives:
 - Smallest BOM
 - Smallest PCB footprint
 - Lowest cost
- UWB is a stand-alone function in 2008, but is absorbed into Bluetooth in BlueCore8 family
- Some consider it 'yet another radio', but for us it's just a mode of Bluetooth. Zero barrier to deployment; shares antenna and RF port with Bluetooth
- Low enough power to be always on – automatic file synchronisation when in range

UltraCore 13010 (Wimedia UWB)



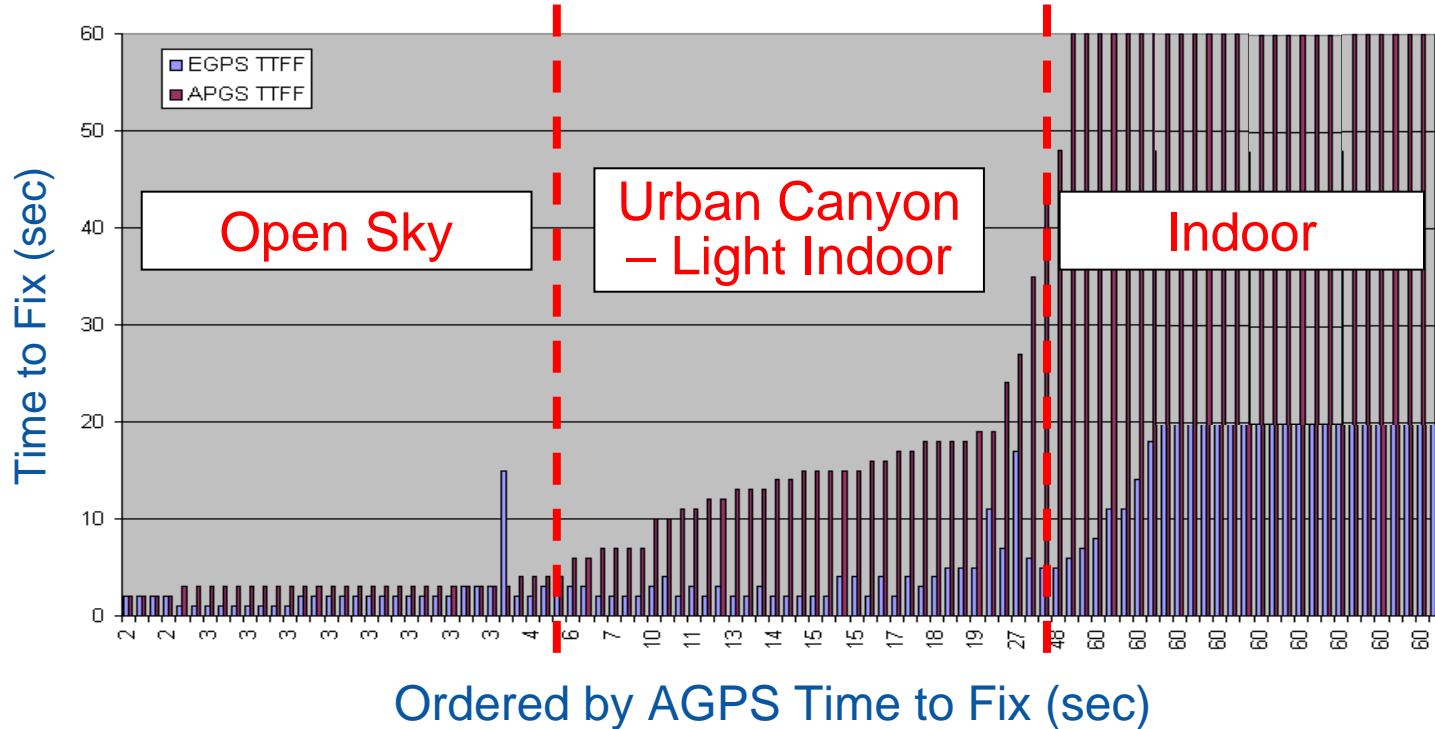
- 3-5GHz and 6-9GHz Radio
- PHY
- MAC
- W-USB
- Bluetooth 3.x
- SDIO
- PCIe



- GPS has gone software: despite the nay-sayers
- Debate is whether the software runs on-chip or on-host (or a hybrid)
- The MIPS has come down, but we offer all three options anyway:
 - Lowest possible cost, processing on-host
 - Processing on-chip, uses CSR Kalimba DSP
 - Measurement engine on chip, navigation engine on-host
- Ideal split is a hybrid: cold acquisition uses the host, but tracking runs while the host is asleep
- This is what BlueCore7 does
- The market is extraordinarily immature! Myths abound:
 - “sensitivity is all that counts” – nonsense, multi-path performance is
 - “car PND is the difficult case” – no, its acquisition time in a phone
 - “it can be made to work indoors if only one integrates for long enough”
 - no fix can be allowed to take >10s to be useable
 - the 3GPP specification bears no relationship at all with real world performance

Time To First Fix: EGPS vs. A-GPS

- Weak GPS signals are difficult to find, so reducing the search space speeds things up enormously
- Additionally we can fall-back to a position from timing measurements made on the network to get an instant fix to ~100m

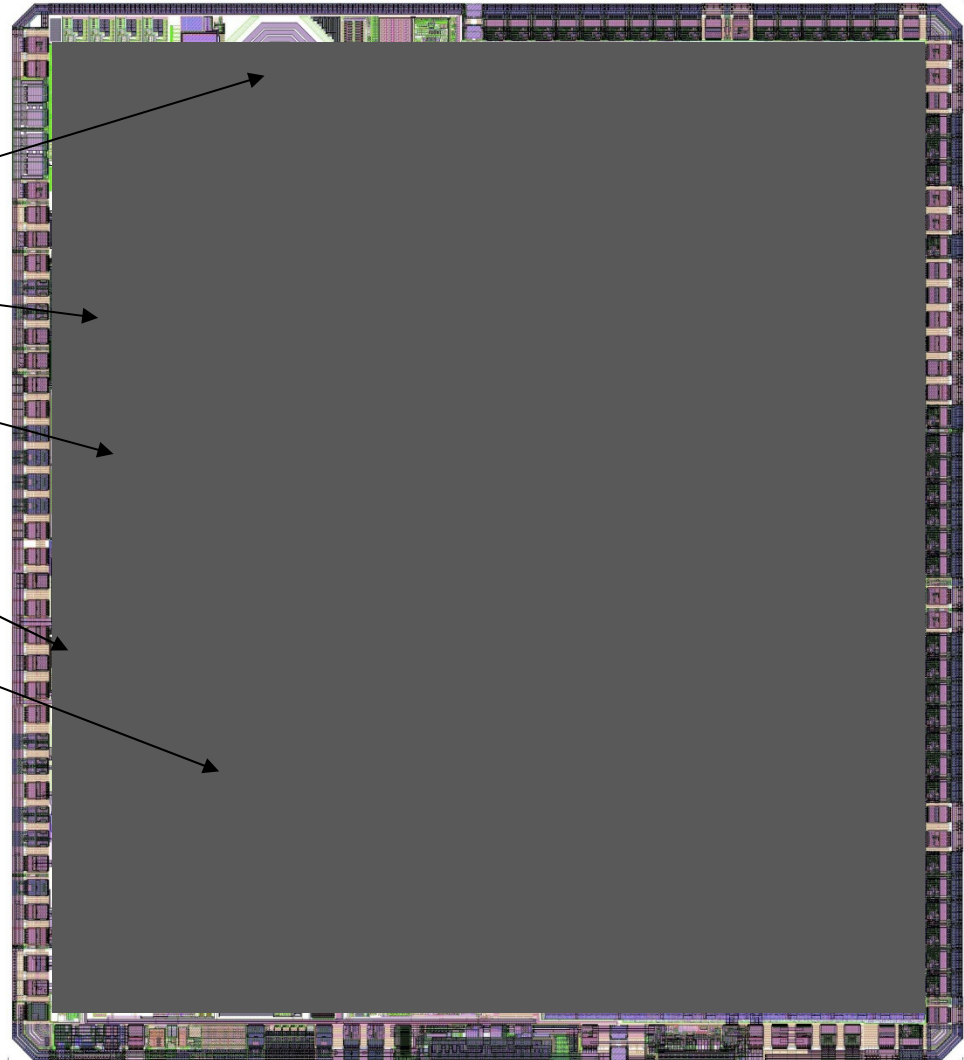


Connectivity centre chip including GPS sampling now

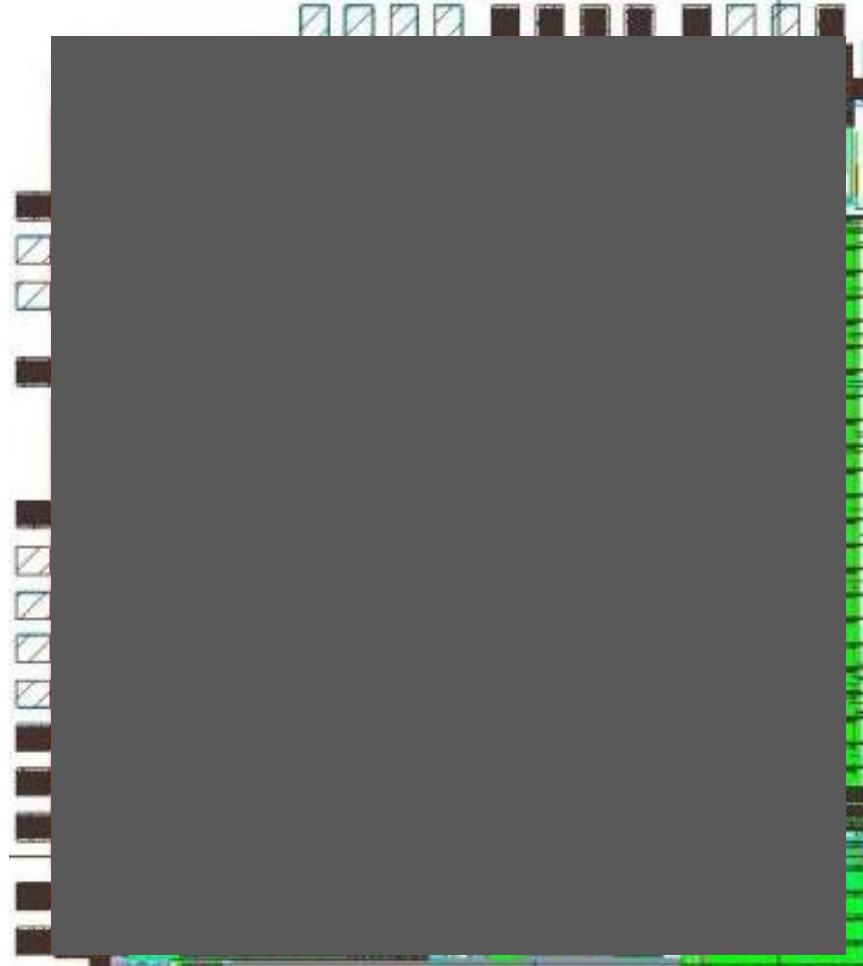


BlueCore 7:

- FM Rx + RDS
- FM Tx + RDS
- Analog Audio
- GPS
- Bluetooth 2.1
- Low energy



- Passive tag
 - Field powered
 - Battery powered
- Tag reader
- Identical process to BlueCore7
- Chip back and working well



Next level of integration



- Absorb cellular RF into Connectivity
- Integration with the audio and connectivity functions the RF front end for cellular radio
- Does power management and clock generation



Matthew Phillips

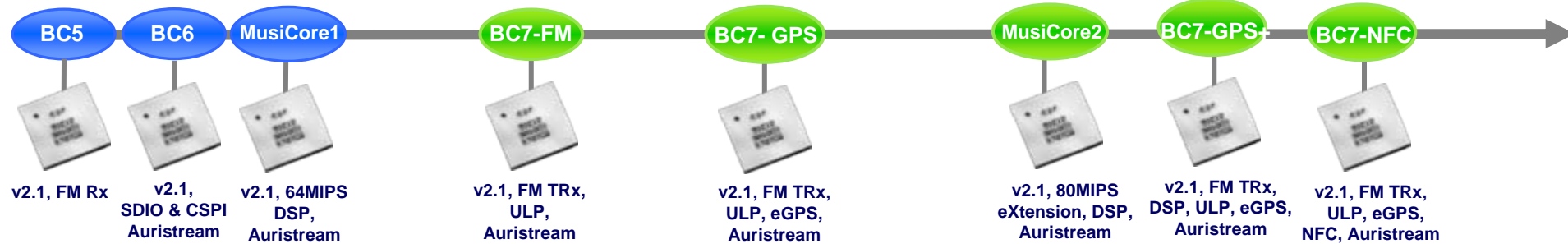
SVP Mobile Handsets

Pioneering wireless connectivity

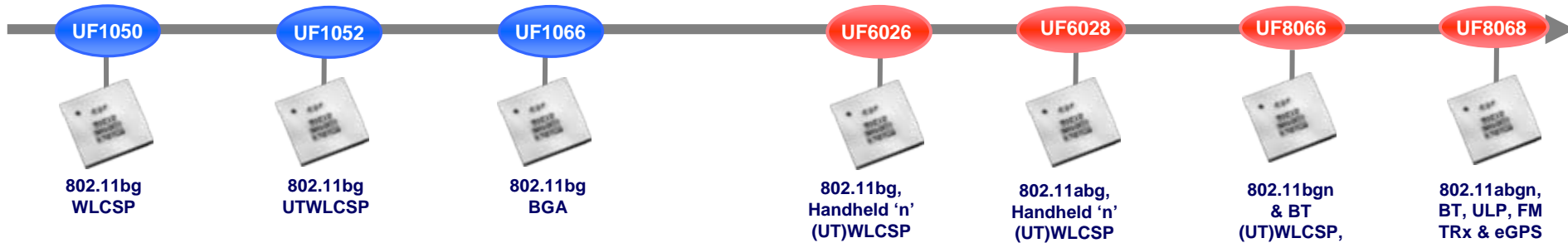
CSR mobile handset technology roadmap



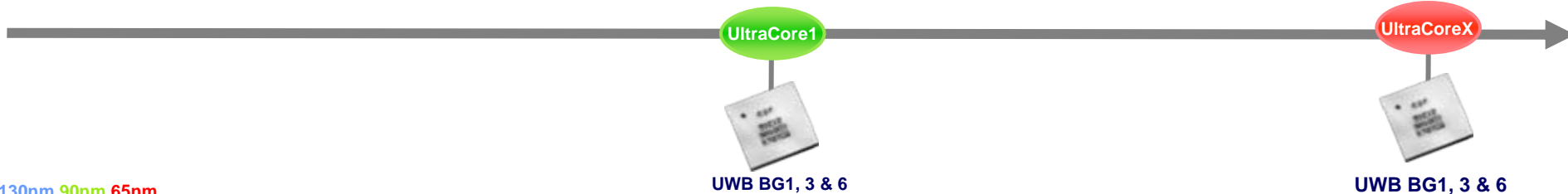
BlueCore: Bluetooth, low energy, FM, GPS, DSP & NFC



UniFi: WiFi a,b,g & n

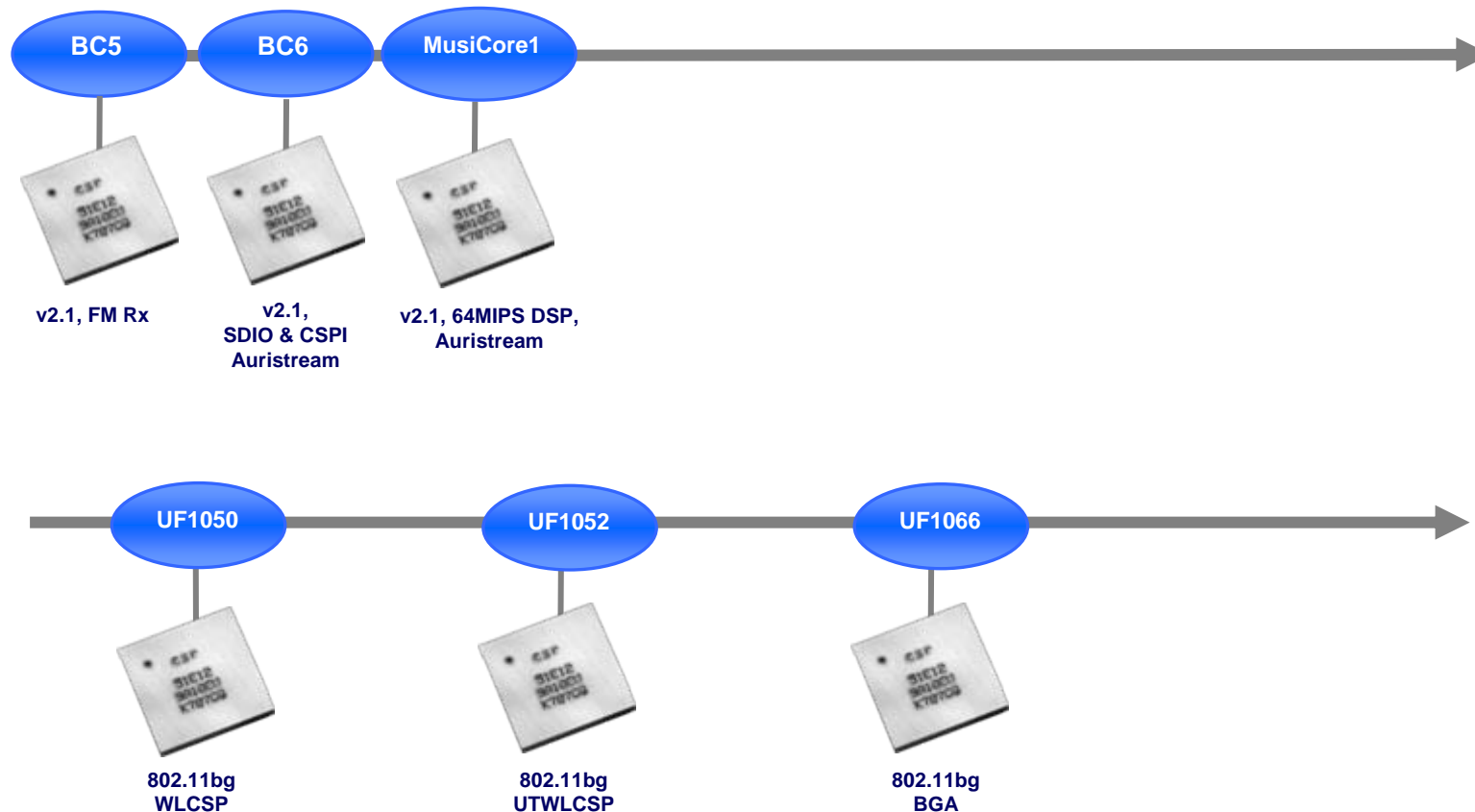


UltraCore: UWB & W-USB



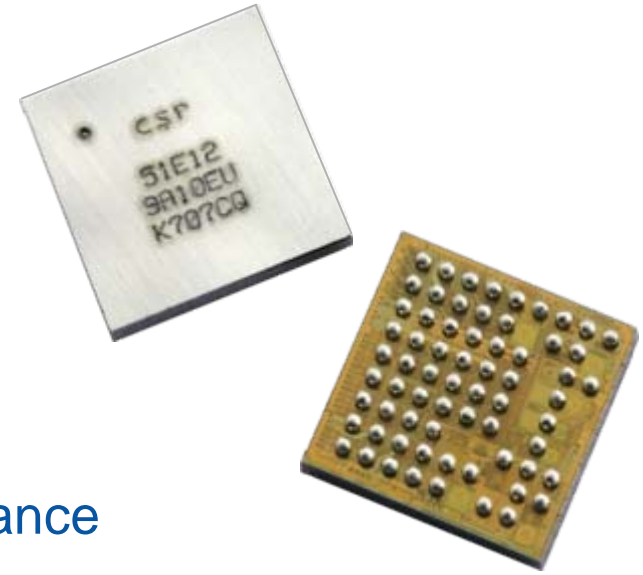
130nm 90nm 65nm

CSR mobile handset technology roadmap



130nm

- Commercial advantage
 - Leading customers
 - Penetrating Chinese market
- Technical leadership
 - Unmatched performance
 - Full v2.1 Bluetooth specification compliance
 - Industry smallest package size
 - No special handling



BlueCore6: The best in the world



- Commercial position
 - Significant contribution to Q2 revenue
 - Several million units produced
 - Multiple designs in development
- Technical advantages
 - 20% less power
 - Smallest die area on 130nm

Bluetooth is for talking

- **Auristream** provides ultimate audio quality
- or twice the talk-time
- Allows CSR to leverage its dominance in headsets
- Major potential for product bundling, revenue generation

Normal
Bluetooth Voice



Auristream
'Low Power'

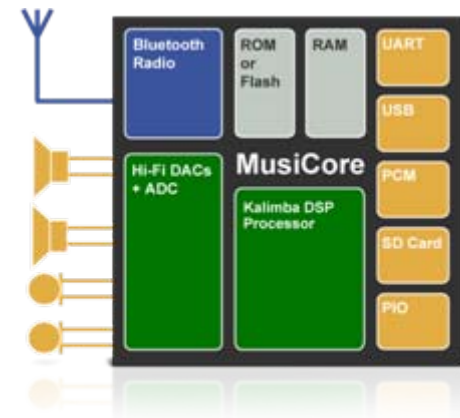


Auristream
'High Quality'



Bluetooth is for listening

- High attach rates
- 100 hours playback time
- Excellent voice quality
- Ambient noise reduction
- Baseband disintegration
- Multiple designs in development



- Fastest, lowest-power embedded WiFi in the world
- Industry leading throughput
 - 23Mbps on Windows Mobile
 - 50% more than competition
- Strongest Coexistence
 - High WiFi throughput – even with Bluetooth
 - 2x competing products
- Most complete host software
 - Hides host complexity
 - Enables better performance



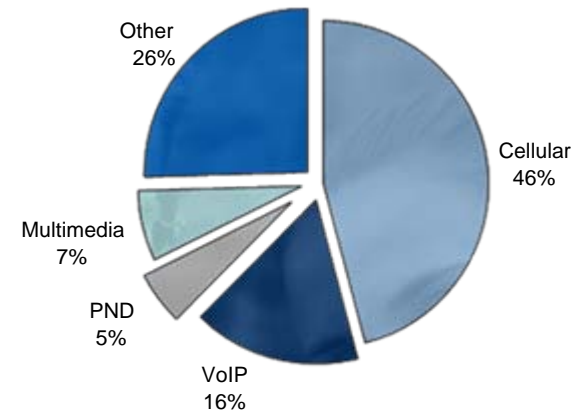
*“Wireless protocols supported by A702 are Bluetooth 2.0 + EDR and Wi-Fi. The latter sports a particularly fine implementation – the system was able to achieve a stable connection even when the signal was threateningly weak. This is one of the **best** Wi-Fi solutions we have ever seen on the market.” - SMAPE*

UniFi: Design pipe

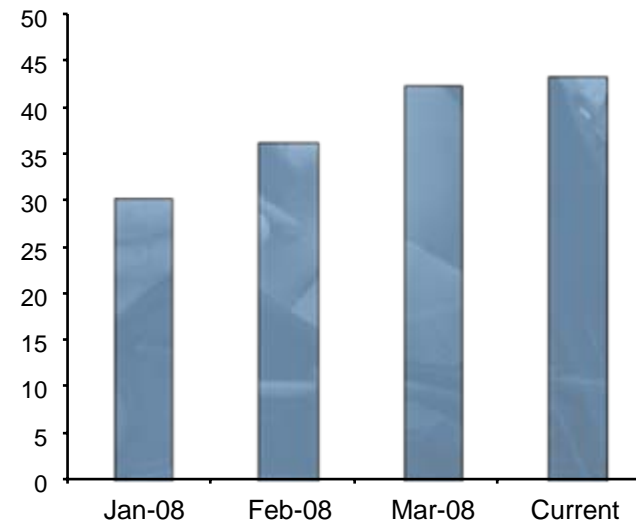


- 40+ customer projects
- Top-tier customers
- Designs covering:
 - Cellular handsets
 - VoIP phones
 - Personal Media Players
 - Internet Radio
 - Modules
 - Wireless Accessories
- Winning 5 new projects each month

UniFi Design Pipeline Composition



Active UniFi Customer Projects



Defend leadership position and drive market expansion

- Undisputed leadership position across all segments
- Leading market innovation with recent release of two new headset chips
- Leverage world-class audio capabilities



- Full integrated headset solution
- Bluetooth, stereo Codec and on chip DSP
- Full power management and battery solution with ~120 hours battery life
- Source code for software development and development tools

Push proliferation in high-growth markets

- New applications for burgeoning markets
- CSR holds minimum 50% market share
- Handset market leadership delivers credibility and pull-through



- Flexible software architecture - solutions for host CPUs
- Strategic partnerships - CSR devices on ALL major platforms
- New technology for PCs - strategic relationship with Intel
- Driving the use cases for wireless in CE markets - home HiFi, remote controls, wellness

Better Connected™



Joep van Beurden
CEO

Pioneering wireless connectivity

Agenda



CSR today

How

Executing the strategy

Summary

Connectivity centre is the right strategy



Large and fast growing market: \$13.8 billion in 2012

Product portfolio ready – exciting roadmap to follow through

Makes full use of existing commercial traction

Leverages CSR's core competencies

Key messages



Delivering growth

Unequivocal focus on connectivity

Bluetooth leadership is key to future success

Execution

Thank you

Better Connected™



Pioneering wireless connectivity