

ARM Holdings plc. Overview

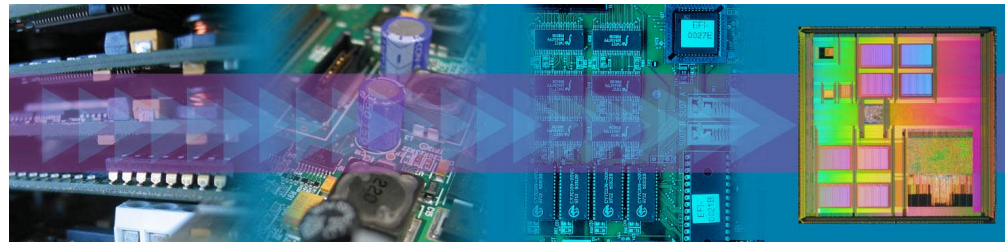
Cautionary Statement Concerning Forward-Looking Statements

- This presentation contains forward-looking statements as defined in section 102 of the Private Securities Litigation Reform Act of 1995. These statements are subject to risk factors associated with the semiconductor and intellectual property businesses. When used in this document, the words “anticipates”, “may”, “can”, “believes”, “expects”, “projects”, “intends”, “likely”, similar expressions and any other statements that are not historical facts, in each case as they relate to ARM, its management or its businesses and financial performance and condition are intended to identify those assertions as forward-looking statements. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables, many of which are beyond our control. These variables could cause actual results or trends to differ materially and include, but are not limited to: failure to realize the benefits of our recent acquisitions, unforeseen liabilities arising from our recent acquisitions, price fluctuations, actual demand, the availability of software and operating systems compatible with our intellectual property, the continued demand for products including ARM’s intellectual property, delays in the design process or delays in a customer’s project that uses ARM’s technology, the success of our semiconductor partners, loss of market and industry competition, exchange and currency fluctuations, any future strategic investments or acquisitions, rapid technological change, regulatory developments, ARM’s ability to negotiate, structure, monitor and enforce agreements for the determination and payment of royalties, actual or potential litigation, changes in tax laws, interest rates and access to capital markets, political, economic and financial market conditions in various countries and regions and capital expenditure requirements.
- More information about potential factors that could affect ARM’s business and financial results is included in ARM’s Annual Report on Form 20-F for the fiscal year ended December 31, 2005 including (without limitation) under the captions, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which is on file with the Securities and Exchange Commission (the “SEC”) and available at the SEC’s website at www.sec.gov.

What is ARM

Background – Semiconductor Market

- ARM is a secular growth story with a 25+ year time horizon
- Industry is 50 years old and looks set to continue for another 50 years
- Several waves of semiconductor technology
 - Now in the middle of CMOS
 - CMOS has enabled MSI>LSI>VLSI>SOC
- Technical progress brings a basis for industry evolution
 - Miniaturisation
 - Reductions in costs
 - Increases in complexity
- Vertical integration gives way to horizontal specialisation
 - Creates a sub-sector: Semiconductor IP



Background – Computing Market

- Computing has evolved in parallel with the Semiconductor market over a similar but slightly longer period



- Semiconductor technology is now allowing computing to become embedded into everyday products
 - Enhancing existing products
 - Enabling the creation of new ones



ARM develops technology at the heart of ...



Nokia N90, N91, N70 Multimedia Handsets

Epson P-2000 PMP



SpotME Portable Wireless Contact Manager



Nokia 770 Internet Tablet



Nintendo Gameboy Micro



Mitsubishi Pocket Projector



Sony PlayStation Portable - PSP



Panasonic - PT-56DLX75 HDTV



Reciva Internet Radio



Airspan EasyST



Alvarion BreezeMax



Linksys: Compact Wireless-G Broadband router



XKey 2.0 USB Memory Stick



DrewTech - ScanDaq



Magellan Road Mate 700

DynonAvionics - EMS-D10
(Engine Monitoring System, EMS-D10)



Dynon Avionics - EFIS-D10A
(Electronic Flight Information System)



Connected Community

Development Tools

Software IP

Processors

System Level IP:

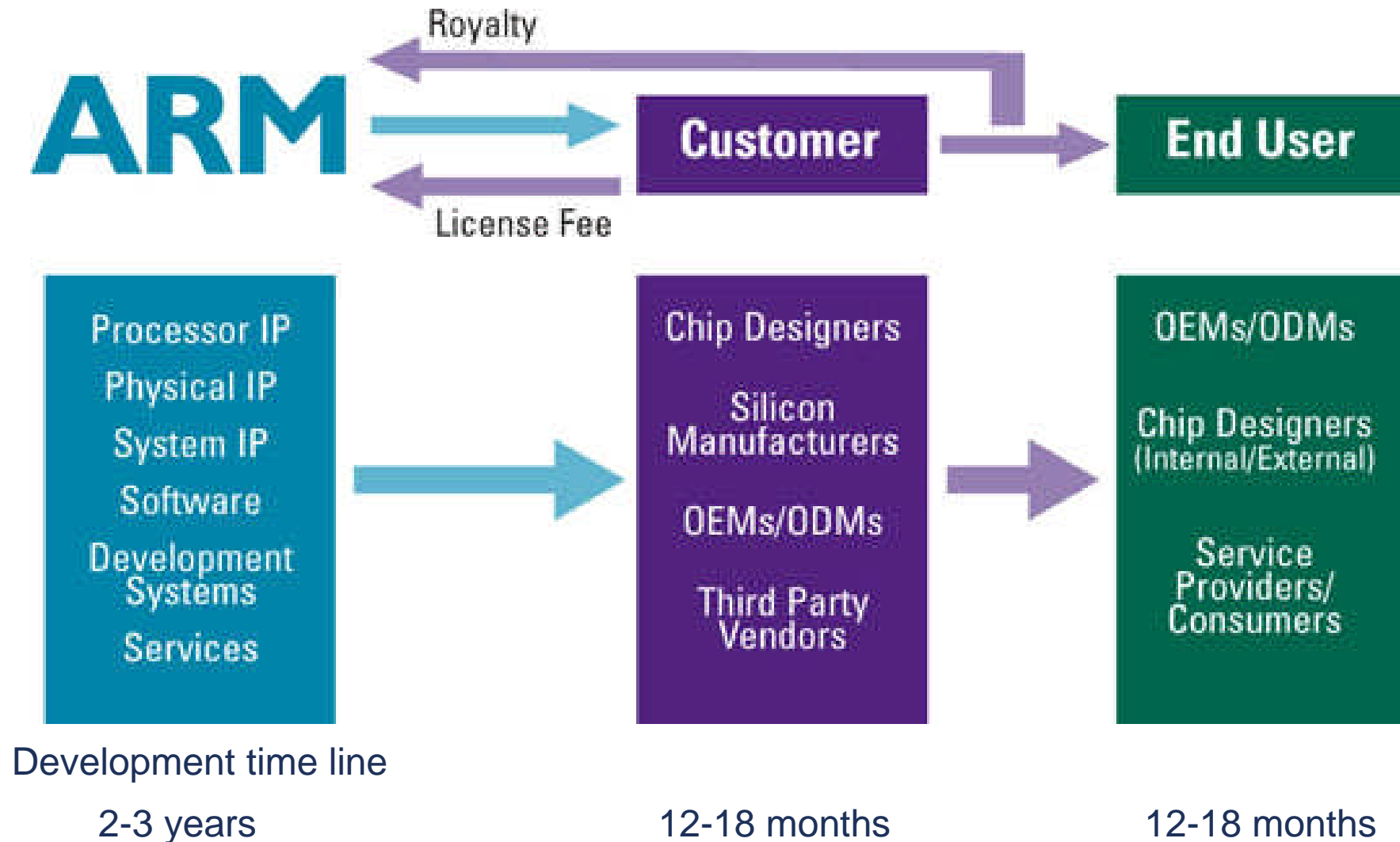
Graphics Engines

Data Engines

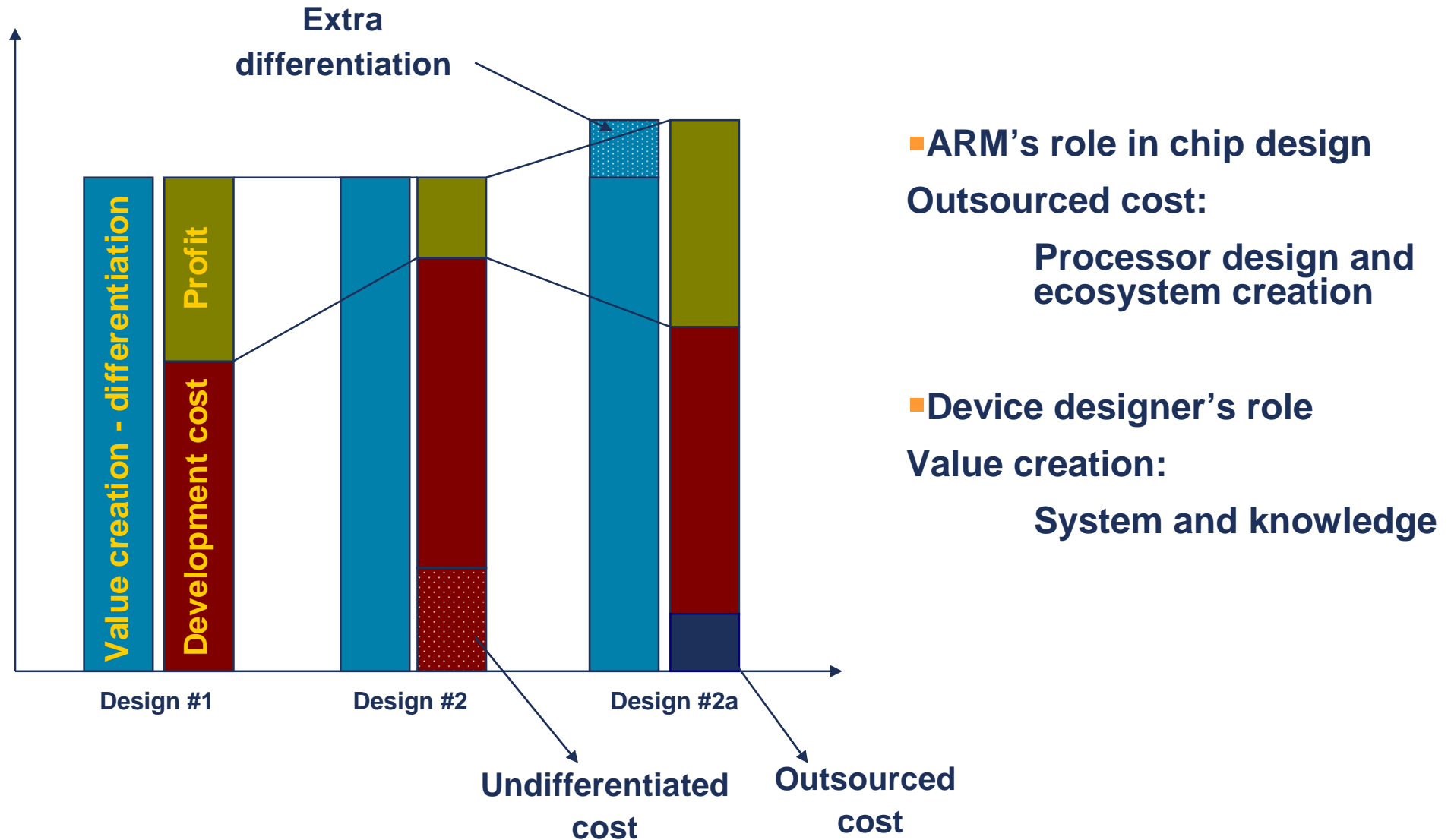
Fabric

Physical IP

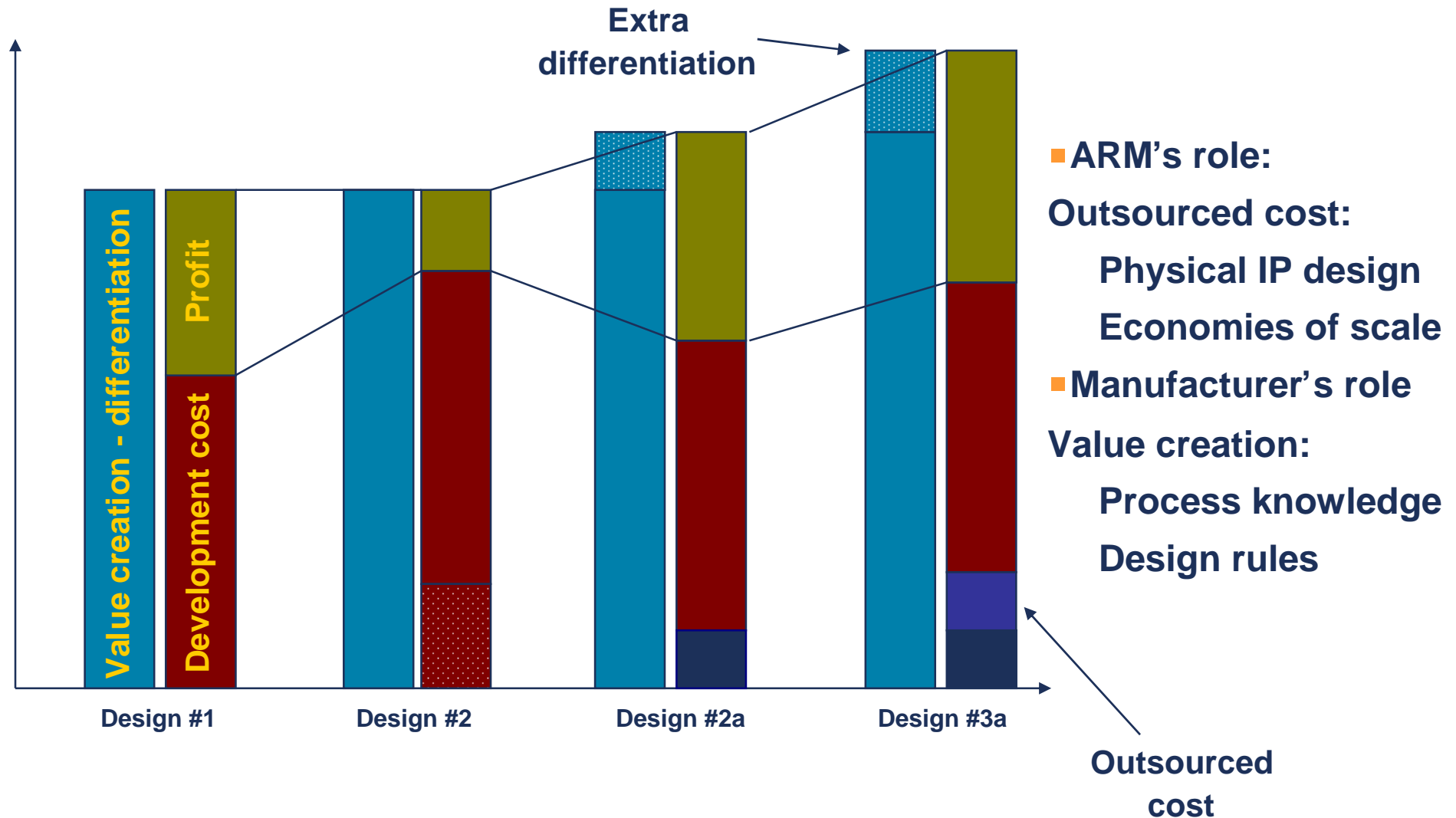
ARM Business Model



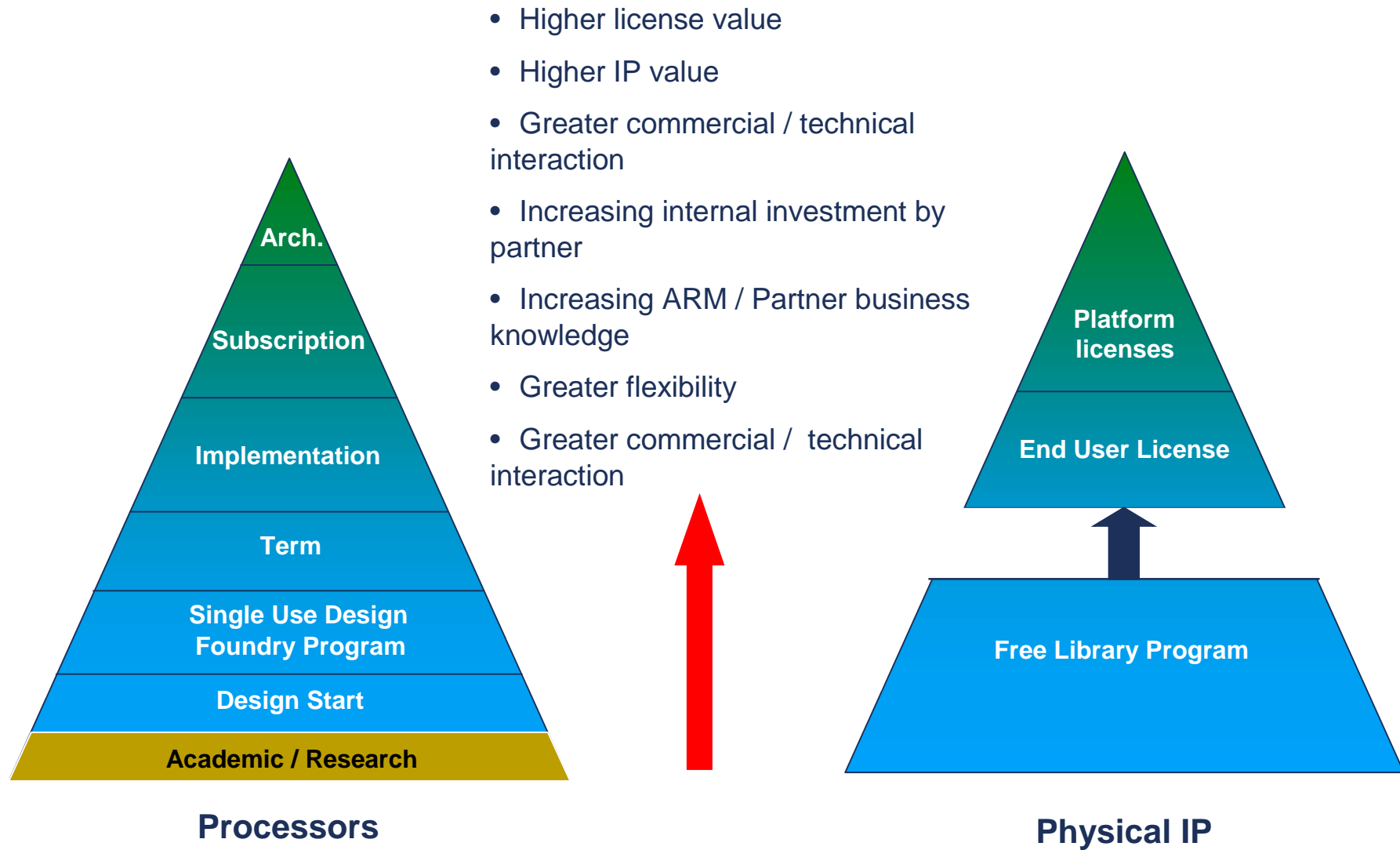
Economics of IP Outsourcing



Economics of IP Outsourcing - PIPD



ARM Licensing Models

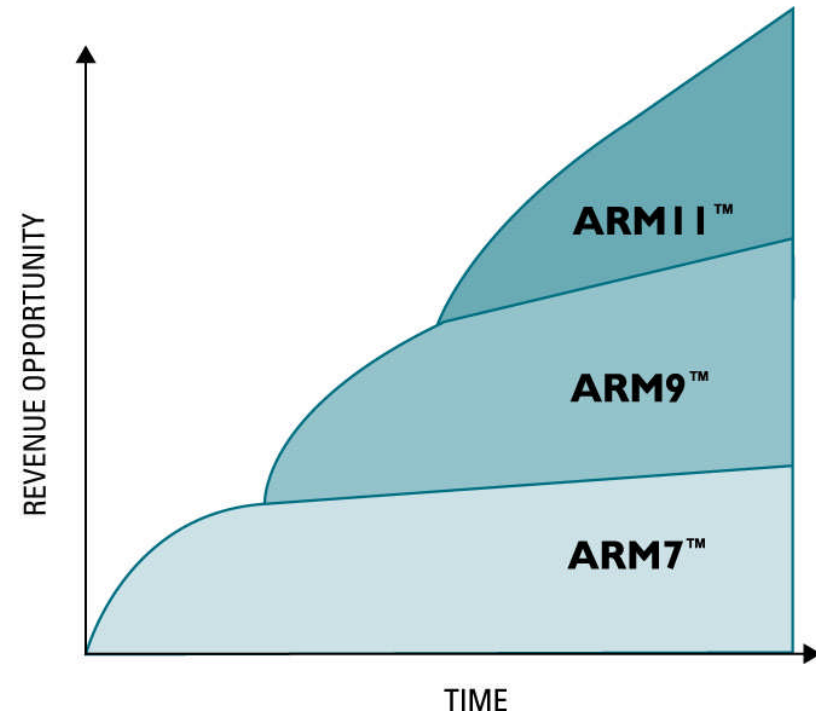


Processors for All Applications

Applications Processor Market	<div>H</div> <div>L</div>	<div> <div>Cortex-A8</div> <div>2000+ MIPS Uni-Proc</div> <div>ARM11 MPCore</div> <div>2000+ MIPS Multi-proc</div> <div>ARM1176JZ(F)-S</div> <div>600+ MIPS Uni-Proc</div> <div>ARM1136J(F)-S</div> <div>600+ MIPS Uni-Proc</div> <div>ARM926EJ-S</div> <div>250+ MIPS Uni-Proc</div> </div> <div> <div>MBX HR-S</div> <div>Graphics Accelerators</div> <div>MBX R-S</div> </div>
Real-Time Embedded Market	<div>H</div> <div>L</div>	<div> <div>ARM1156T2(F)-S</div> <div>600+ MIPS Uni-Proc</div> <div>ARM946E-S</div> <div>300+ MIPS Uni-Proc</div> <div>ARM968E-S</div> <div>150+ MIPS Uni-Proc</div> <div>ARM7TDMI</div> <div>100+ MIPS Uni-Proc</div> </div>
Microcontroller Market	<div>H</div> <div>L</div>	<div> <div>ARM7TDMI</div> <div>Cortex-M3</div> </div>

ARM: A very profitable business model

- Multiple applications drive long microprocessor lifecycles
- Licenses have a 25+ year lifetime
 - 6-10 licenses to breakeven per development
 - 413 processor licenses signed to date
- Royalties = $f(n)$ cumulative licenses
 - ~ 50% of licenses are yielding royalty
 - 4+ years between licensing and noticeable royalty
- Highly profitable business
 - Build once → Sell multiple times



Additional SoC Royalty Opportunity



Voice phone

BOM <\$50
Cellular network



Feature phone

BOM >\$50
Cellular network



Smart phone

Uses OpenOS



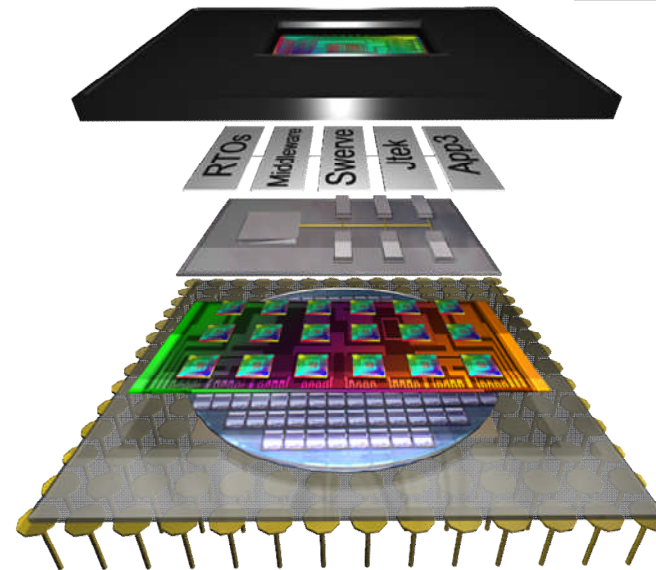
Base Business: ARM Processor

Software: + TrustZone™ Security
+ Swerve Engine & Content
+ JTEK Media
+ IEM Battery

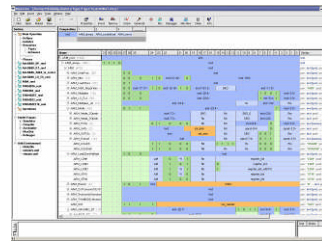
Hardware: + MBX 3D games
+ OptimoDE™ algorithmic tasks

Physical IP: + Libraries (per wafer)

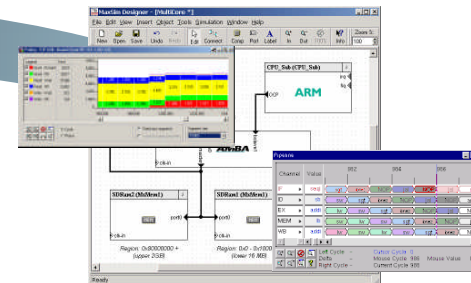
Total royalty processor plus + items



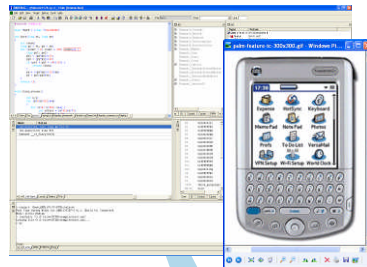
RealView® Tools for Entire Design Flow



IP Creation



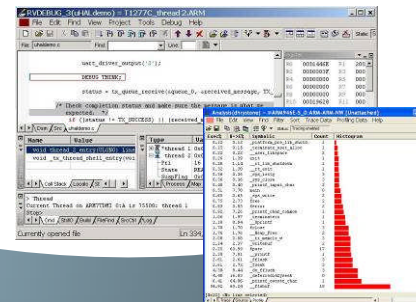
Architectural Exploration



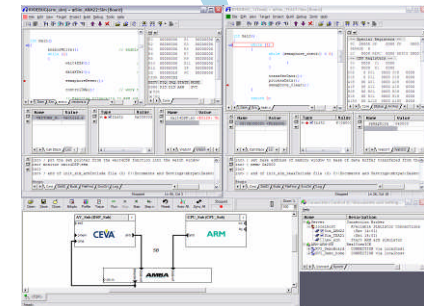
Applications Development



Microcontroller Software Development



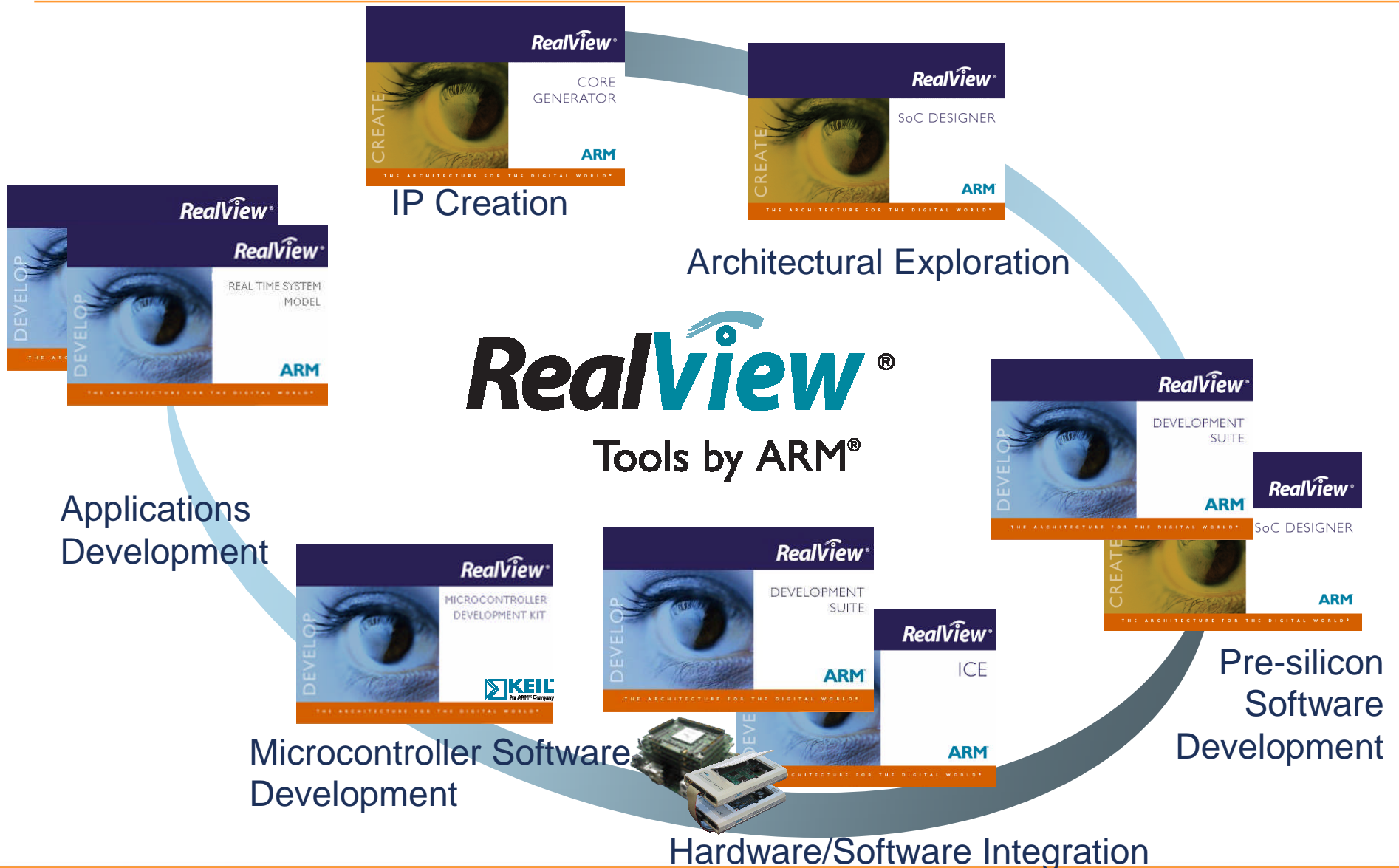
Hardware/Software Integration



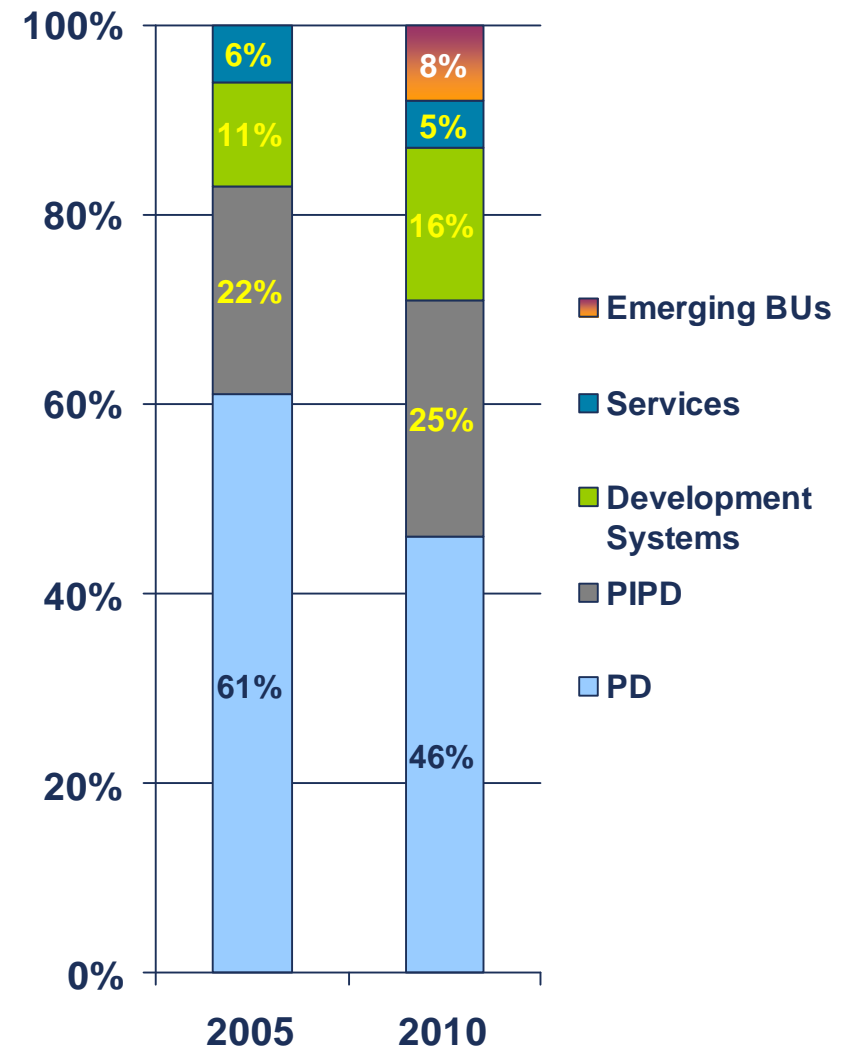
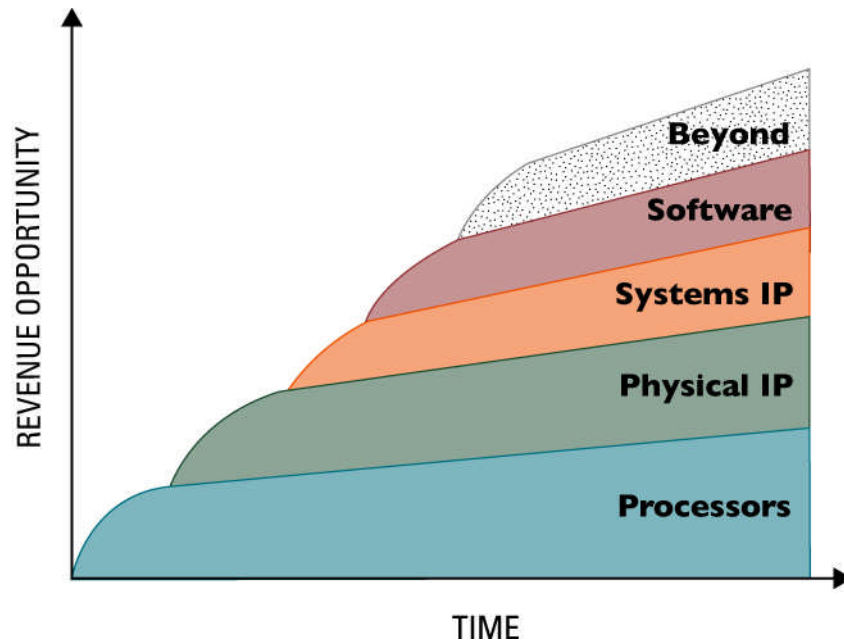
Pre-silicon Software Development

RealView®
Tools by ARM®

RealView® Tools for Entire Design Flow

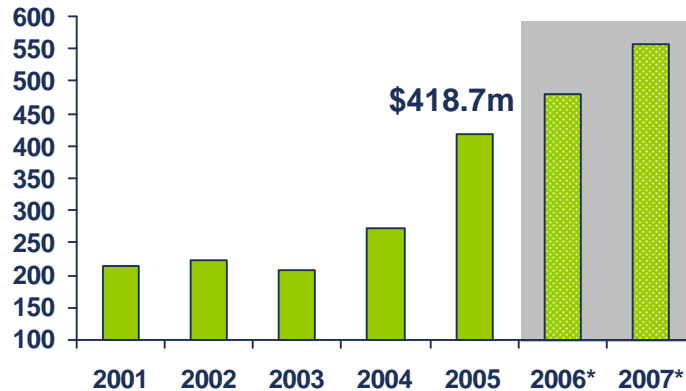


The Shape of ARM in Future

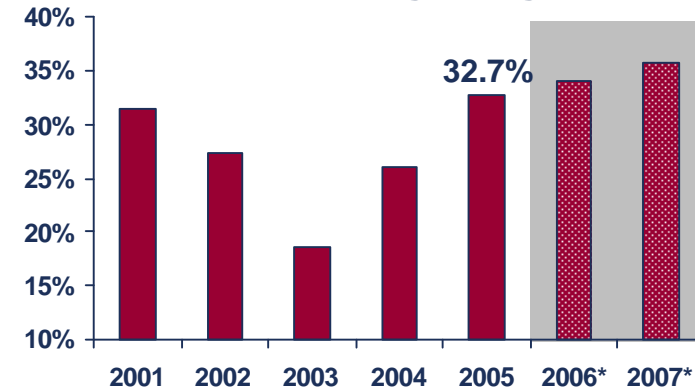


ARM Financials

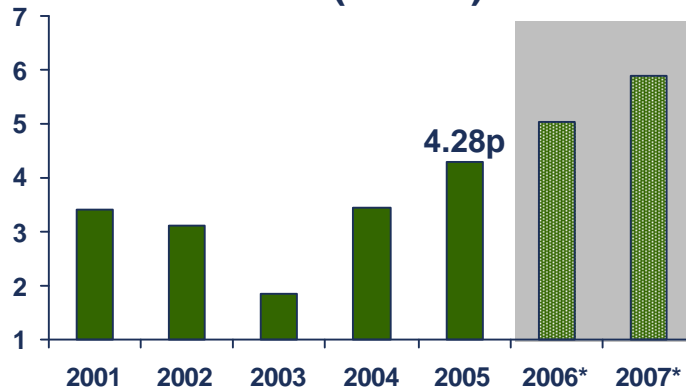
Revenue (\$m)



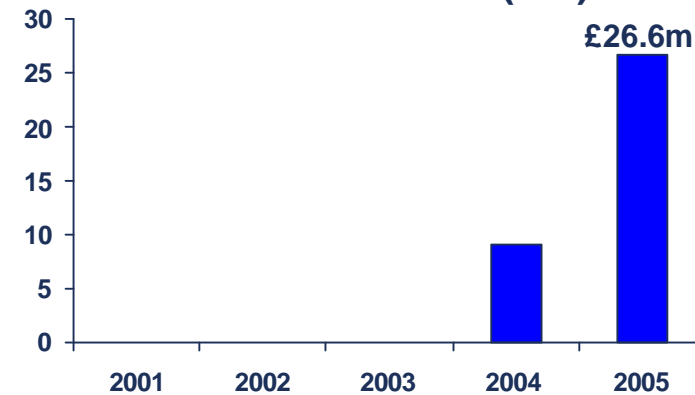
Normalised Operating Margin



Normalised EPS (Pence)



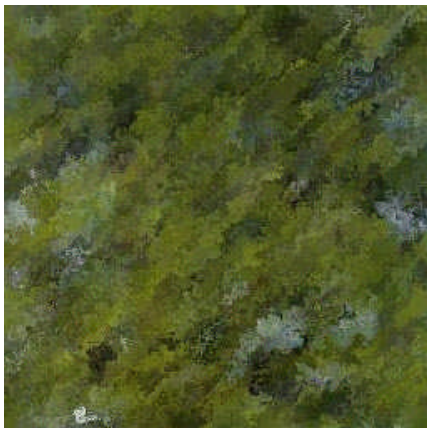
Cash Returned to Shareholders (£m)



* Consensus estimates as of 1st July 2006

Long-term Summary

- Early stage in the digital revolution
 - Intelligence and functionality driving growth
- ARM is not a standard semiconductor company
 - Revenue received at multiple points in a product life time
 - Highly leveraged profitable business model
 - Predictable long-term growth story
- Further semiconductor IP outsourcing will occur
 - Physical IP follows Microprocessors
- ARM is executing well and has a bright future



Many short-term
moving parts

But long-term
growth story



How ARM Drives its Business

Target Market Applications



MOBILE SOLUTIONS

Smart Phone
Feature Phone
Voice Phone
Cordless Phone
PDAs
Portable Audio
Portable Media



HOME SOLUTIONS

STB
DTV/HDTV
DSC/DVC
DVD
Tethered Gaming
Portable Gaming



ENTERPRISE SOLUTIONS

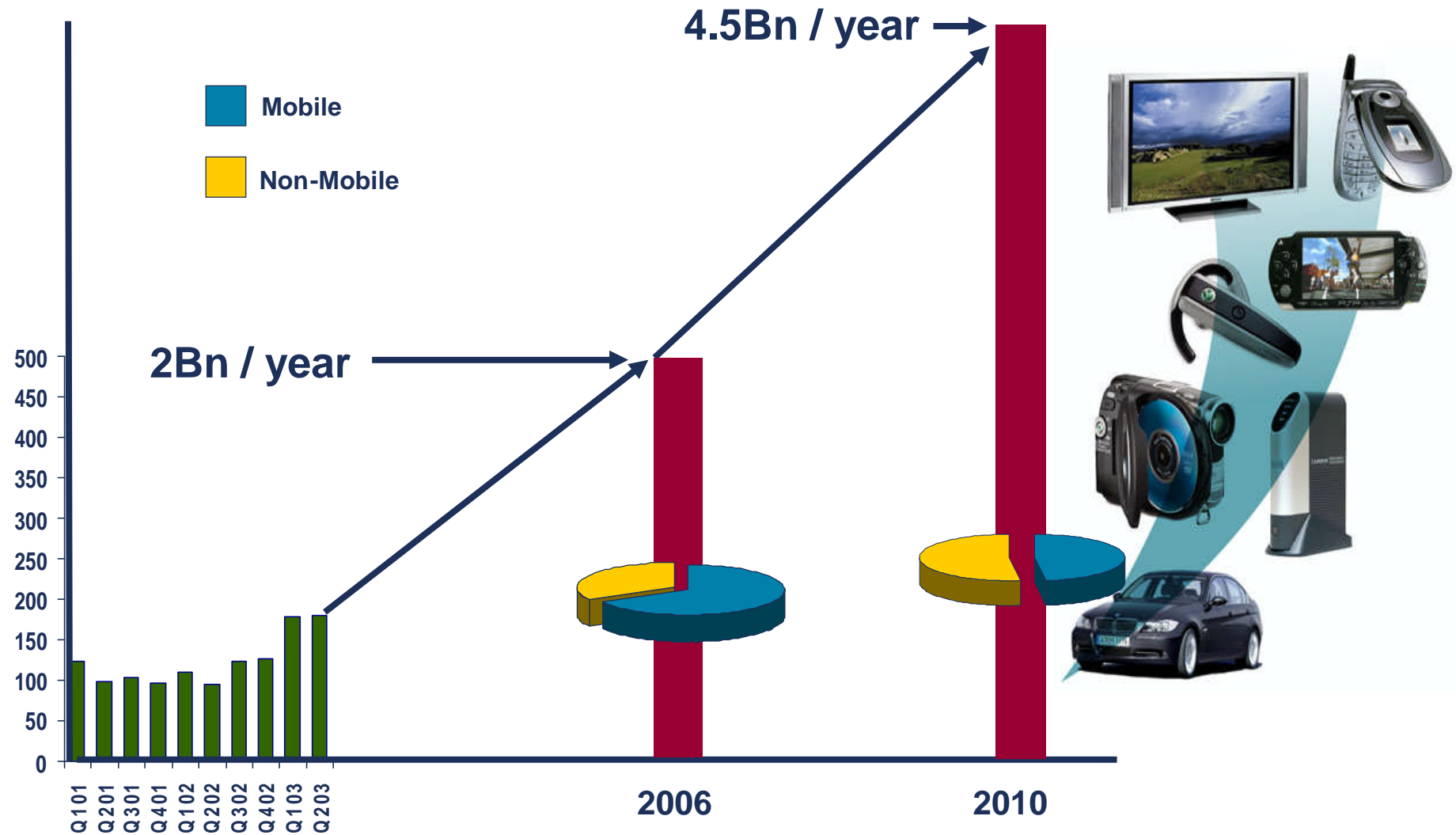
VoIP, V2OIP
Storage
Printers
PC Peripherals
Wireless Connectivity
Home Networks
Enterprise Networks



EMBEDDED SOLUTIONS

Chassis Systems
ABS
Powertrain
Infotainment
Industrial pdts.
MCUs
Smartcards

Driving Momentum: 4.5Bn Units by 2010



Mobile



**MOBILE
SOLUTIONS**



**HOME
SOLUTIONS**



**ENTERPRISE
SOLUTIONS**



**EMBEDDED
SOLUTIONS**

Battery Operated, On the Move

Applications

- Smart Phone
- Feature Phone
- Voice Phone
- Cordless Phone
- Bluetooth (Headset etc.)
- PDAs
- Portable Media Players

* ARM Estimate

Segment trends

- Operators roll out services
- Battery life remains critical
- 3.5G becomes a reality
- WiFi/VoIP is here
- Mobile TV gaining momentum
- Hacking of phones increases

Note: Sources Semico, Strategy Analytics, ARC Group, IDC, IMS, Gartner, and ARM Estimates



TAM 2006

100M
395M
405M
130M
110M
10M
150M

TAM 2011

350M
420M
330M
165M
350M
16M
250M

Avg. SoCs per
Product (2010)*

3.0
1.5
1.0
1.0
1.0
2.0
1.5

ARM meeting the trend

- Efficient design of processors
 - Maximum performance/min power
 - Disruptive computing power
- System-level design tools
- Application driven technology
 - Media
 - Signal processing
 - Security
 - Battery life

Market Trend: Multimedia Device



Home



**MOBILE
SOLUTIONS**



**HOME
SOLUTIONS**



**ENTERPRISE
SOLUTIONS**



**EMBEDDED
SOLUTIONS**

Visual Content

Applications

- DTV and iDTV
- DVD and HD-DVD
- Set-top box
- Portable gaming
- DSC and DVC

Segment Trends

- Battle for the home
 - Media gateways vs STB
 - HD-DVD vs Blue-Ray
 - New business models and quad play
- Analogue TV to digital
 - Mandated by governments
- Distribution of protected content around the home.



	TAM 2006	TAM 2010	Avg. Cores per Product (2010)*
Desktop PC	18.5M	65M	4.0
Game Controller	120M	122M	2.0
Set-top Box	72M	132M	3.0
Portable Gaming (DS)	53.5M	73M	2.0
DSC and DVC	89M	106M	2.0

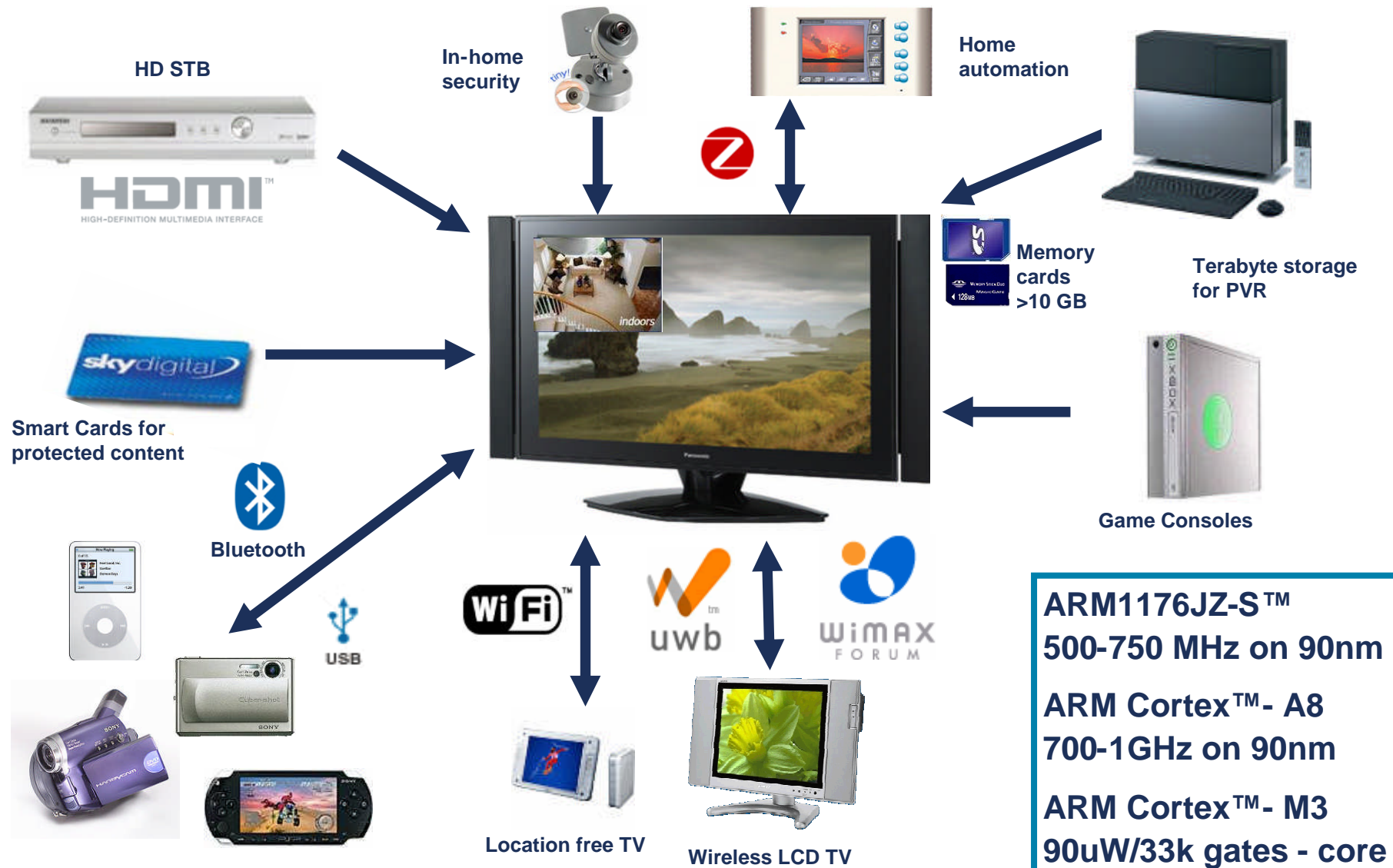
* ARM Estimate

ARM: Meeting the Trend

- Efficient design of processors
 - GHz of performance
- Low power / high performance
 - Ergonomic designs
 - Fanless
- Java technology
 - Delivers performance improvement on applications like MHP/OCAP/Blu-Ray
- TrustZone™ technology
 - Secure content and DRM

Note: Sources Semico, Strategy Analytics, ARC Group, IDC, IMS, Gartner, and ARM estimates

Home is Primed for Transformation



Enterprise



**MOBILE
SOLUTIONS**



**HOME
SOLUTIONS**



**ENTERPRISE
SOLUTIONS**



**EMBEDDED
SOLUTIONS**

Data Handling in the Home and Office

Applications

- Storage (HDD, flash memory)
- Printing
- Home networking (BB, dial-up)
- Enterprise networking
- Wireless connectivity (WiFi, UWB, WiMax)



TAM 2006

813M
110M
100M
169M
123M

TAM 2010

1170M
147M
139M
247M
429M

Segment Trends

- Wireless connectivity taking off
 - UWB, WLAN: ethernet replacement
 - WiMax: broadband replacement
- Telco “triple play” increases bandwidth & QoS needs in home
- Storage goes into everything
- Printers need more embedded performance
 - Color laser printers now below \$300
 - Photo printers operate stand-alone without a PC

ARM: Meeting the Trend

- Low-power, high-performance devices required to meet demand
 - Processors, standard cells, security framework → platform & content protection
- Almost all WiMAX, VoWLAN chipset suppliers on ARM platform
- Most popular CPU arch. for UWB
- ARM11™ MPCore™ into high-end laser; Cortex-R4 into inkjet
- Every major HDD vendor now shipping ARM processor-based drives

Embedded



**MOBILE
SOLUTIONS**



**HOME
SOLUTIONS**



**ENTERPRISE
SOLUTIONS**



**EMBEDDED
SOLUTIONS**

Software Standardisation

Applications	TAM 2006	TAM 2010	Avg. SoCs per Product (2010)*
■ Body and Convenience	1084M	1711M	1.0
■ Telematics and Car Multimedia	115M	119M	1.0
■ Powertrain	84M	101M	1.0
■ Chassis Systems		54M	73M
■ 32 bit MCUs and Smartcards		788M	1464M

* ARM Estimate

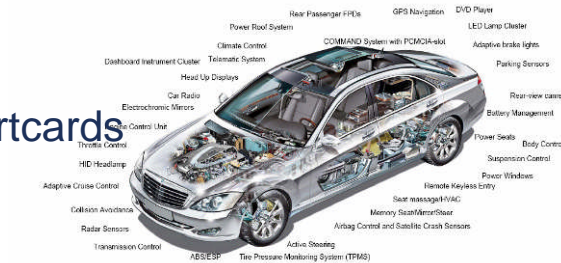


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Segment Trends

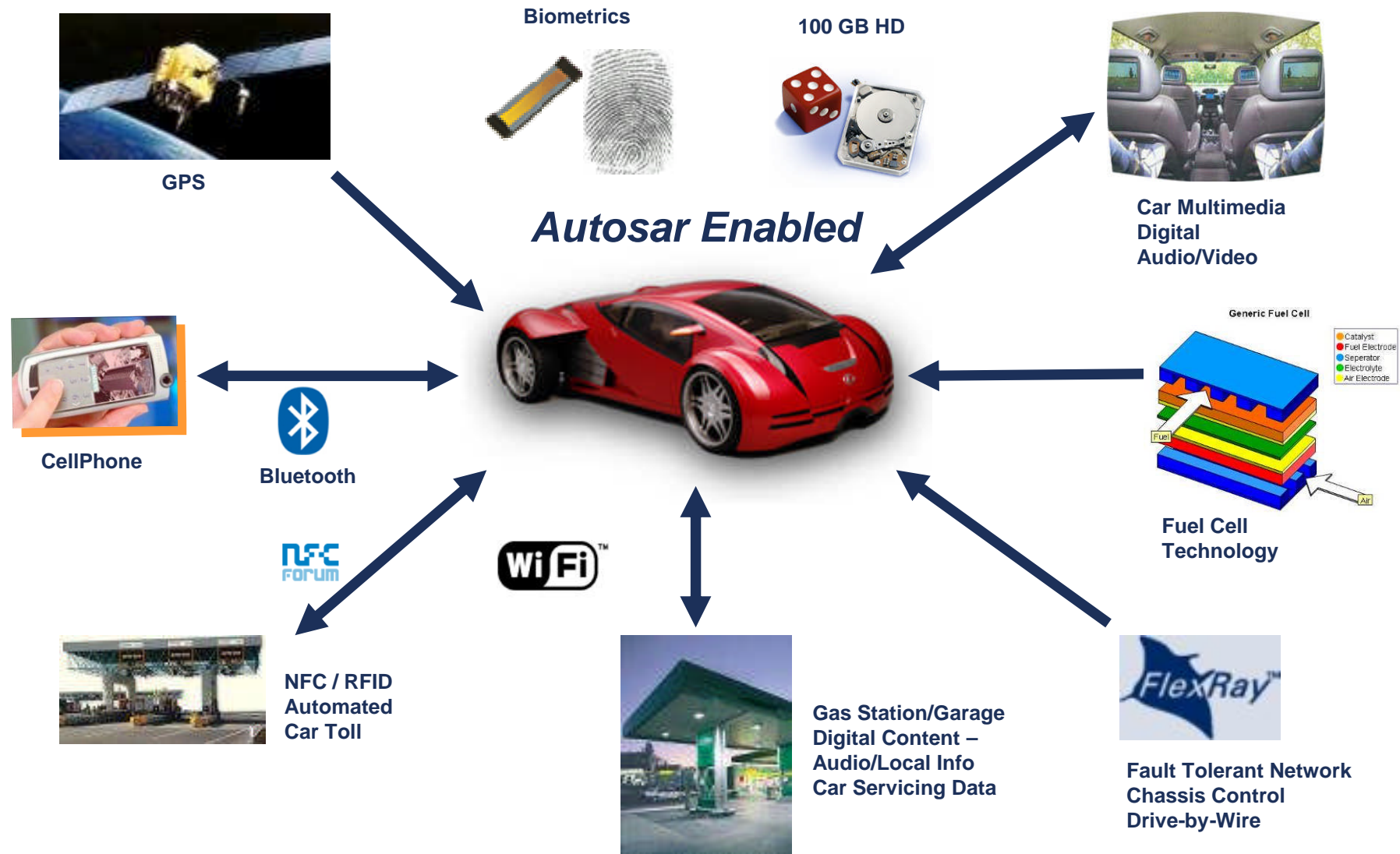
- Software reliability is critical in automotive
- Supply chain and IT simplification
- MCU and Smartcard require efficient Software Engine as memory >64kb
- MCU applications shift 8→ 32-bit as Software Complexity Grows and Geometries Shrink

Gartner ARM meeting the trend:

- Open standards - Autosar
 - More testability for higher reliability
- Tools: Complex thru to entry level
 - Realview -> Keil RVMDK
- Low-cost 32 bit solution
 - Cortex-M3
 - Smartcard
- FPGA Model

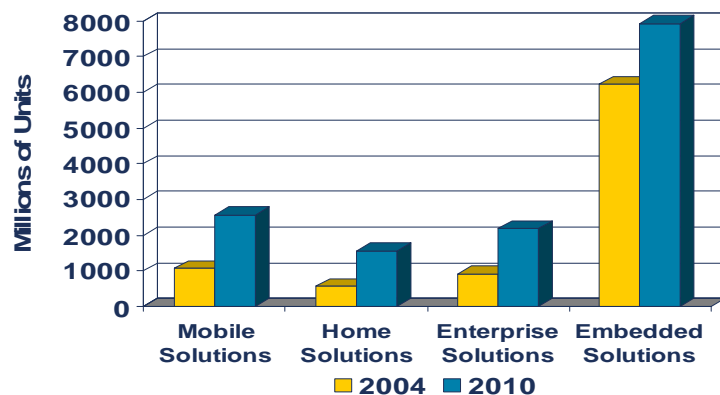
Note: Sources Semico, Strategy Analytics, ARC Group, IDC, IMS, Gartner, and ARM Estimates

High-End Car of 2012



2010 Shape

Total Available
Market (SoCs)



% Market
Share

