Overview & Investment Case

June 2008

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, 2007 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.

Investment Highlights

- Strong competitive position
  - Market leadership in a fast growing industry
  - Significant barriers to entry
  - Technology and innovation leadership
- Proven financial track record
  - Strong growth profile for both sales and profits
  - Highly cash generative business
  - Returning increasing levels of cash to the shareholders
- Business stability
  - Diversified customer base and market
  - Long cycle business
  - License and royalty model delivers long term, predictable value
- Business is driven by long term industry factors
  - All applications are becoming more sophisticated over time
  - Increasing cost of developing technologies drive outsourcing

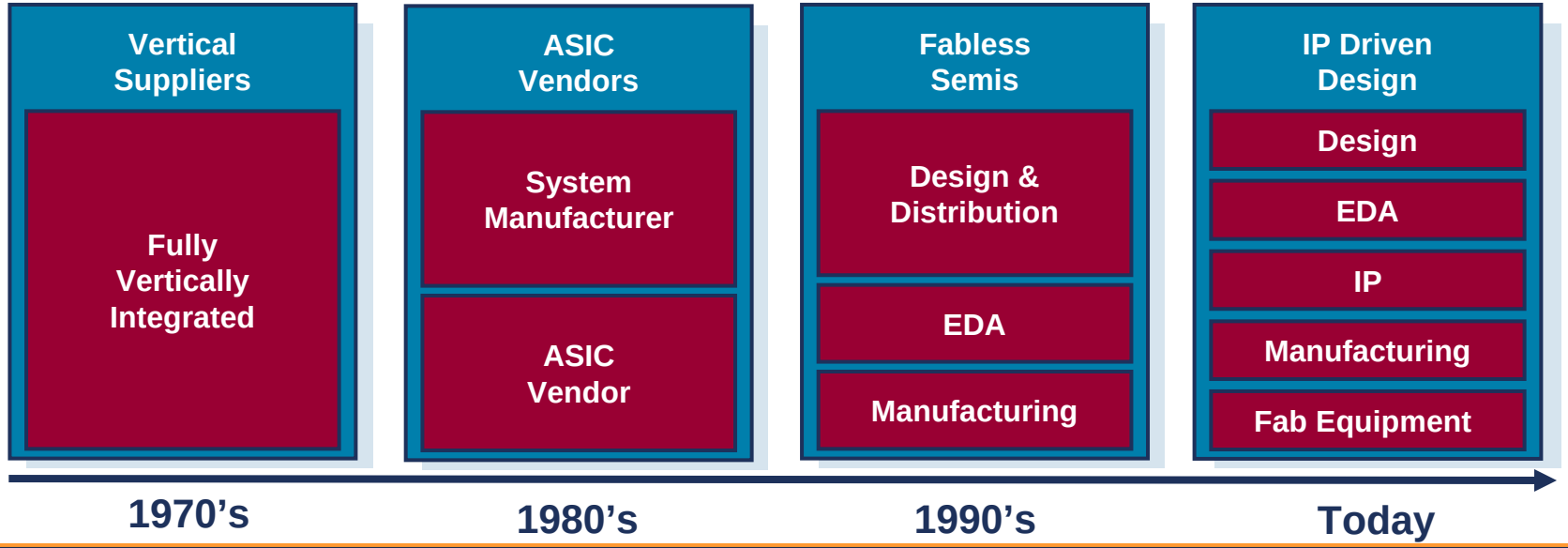
Contents

- ARM Business Overview
- The Long-term Financial Opportunity
- For further information…
- Glossary

ARM Business Overview

Background – Semiconductor Market

- ARM is a secular growth story with a 25+ year time horizon
- Technical progress brings a basis for industry evolution
  - Miniaturisation, reduction in chip costs, increase in complexity
- Increased complexity has exponential effect on design costs
- Rising costs give way to specialisation and outsourcing
  - Creates a sub-sector: Semiconductor IP



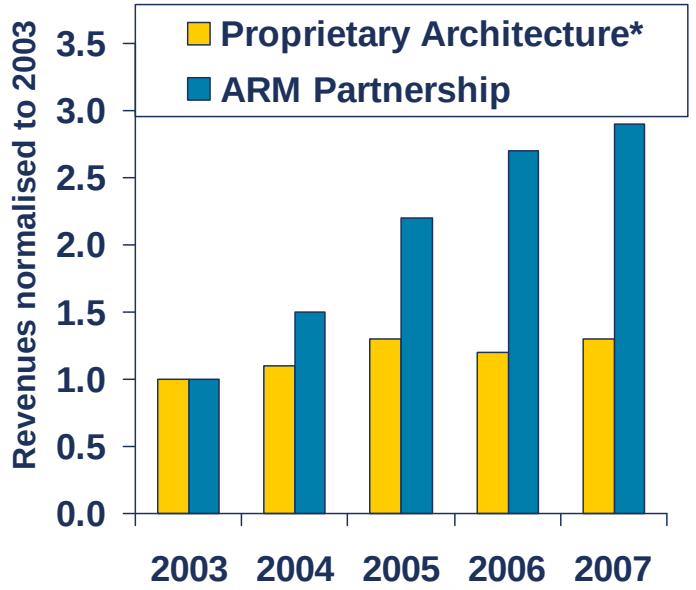
Background – Computing Market

- 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

Benefits to Industry of IP Outsourcing

- Innovation allows for differentiation and choices for consumers
- The ARM ecosystem is more innovative and more successful than any individual company



Ecosystem Delivering Low Power Today

Diverse Range of Products

Rapidly Growing Markets

3bn Users[1]

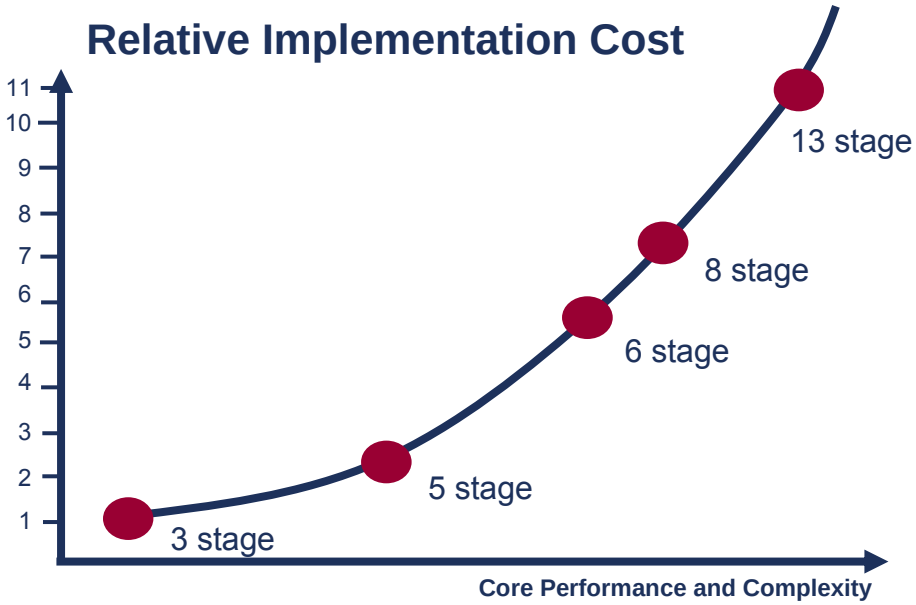
How much has your laptop changed over the years?

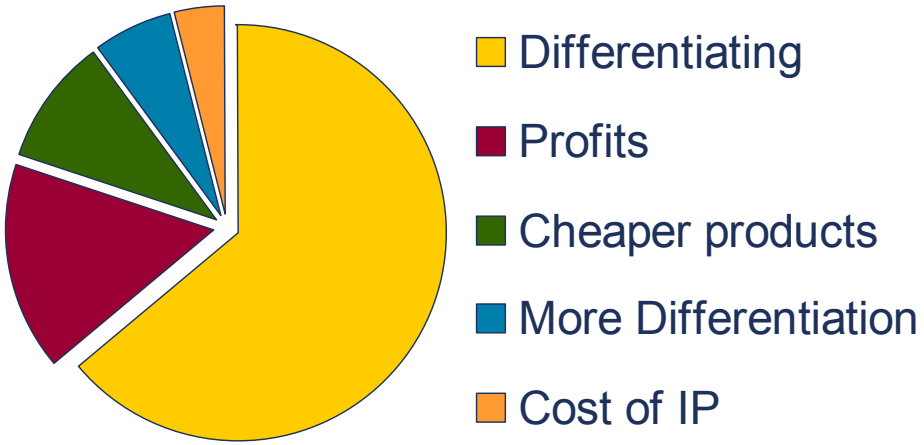
1bn Users[2]

[1] Strategy Analytics 2007 [2] www.c-i-a.com * Source: Intel

IP Outsourcing is Cost Effective

- ARM has invested $750m in processor R&D since 2001
- ARM partners have redeployed $15bn of costs
  - Used to develop more differentiation
  - Passed on to the consumer
  - Profits for shareholders





Benefit to Consumer of IP Outsourcing

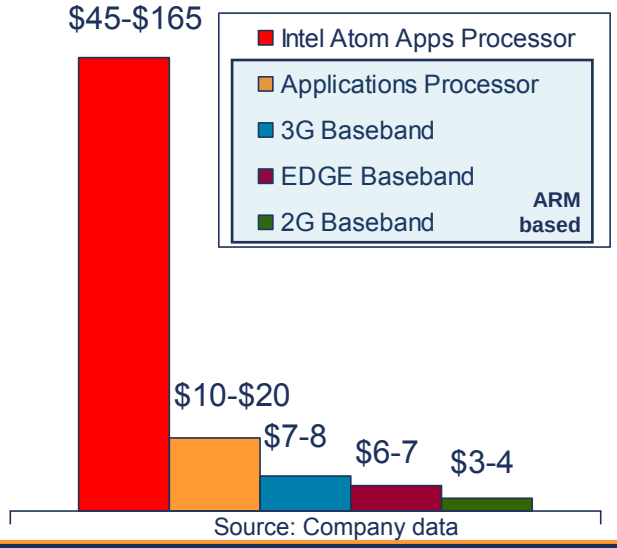
- Entry phone trend for <$20 handset
  - Carphone Warehouse is selling Nokia 2120 for £10 today

- Smartphone trend to hit the <$200 mobile computer
  - HTC Tytn II - $179* BOM; Nokia N95* - $154
  - ARM partners develop highly integrated chips to reduce costs

*Source: Portelligent, 2007

- Without R&D outsourcing mobile devices would cost considerably more

- First Intel Atom MID based product
- Gigabyte M528 – Priced at $1,131

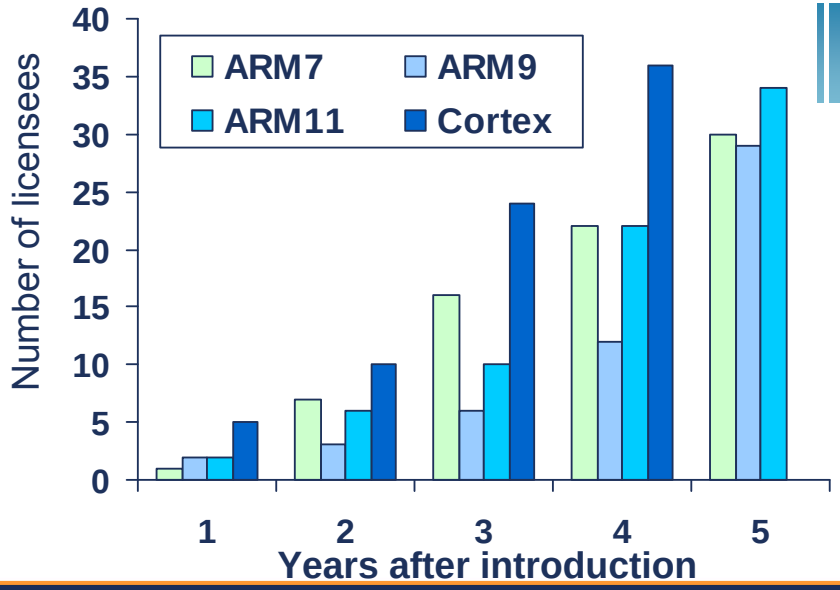


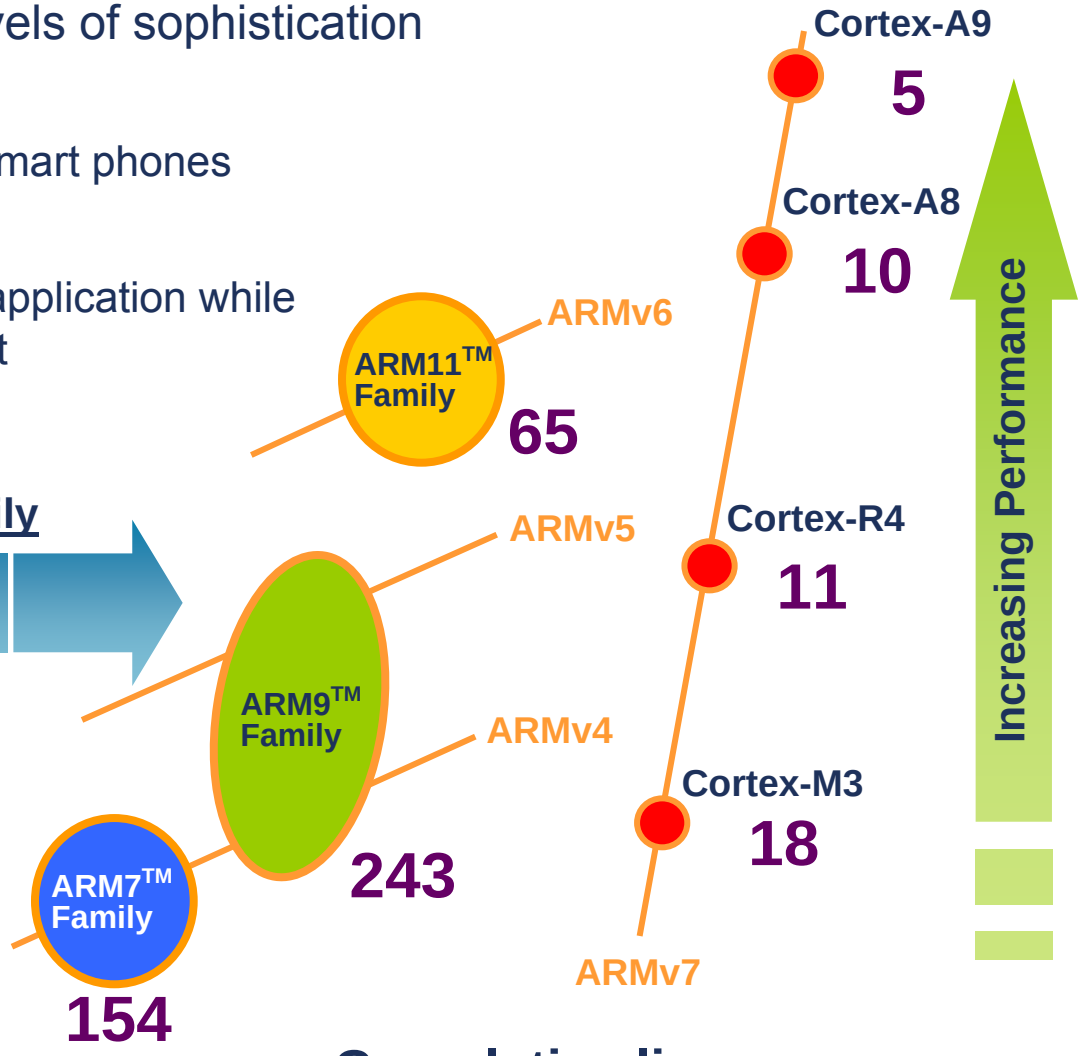
ARM Products (see glossary)

Processor Division (PD) Roadmap

- Roadmap driven by increasing levels of sophistication
- Broad range of applications
  - Washing machines to high end smart phones
- Design Culture:
  - Meet performance needs of the application while minimizing power usage and cost

Cortex is ARM's fastest licensing family



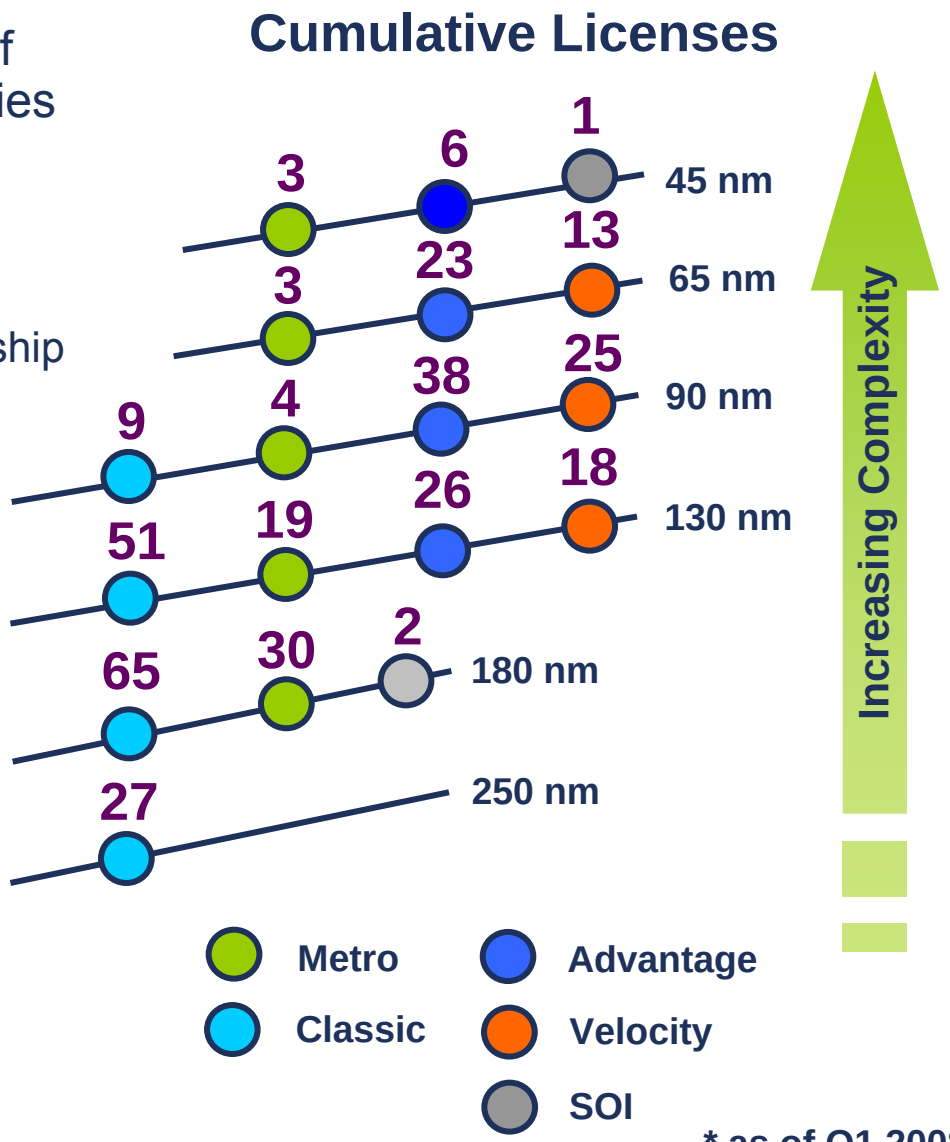


Cumulative licenses

* as of Q1 2008

Physical IP Division (PIPD) Roadmap

- Roadmap driven by increasing levels of complexity at smaller process geometries
- Complexity requires breadth of functionality
  - Application knowledge enables leadership product design
  - ARM uniquely positioned to deliver
- Product variants developed to meet application needs
  - Classic – Generic
  - Metro – Low power
  - Advantage – High Performance
  - SOI – Silicon on Insulator
  - Velocity – High Speed Phys
- 363* Cumulative Licenses Signed



* as of Q1 2008

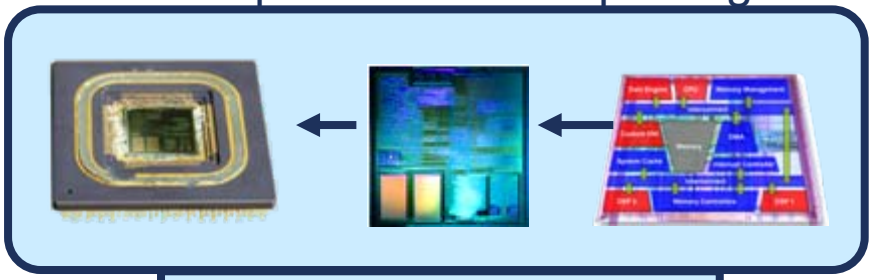
ARM Business Model – Chip Companies

ARM creates IP to design and implement chips

ARM licenses our IP for a fee to chip manufacturers

Royalties are paid by the chip manufacturer when they ship their products to their customers

Each customer can customize and add value to their product for multiple segments



Semiconductor Vendors

~200 customers going to market

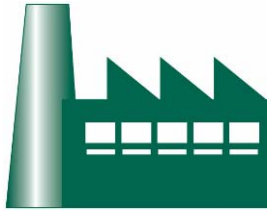
ARM Business Model – OEM Benefit

ARM creates IP to design and implement chips

ARM licenses our IP for a fee to chip manufacturers

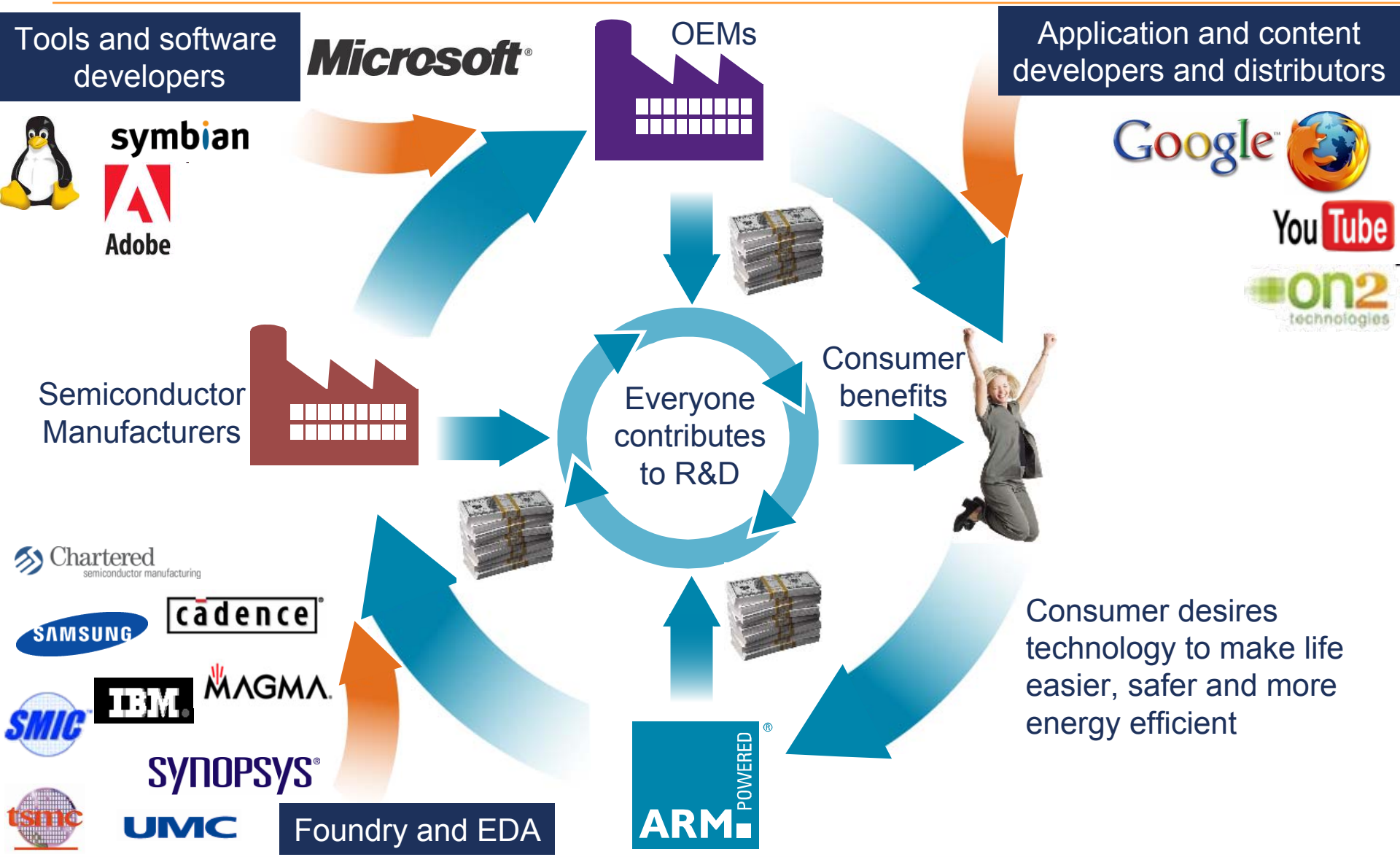
ARM invests in ecosystem of software and tools vendors

OEM can develop a wide-range of low cost and highly-differentiated devices



OEM can buy software-compatible chips from multiple manufacturers

Circle of Innovation



ARM's Digital World

ARM

Semiconductor Companies X 100's

SoC Engineers X 10,000's

Software Engineers X 100,000's

Products X 1,000,000's

Consumers X 1,000,000,000's

Driving Future Growth

- Build on existing design wins
- Further penetrate the ARM partner base
- Leverage existing relationships
- Utilise ARM sphere of influence
- Increase barriers to entry for competition

ARM

Growth in non-mobile applications

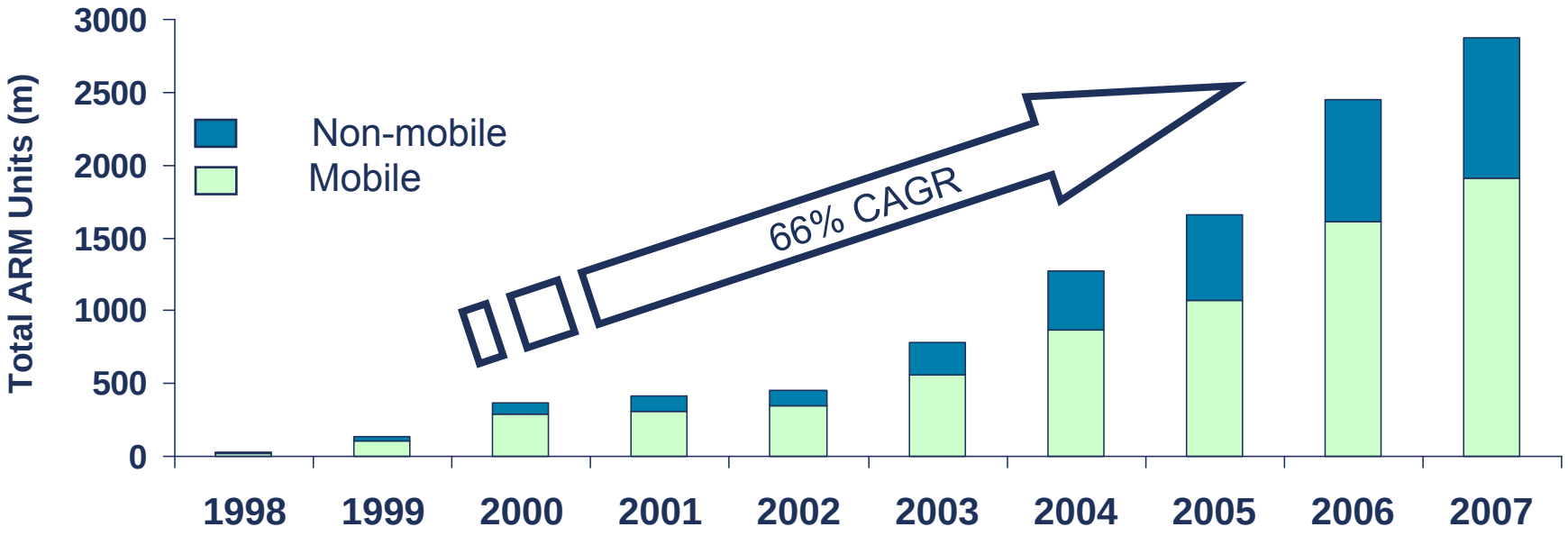
Increasing the ARM value per consumer transaction

Outsourcing of Physical IP development to ARM

Growth Opportunities

Driving Market Share

- Ensure that ARM technologies are appropriate across the application spectrum
- Equip the world leading semiconductor manufacturers with ARM technology
- Drive pull and design wins with OEMs and other value chain partners



Segments for ARM in 2007

	Applications (Million of Units)	TAM 2007 Units	Cores/ unit*	TAM 2007 Cores*	2007 ARM*	2007 Share*
Mobile	Smart Phone	140	2-5	420	350	83%
	Feature Phone	735	1-3	1,470	1,140	78%
	Low End Voice Phone	225	1	225	200	90%
	Portable Media Players	150	1-3	300	90	60%
Non-Mobile	DSC and DVC	115	1-2	161	113	70%
	STB and DTV	200	1	200	50	25%
	Networking	530	1	530	110	21%
	Printers	140	1	140	70	50%
	Storage (HDD+Flash)	1,060	1	1,060	200	19%
	Automotive	1,170	1	1,170	80	7%
	Smart Card (32 bit)	275	1	275	120	45%
	MCU (32bit)	800	1	800	135	17%
	Others**	4,800	1	4,800	240	5%
	Totals	**10,340**		**11,551**	**2,898**	**25%**

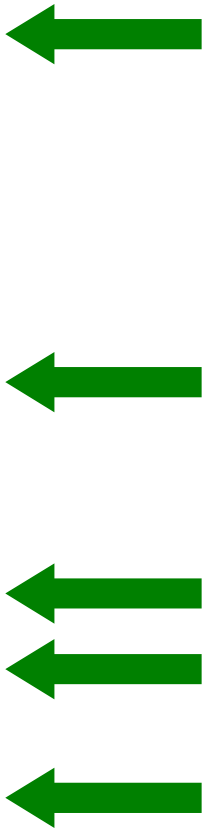
Source: Gartner Data, Semico, Instat, IDC, and ARM estimates

*** ARM Estimates** *** * Includes other applications not listed such as 8/16bit, Headsets, DVD, etc**

Segments for ARM in 2012

	Applications (Million of Units)	2007 ARM*	2007 Share*	TAM 2012 Units	Cores /unit*	TAM 2012 Cores*
Mobile	Smart Phone	350	83%	400	2-5	1,200
	Feature Phone	1,140	78%	600	1-3	1,200
	Low End Voice Phone	200	90%	400	1	400
	Portable Media Players	90	60%	200	1-3	250
Non-Mobile	DSC and DVC	113	70%	150	1-2	300
	STB and DTV	50	25%	345	1	920
	Networking	110	21%	870	1	870
	Printers	70	50%	165	1	180
	Storage (HDD+Flash)	200	19%	1,570	1	1,730
	Automotive	80	7%	1,800	1	1,800
	Smart Card (32 bit)	120	45%	670	1	670
	MCU (32bit)	135	17%	2,500	1	2,500
	Others**	240	5%	4,600	1	4,600
	Totals	**2,898**	**25%**	**14,270**		**16,620**

Key Growth Areas for ARM



Source: Gartner Data, Semico, Instat, IDC, and ARM estimates

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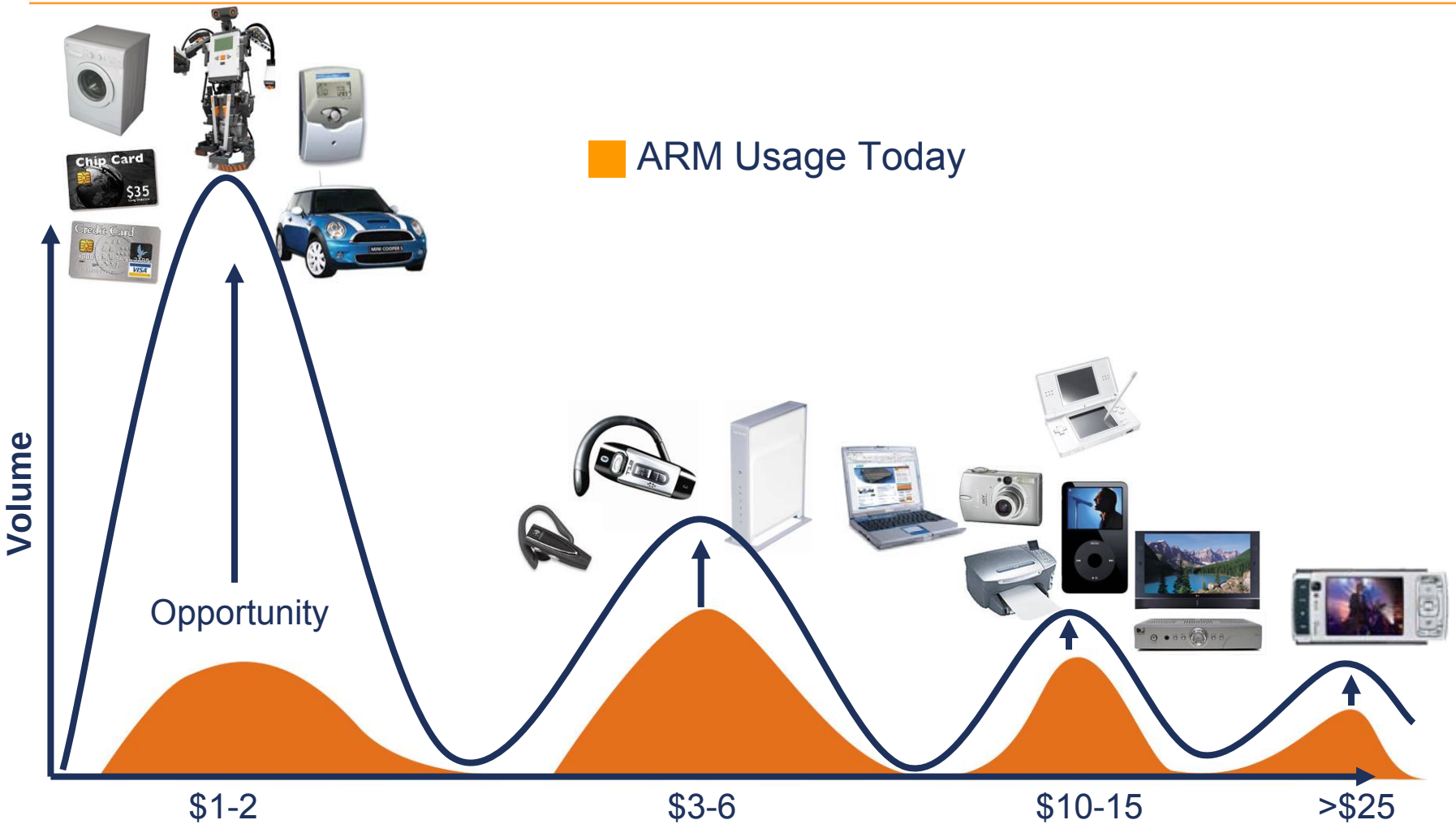
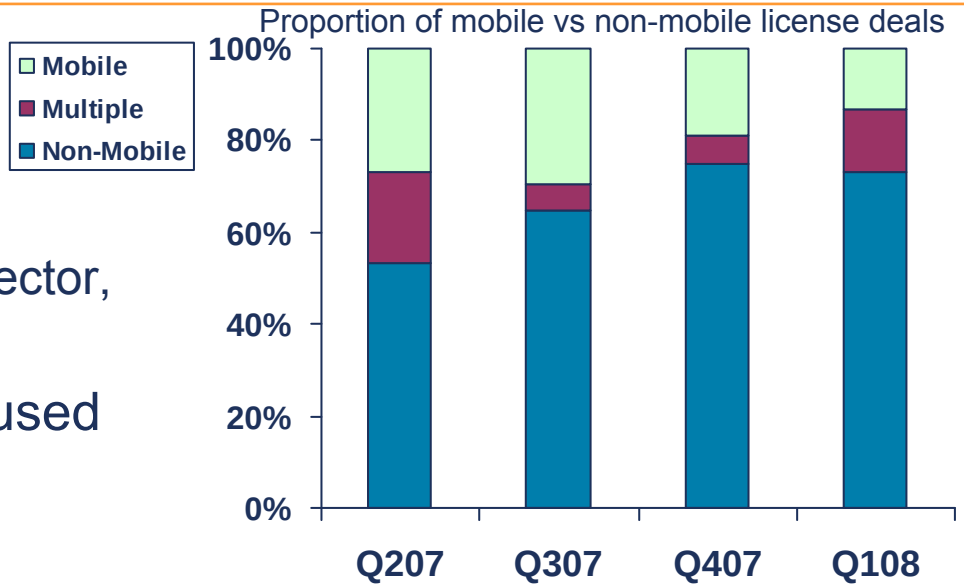
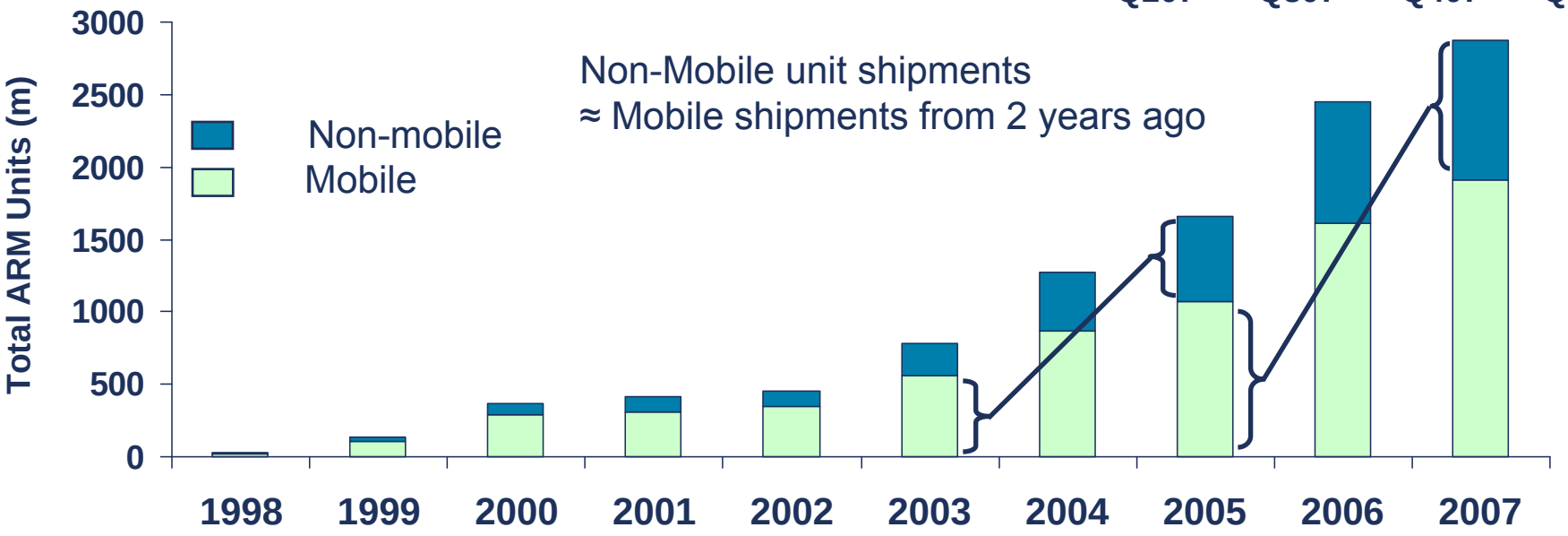
Broadening the Range



Driving Market Share in Non-Mobile

- Diversification of licenses
  - ARM licensing is highly diverse, across many applications
  - Covers the entire semiconductor sector, not just consumer-facing
- Licenses taken for wireless will be used elsewhere





End Goal - Increasing the ARM Value

Ultra Low Cost

Low-end BB - $

$ x 1

Smart Phone

Apps Processor - $$$

3G BB - $$

WiFi - $

BT - $

$ x 7

Mobile Internet Device

Apps Processor - $$$

High-end BB - $$

WiFi / WiMAX - $

BT/UWB - $

Graphics - $$

Multimedia - $$

Physical IP - $

$ x 12

Laptop / Notebook

Apps Processor not ARM

High-end BB - $$

WiFi / WiMax - $

BT/UWB - $

Audio - $

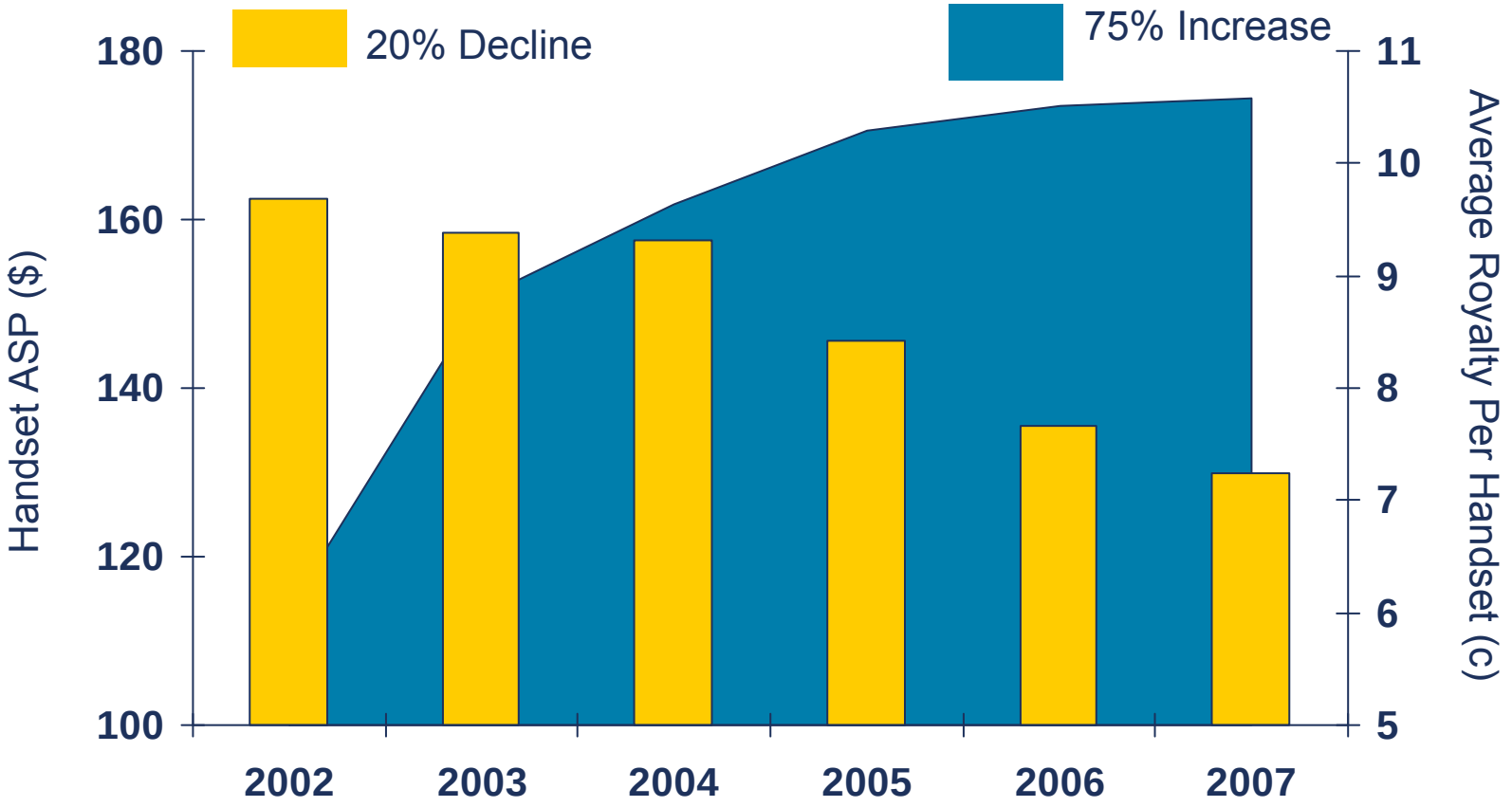
HDD Controller - $

Physical IP - $

$ x 7

$ = Unit of Royalty

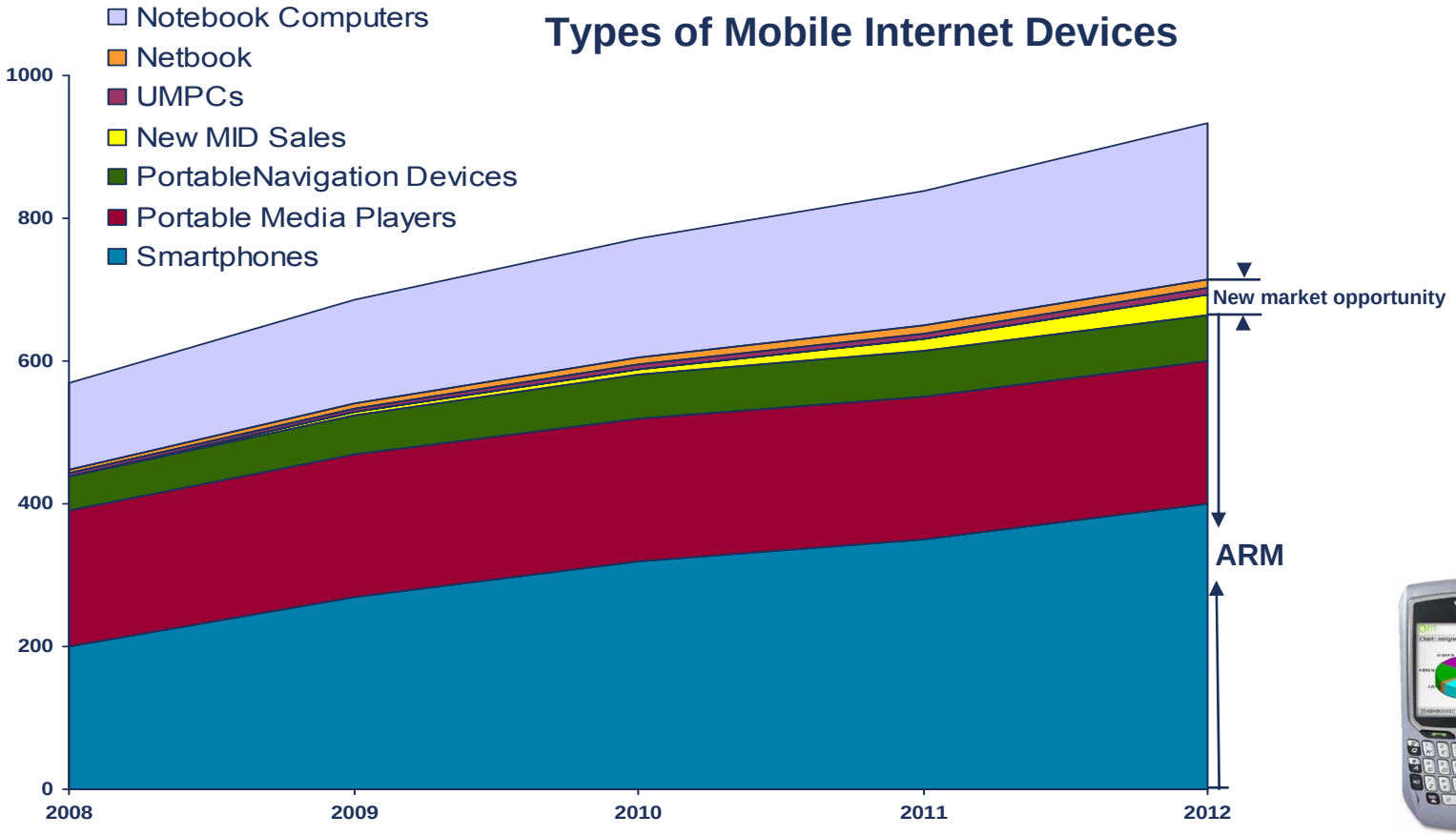
Increasing ARM's Value per Transaction

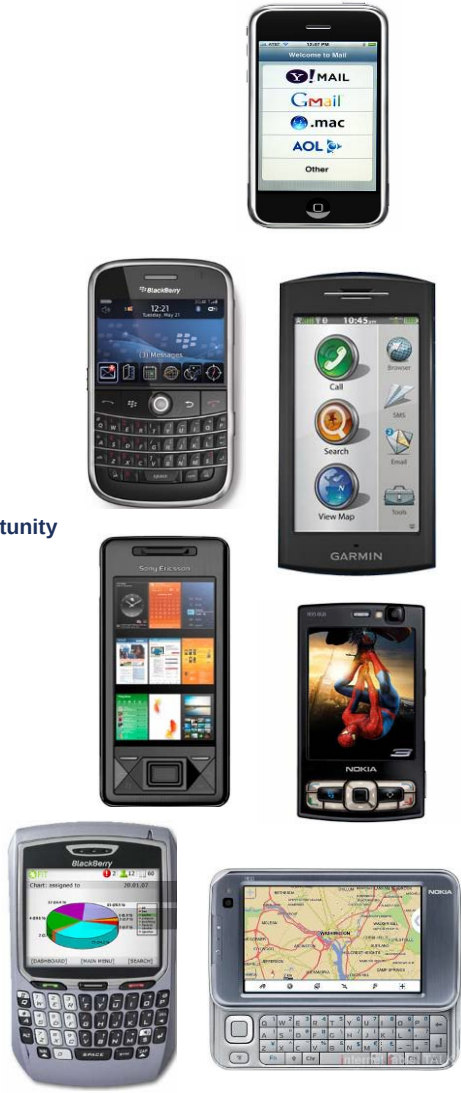


* Source: Gartner Dataquest, ARM Estimates

Evolution of the Mobile Phone

- Internet connectivity is already the ‘next step’ in mobile devices
- Individuals require increasing levels of services on the ‘move’
- ARM is in 80% of today’s mobile internet devices



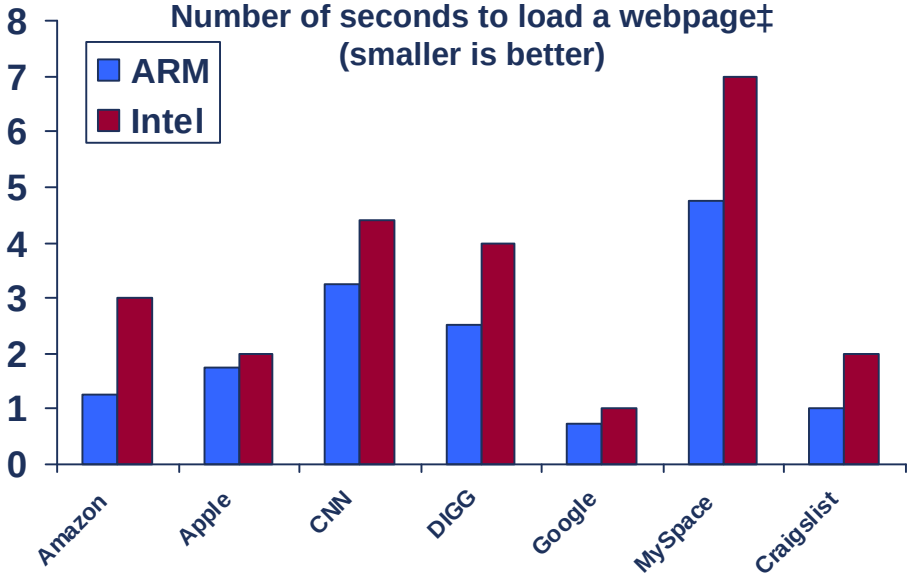


Source: Gartner, Strategy Analytics, ARM estimates

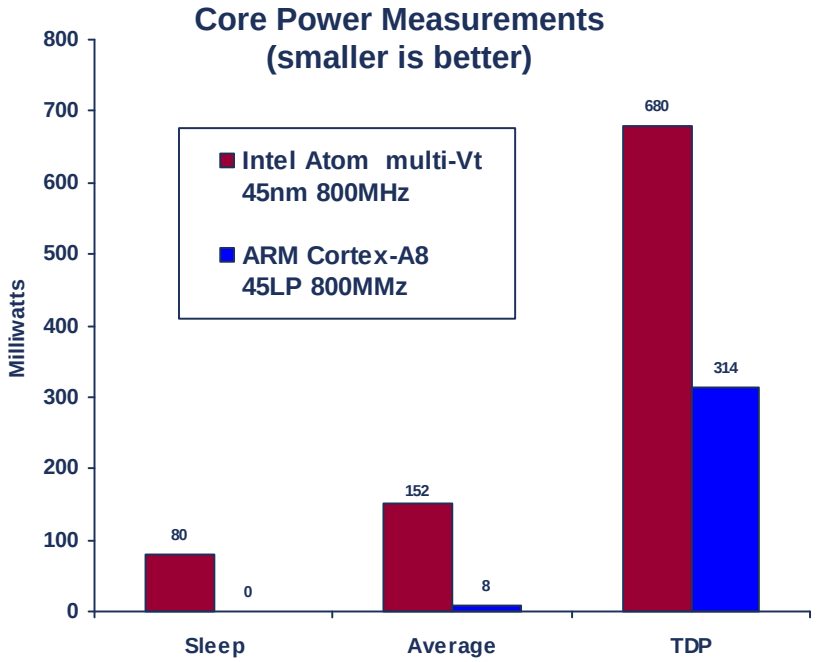
ARM vs Intel: Power and Performance

- TI OMAP3430 is based on Cortex-A8

Feature	TI OMAP3440 advantages
Chip Power	1/4th the power
Browsing and video	2x+ time longer
Standby time	20x+ longer with TI SmartReflex™



‡Estimated results comparing Intel Atom processor Z500 and ARM Cortex A8, both at 800 MHz



Life from a 1400mAh Battery

Processor Core Only

	Sleep	Average	TDP
Intel	.8 days	.3 days	1.3 hrs
ARM	Weeks	6.9 days	4.9 hrs
ARM Advantage	A lot!	20x	2.8x

* Projections for core only at 800 MHz. Days calculated on 24hr clock.
* Intel Z500 (C0-C6) state power state estimates from Intel datasheet (319535-001US). Average power estimates based on Microprocessor Report article "Intel's tiny ATOM".
* ARM Cortex-A8 projections use the same statistical distribution of power states as Intel ATOM.

ARM vs Intel: Cost

- Cortex-A8 based TI OMAP3440 is single-chip, Intel Centrino Atom platform is a two-chip solution

Feature	OMAP3440 advantages
Price	1/5th the price
Chip Size	1/4th the size of chip 1/8th the PCB area

- Smartphone trend to hit the <$200 mobile computer
  - HTC Tytn II - $179 BOM
  - ARM partners develop highly integrated chips to reduce costs
- First Intel Atom MID based product
  - Gigabyte M528 – Priced at $1,131

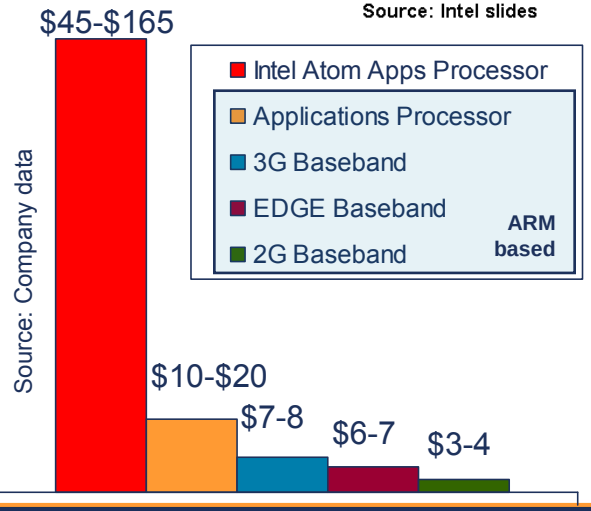
- TI OMAP3440 board footprint is ~1/4th the area of Intel® Centrino Atom

OMAP3440 144 mm²

Centrino Atom 666 mm²

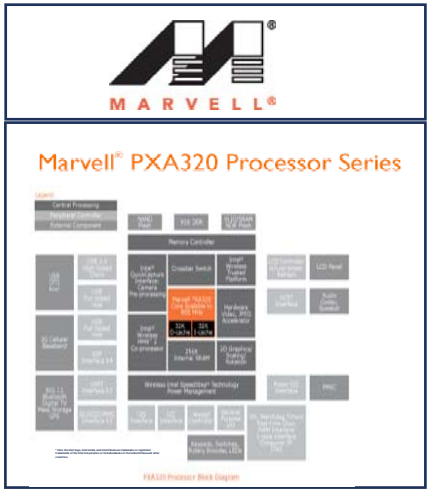
OMAP3440 has a significant integration advantage over Intel's platform

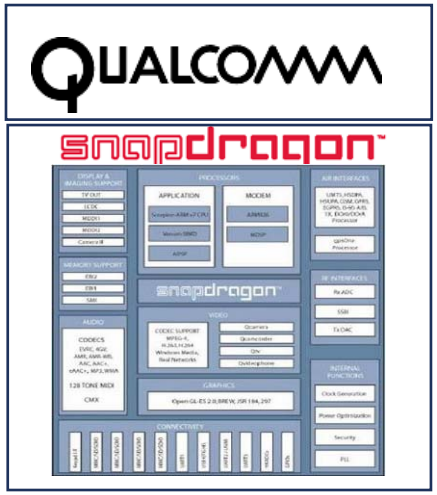
Source: Intel slides

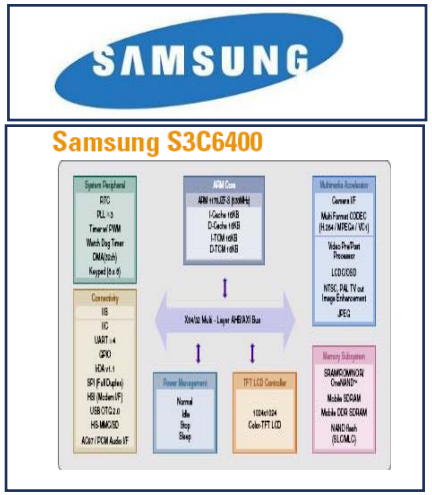


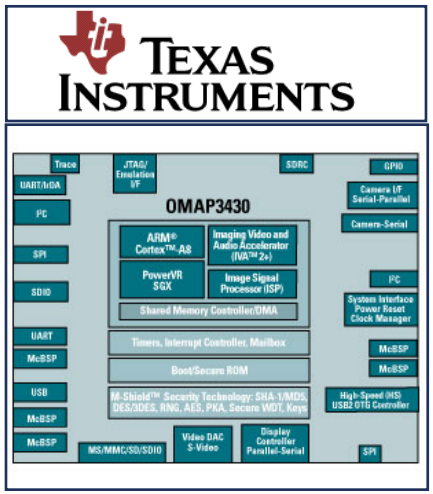
ARM Partners – Delivering Today

- Multiple ARM Partners are delivering SoC solutions today……
  - Global connectivity, all-day use, vibrant multimedia and low-cost

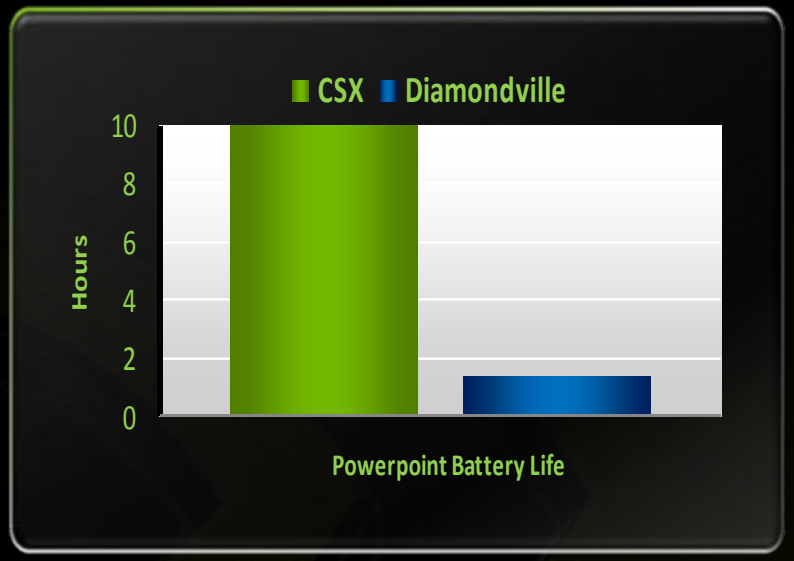


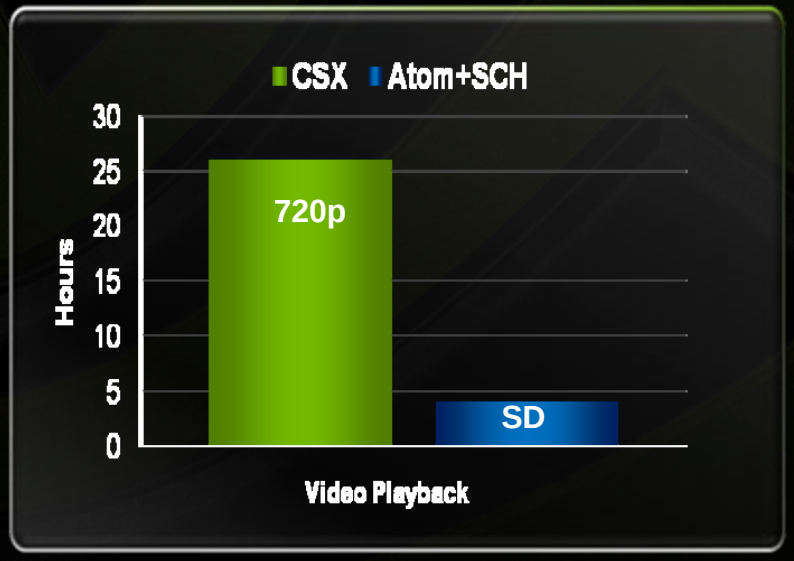






Tegra Advantage





-10x Smaller

- Full internet experience

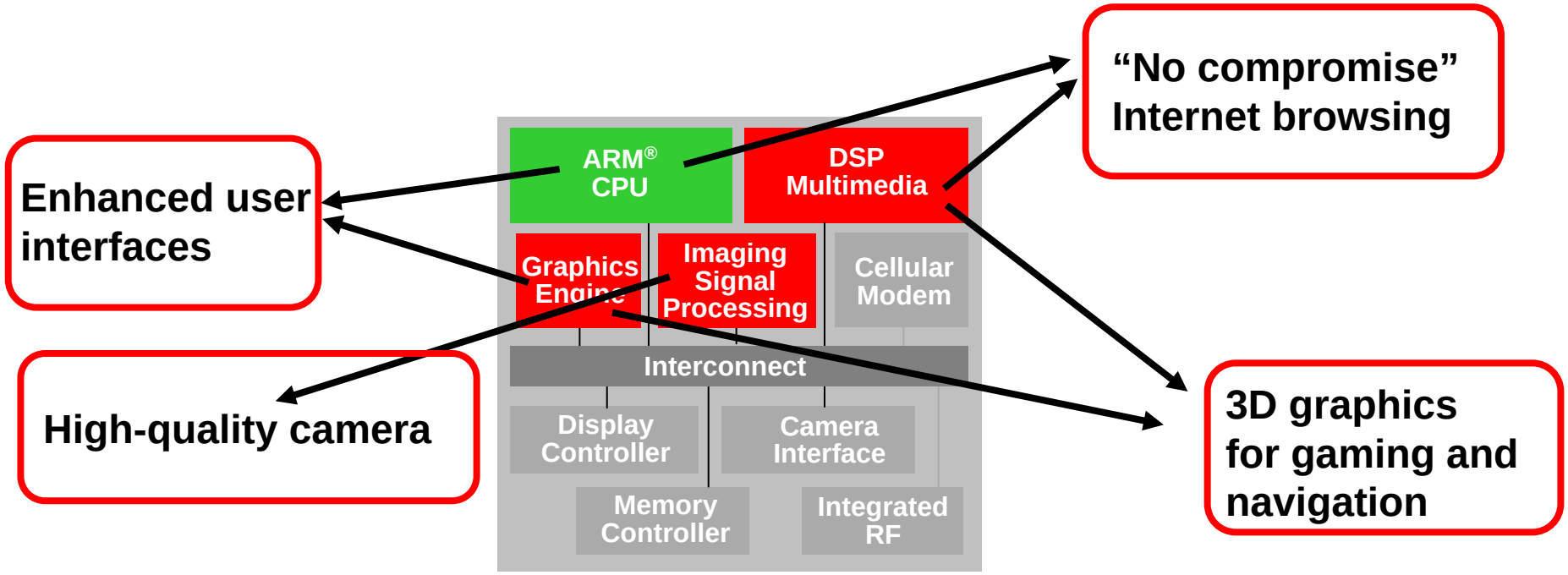
- High definition video

- 3D Touch UI

- All day on one charge!

OMAP 3 platform delivers best-in-class mobile Internet and CE experience

Industry-leading ARM performance with optimized multimedia accelerators

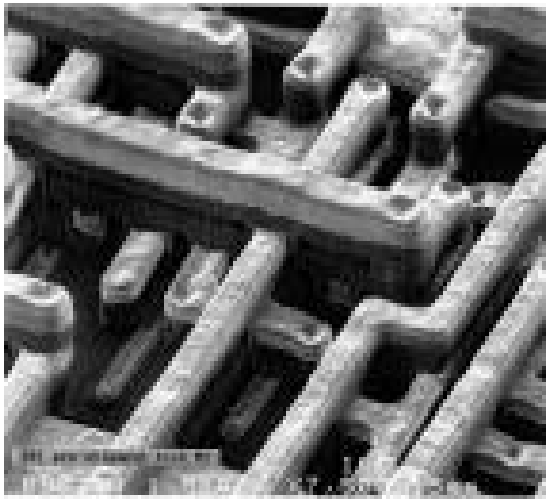


Multi-core OMAP architecture provides optimal balance of high performance and low power

Summary

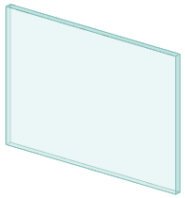
- ARM has developed the appropriate technology for use in all target markets
- The world's leading semiconductor suppliers have licensed appropriate ARM technology
- OEM and value chain relationships in place to create pull
- Leveraging success in Mobile into other market segments

Physical IP

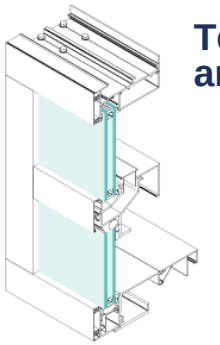


Why Companies Need ARM Physical IP

- Critical component for product functionality
- Design complexity increases risk, costs and effort
- Outsourcing protects against eroding gross margins
- System design expertise enables differentiated products



Single pane glass



Tempered glass and pre-frame

Flex glass, triple pane and pre-frame

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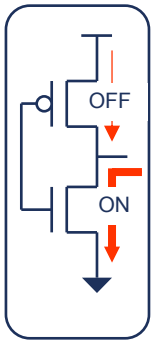
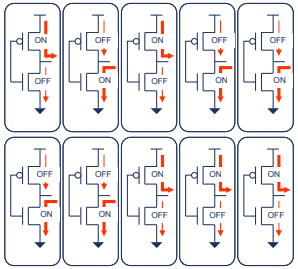
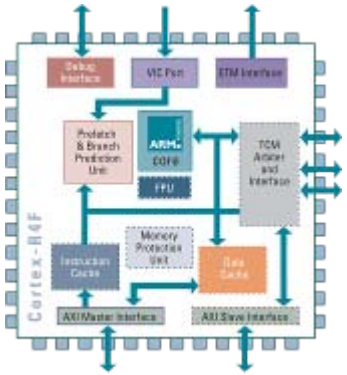


Standard Cell

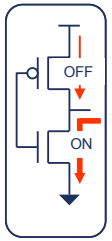
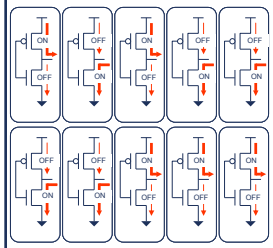
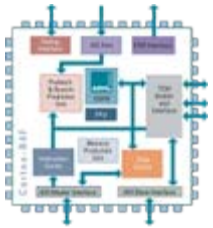


Physical IP Library

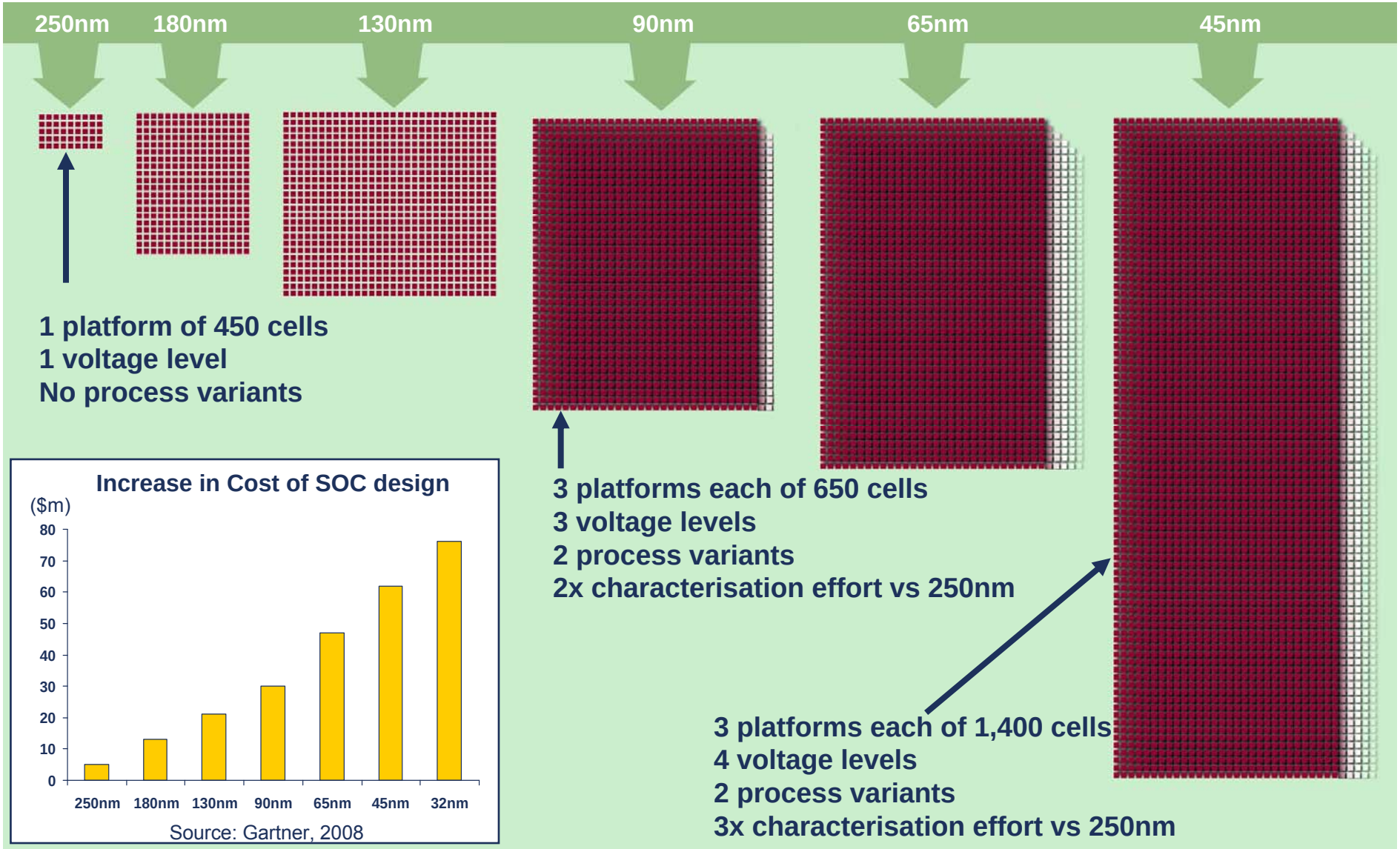


Optimized Processor Kit

Migration to Outsourcing

	 Standard Cell	 Physical IP Library	 Optimized Processor Kit
Design Expertise	+	+ +	+ + + +
Customization	+	+ + +	+ + + + +
Integration of materials	+	+ + +	+ + + +
Up front investment	+	+ +	+ + + + +
Total in-house investment	+	+ +	+ + + + +
Pressure for outsourcing	+	+ +	+ + +
Competitive landscape	+ + +	+ +	+

Increasing Cost and Complexity



Customer Profile

Start-up and Fabless chip design house

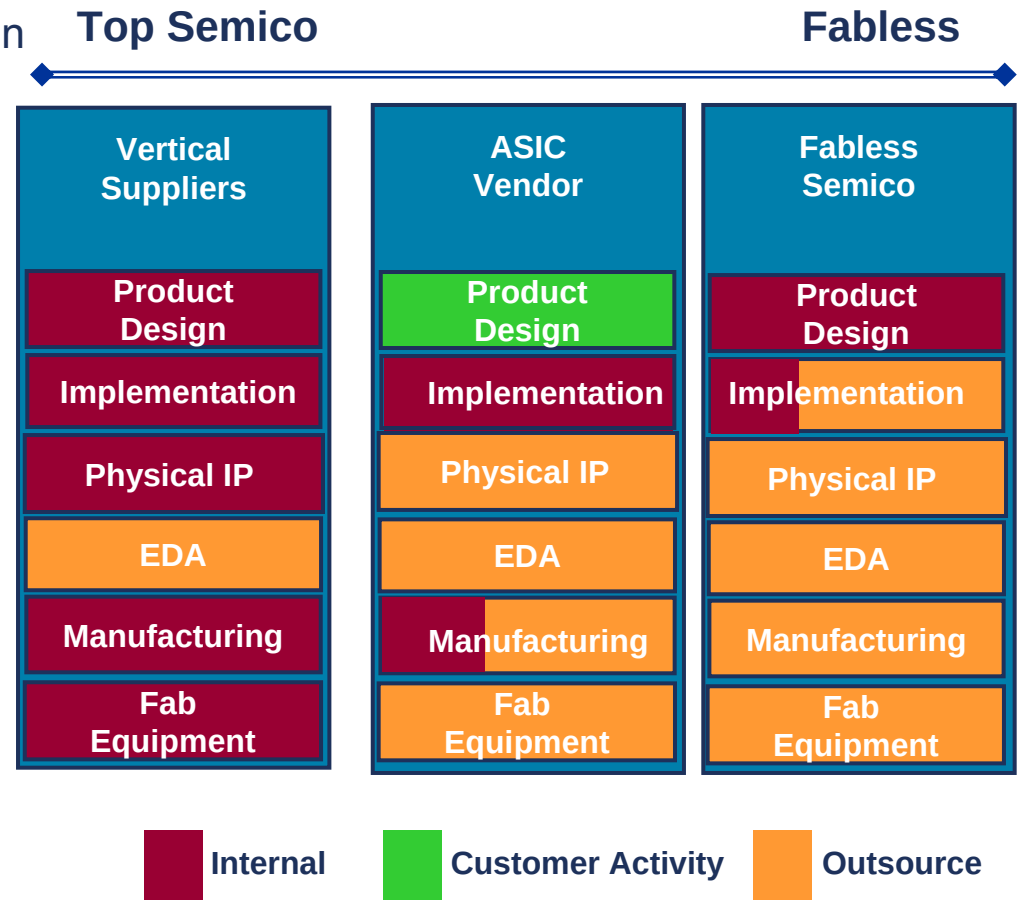
- No internal fab or physical IP design team
- Adopted outsourcing model from inception
- Leveraging outsourcing model for economies of scale

Fabless - Tier 2 & 3

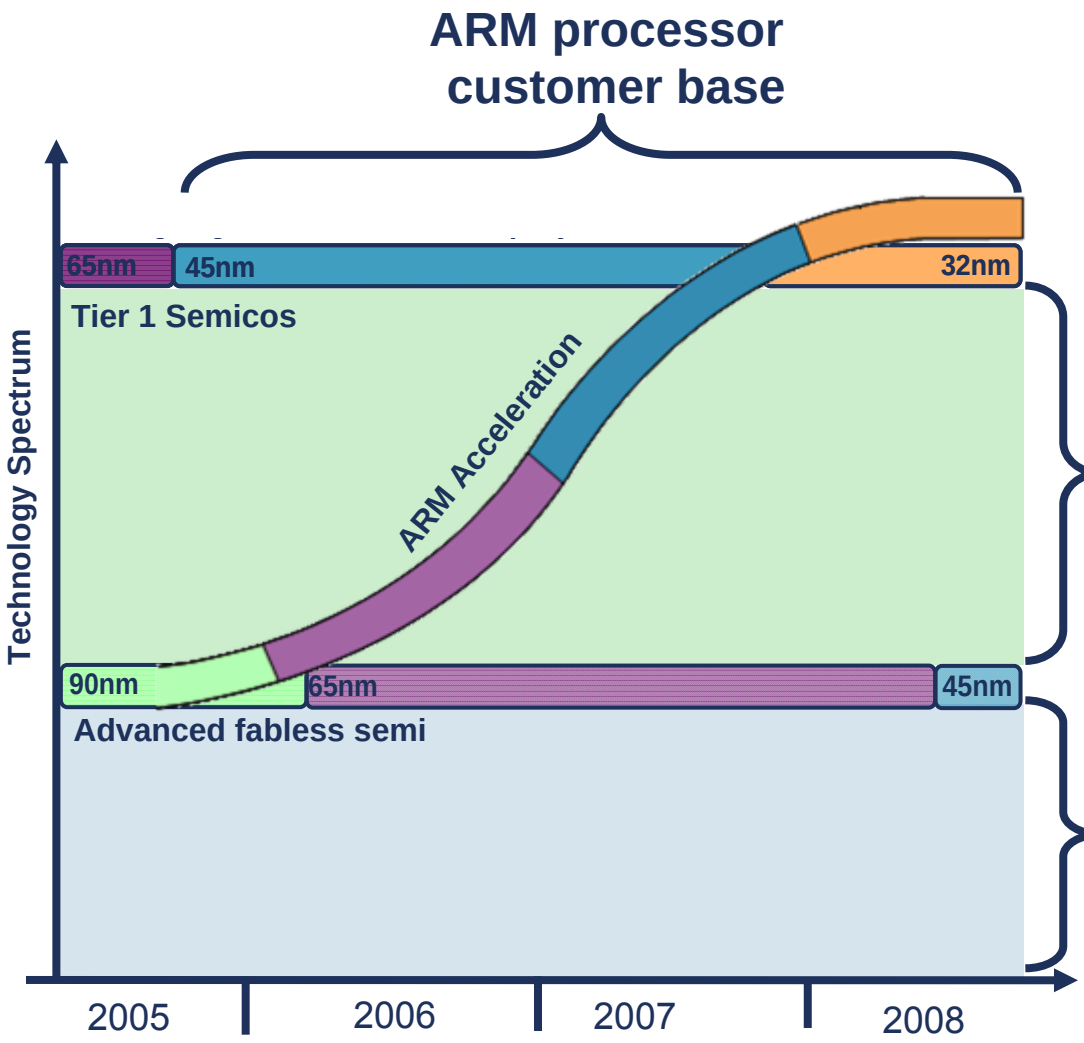
- Controlling costs offsets eroding margins
- Multiple designs, high reuse, economies of scale
- ARM's product innovation improves power efficiency across technology spectrum

Semico - Tier 1

- Existing design team and expertise
- Large R&D investment
- Internal expertise



Physical IP for Entire Silicon Industry



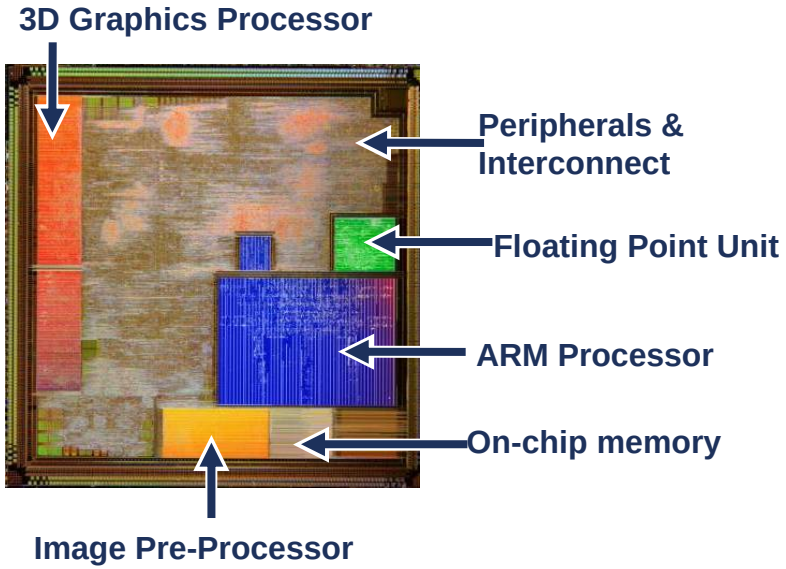
- Accelerated R&D has closed the technology gap
- ARM addresses needs of the entire semiconductor industry
  - 3x increase in addressable market since acquisition

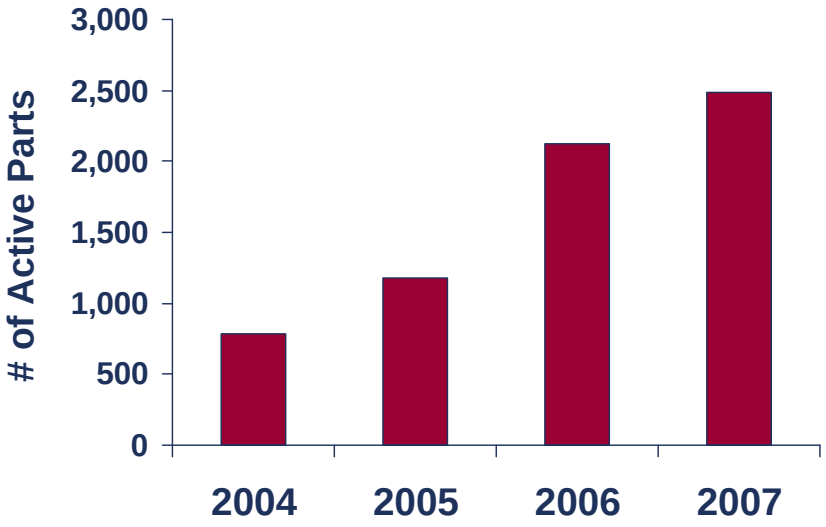
Tier 1: Top 25 semicos
70% semiconductor revenue
May have outsourced manufacturing
Not yet outsourced physical IP

Tier 2/3: Fabless semis
30% semiconductor revenue
Outsourced manufacturing and most physical IP

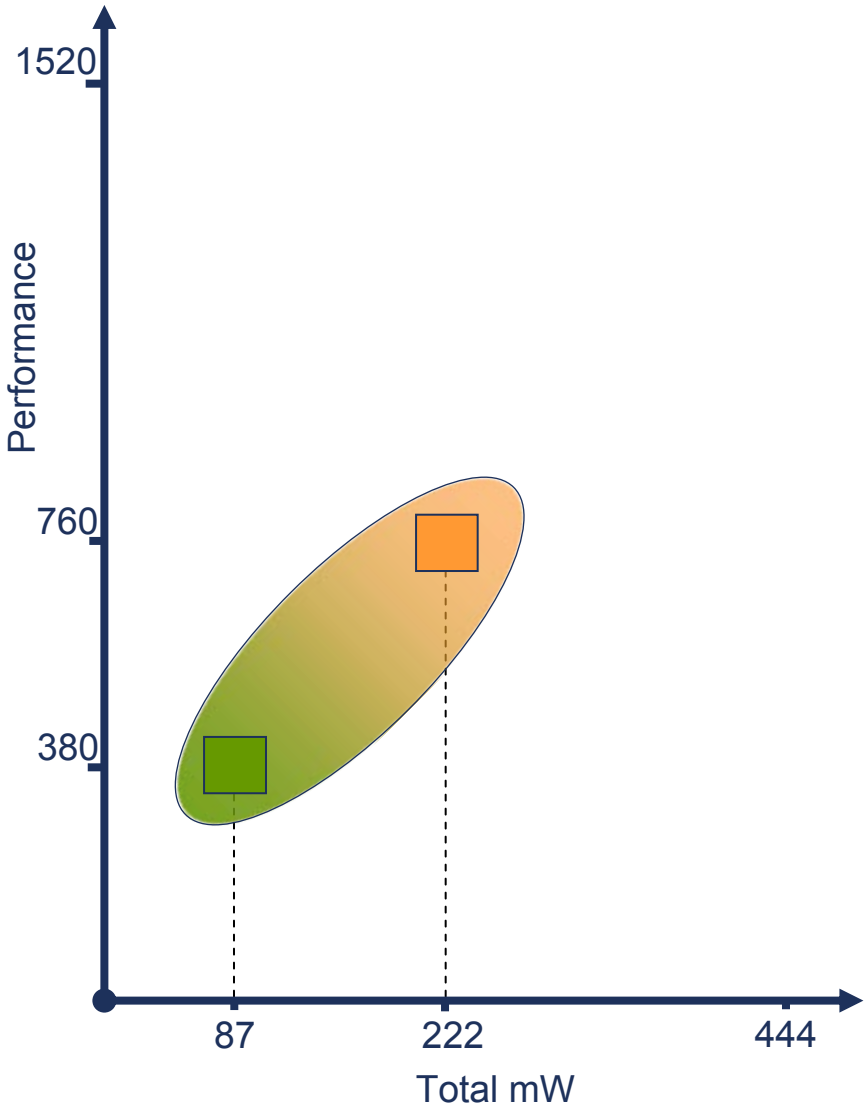
Building Market Share

- Multiple libraries will be used on a single SoC
- Different requirements in the system
  - Performance, Power, Area
  - Mix blocks of standard cells
  - Mix types of memories
  - Mix voltage domains
- Results in optimal, balanced system implementation





Combining PD and PIPD Products

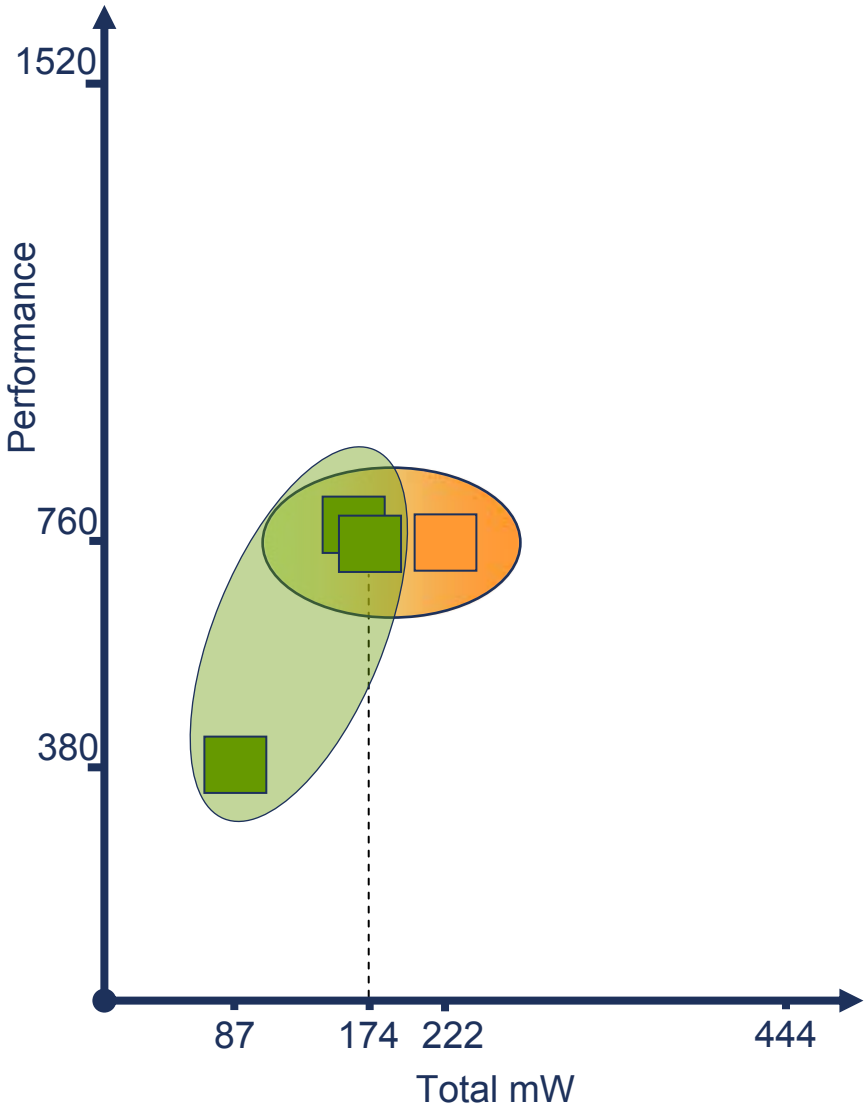


- Exact power, performance, area characteristics are determined by implementation
- Options available include:
  - Library choice (Advantage-HS™, Advantage™, Metro™)
  - Synthesis optimisation priority (speed/power)

ARM11 MPCore				
CPU #	1	1	2	2
Priority	Power	Speed	Power	Speed
Library	Metro	Adv-HS	Metro	Adv-HS
DMIPS	380	760	760	1520
MHz	304	608	304	608
mW/MHz	0.23	0.32	0.46	0.64
Static mW	17	27	34	55
Total mW	87	222	174	444

90nm, Leakage at 85°C

Combining PD and PIPD Products



- Dual core with Metro offers same performance as single core with Advantage-HS
  - At lower power
- Multiprocessing enables power and performance flexibility at runtime for concurrent workloads

ARM11 MPCore				
CPU #	1	1	2	2
Priority	Power	Speed	Power	Speed
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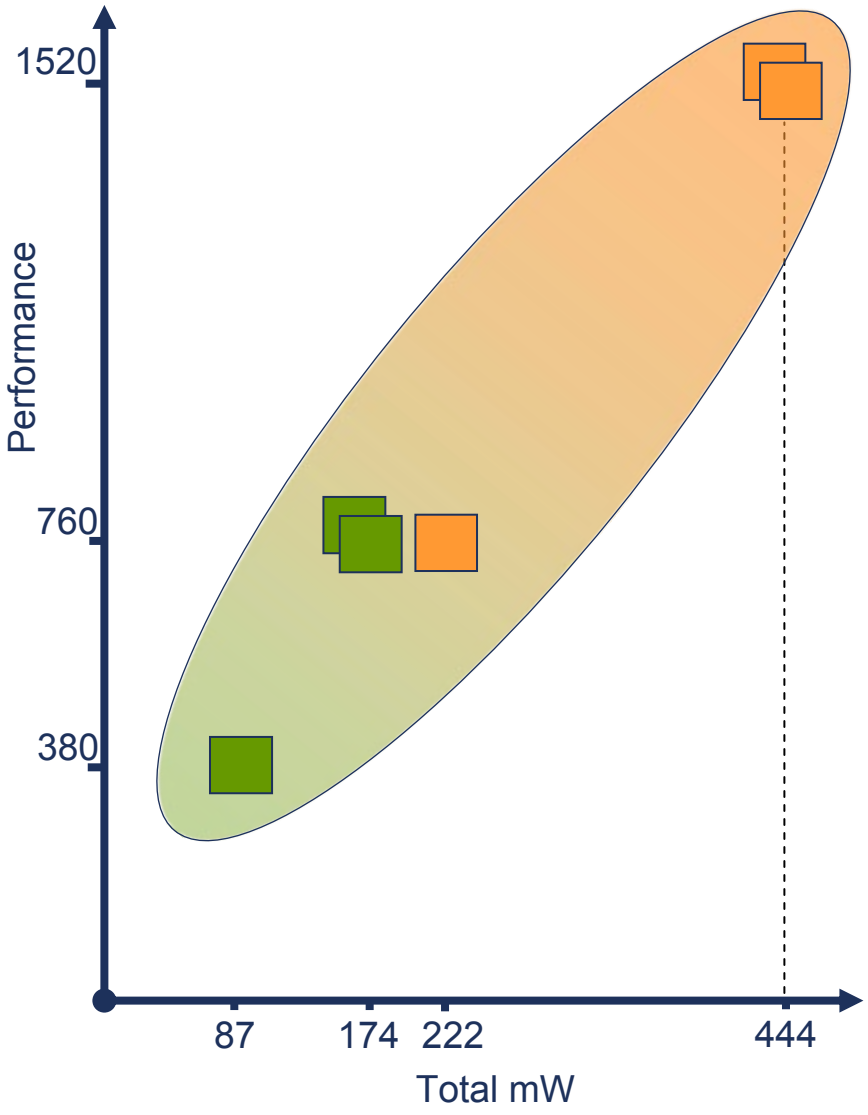

- Multiprocessing and library choice together increase achievable range of power, performance and area

ARM11 MPCore				
CPU #	1	1	2	2
Priority	Power	Speed	Power	Speed
Library	Metro	Adv-HS	Metro	Adv-HS
DMIPS	380	760	760	1520
MHz	304	608	304	608
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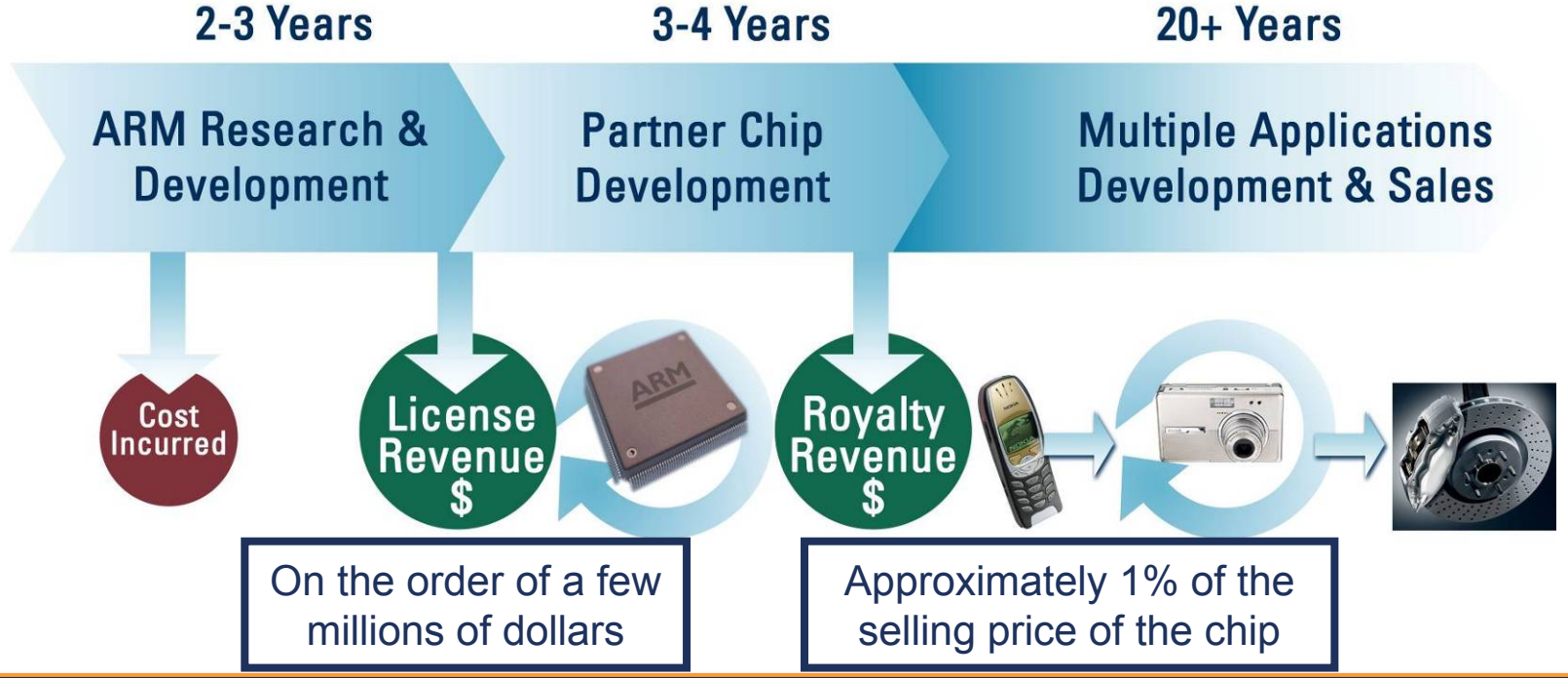
90nm, Leakage at 85°C

ARM Investment Case

Business Model Yields Long-Term Returns

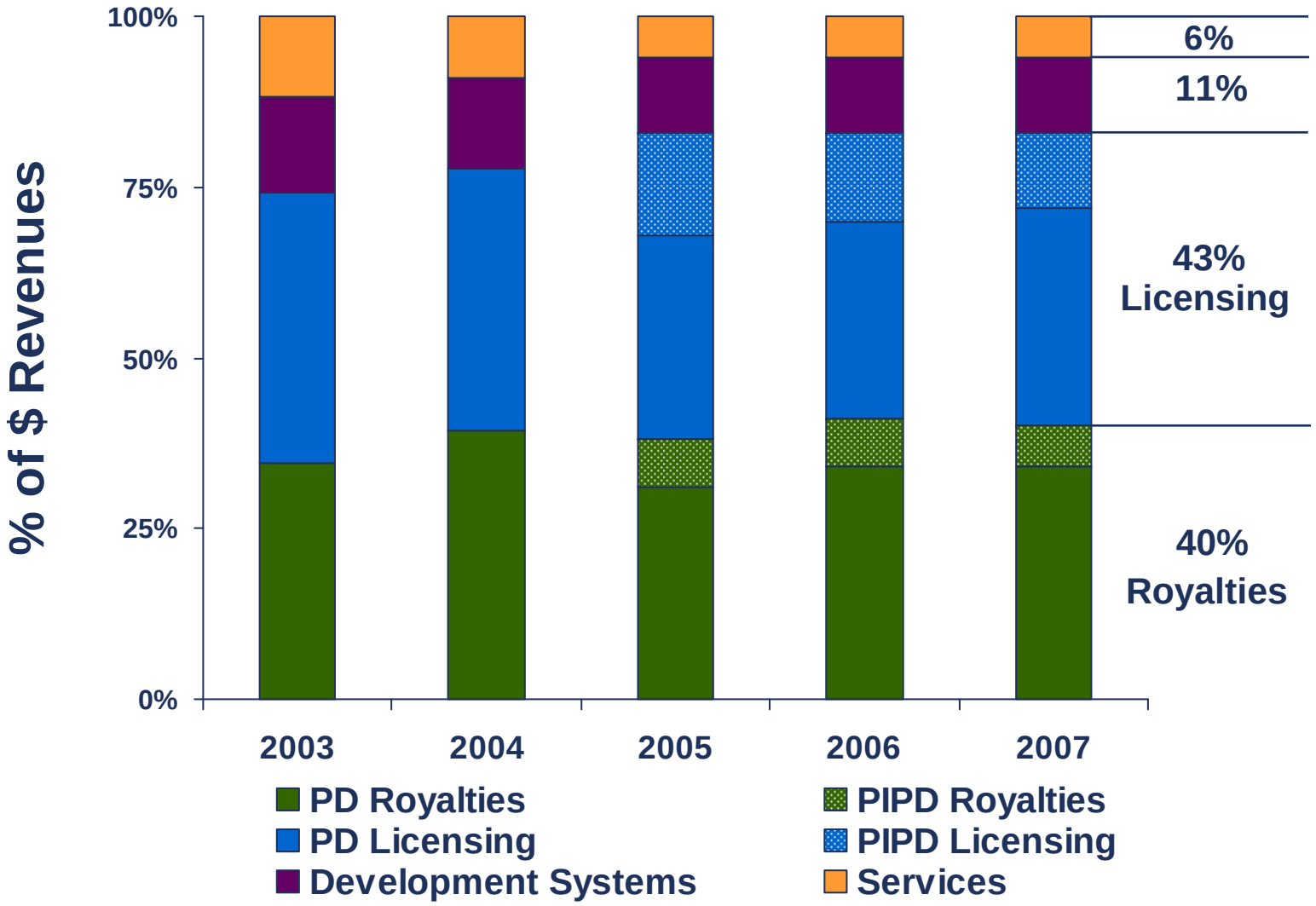
- Develop leadership-standard technology and license widely
  - Opportunity to broaden ARM technology offer in electronic devices
- Once deployed, yields royalty into perpetuity
  - Usage across multiple designs and applications
- Industry timescales provide long-term visibility



Revenue Analysis (from 2007 Analyst Day)

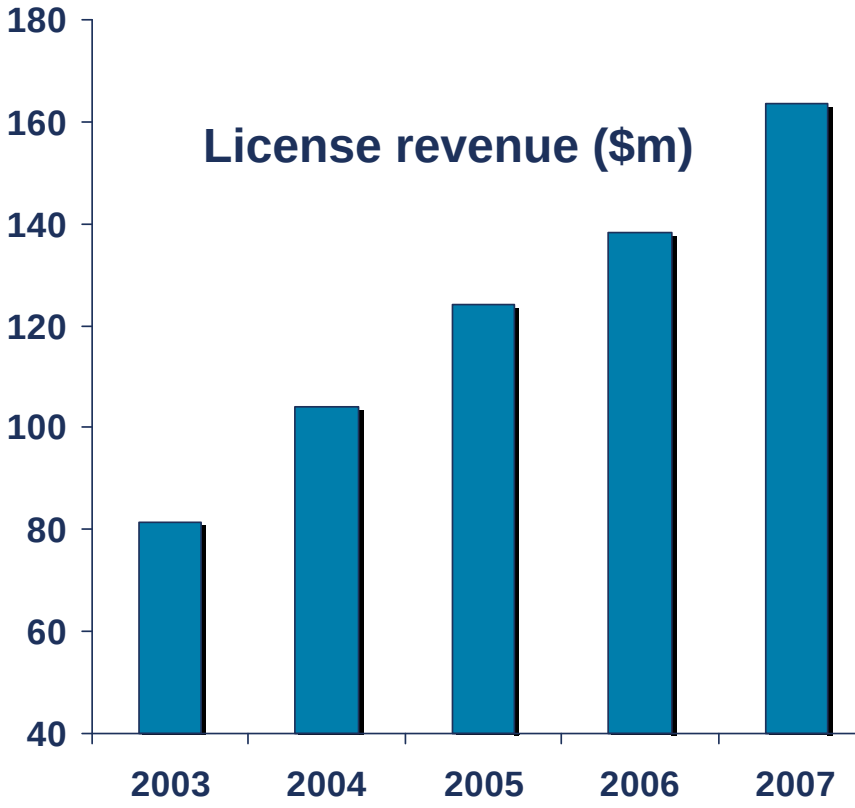
Revenues	2003 ($M)	2006 ($M)	CAGR '03-'06	Growth '05-'06	CAGR '07-'10
Processor	**153**	**303**	**26%**	**19%**	
Licensing	81	139	20%	12%	**5-15%**
Royalty	72	164	32%	25%	**15-20%**
Physical IP	**74**	**99**	**10%**	**9%**	
Licensing	58	64	3%	2%	**15-20%**
Royalty	16	35	30%	26%	**15-20%**
Development Systems/ Services	**53**	**82**	**16%**	**13%**	**10-15%**
Total Revenues (Pro Forma)	**280**	**484**	**20%**	**16%**	**10-20%**

Revenue Split Analysis



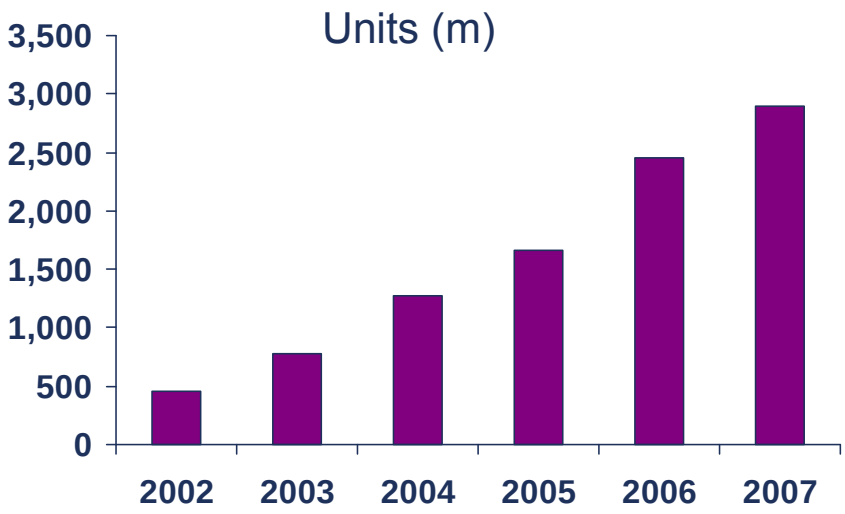
Revenue Growth Drivers - 1

- PD licensing
  - Cortex product cycle at early stage
  - New product launches to drive next cycle
  - More sophisticated applications drive new and upgrade licensing
  - Existing shippers broaden ARM usage
  - Steady stream of new licensees
    - Over 200 licensees
  - Growth of specialist processors – e.g. Graphics

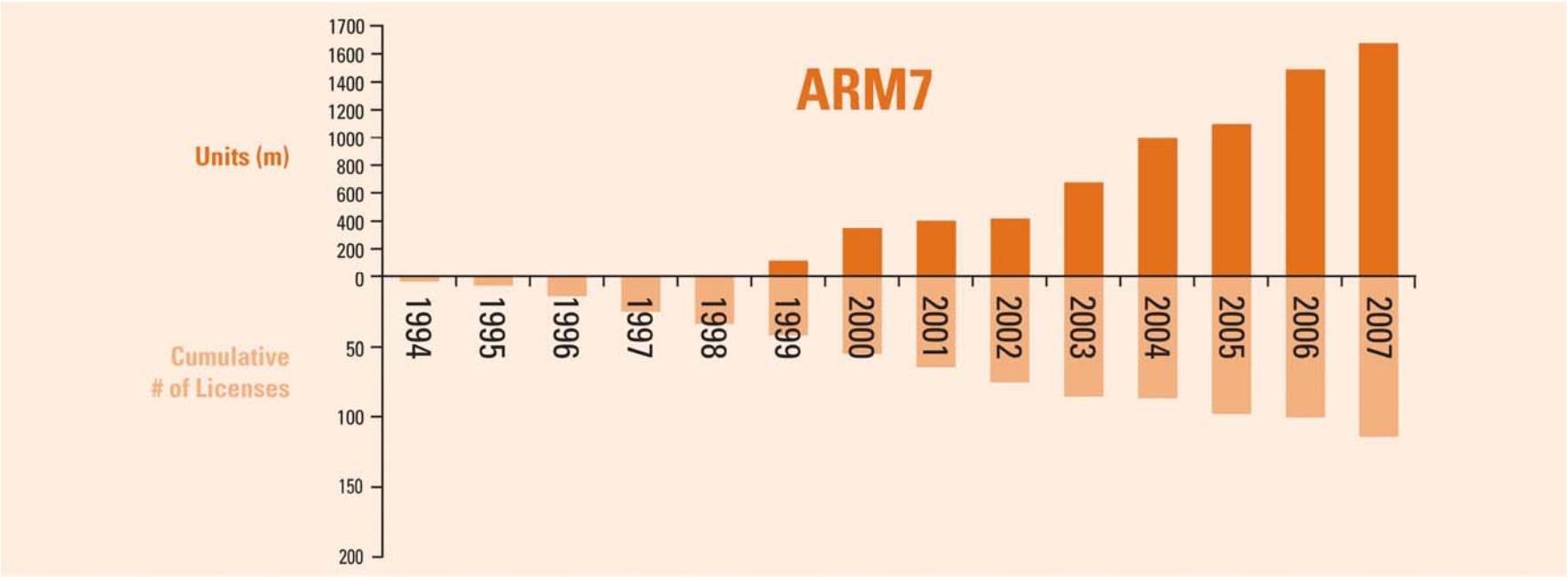


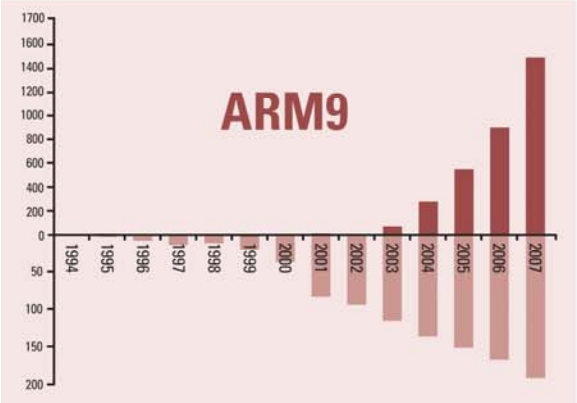
Revenue Growth Drivers - 2

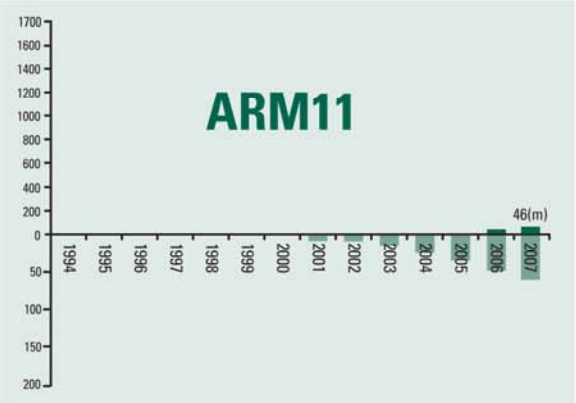
- PD royalties
  - Royalties are a function of cumulative licensing
    - Over 500 licenses – less than 50% yielding royalty to date
    - 100 partners shipping
    - 70% of cumulative royalties earned from pre 2001 licenses
  - Increasing ARM value per application
    - Mobile upgrade cycle just beginning
    - Specialist processors, software
    - Offsets impact of mix shift
  - Market share growth beyond mobile



Royalty Harvest in Early Stages



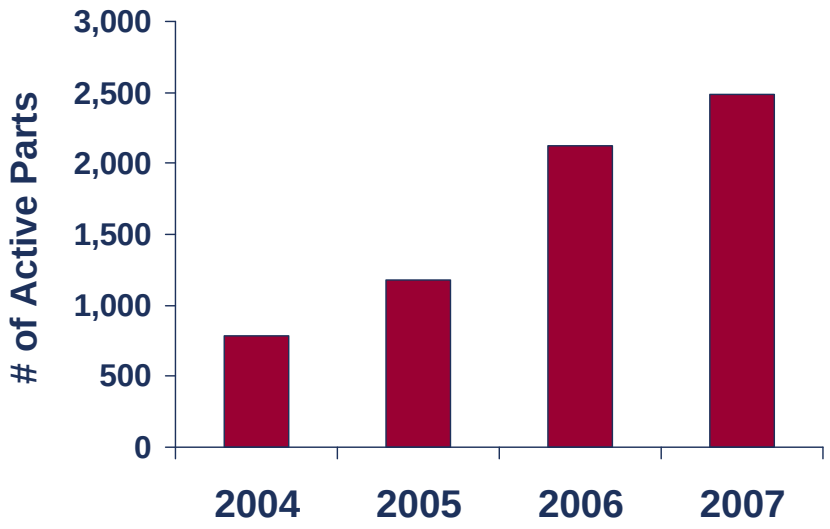




Note: License unit data only includes Multi-use and Term Licenses

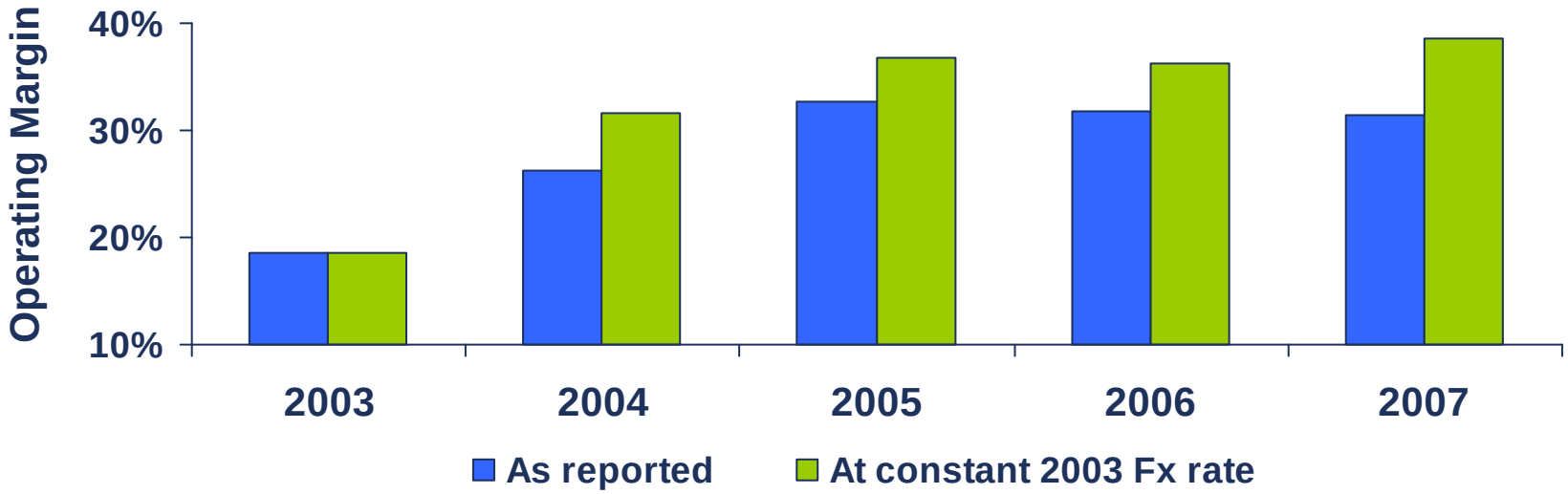
Revenue Growth Drivers - 3

- PIPD licensing
  - Outsourcing by IDMs/large Fabless companies
    - Increasing design complexity/cost
  - Meaningful proportion of ARM partners regularly licensing physical IP
  - Upgrade cycle across foundries at smaller process geometries
  - Additional product variants
    - More variants at lower geometries
    - Optimised libraries for ARM processors
    - Silicon on Insulator
- PIPD royalties
  - Increasing usage of PIPD technology
    - Traditional Artisan customer base
    - IDMs/large Fabless companies
  - Broader base of foundry licensees
  - Continued catch-up royalty revenues



Operating Margins at Constant Currency

	2003	2004	2005	2006	2007
Operating Margin as reported	18.5%	26.3%	32.7%	31.7%	31.4%
Effective Fx	1.61	1.78	1.80	1.84	1.98
Operating Margin at constant 2003 rate of $1.61/£	18.5%	32.2%	36.7%	36.3%	38.5%



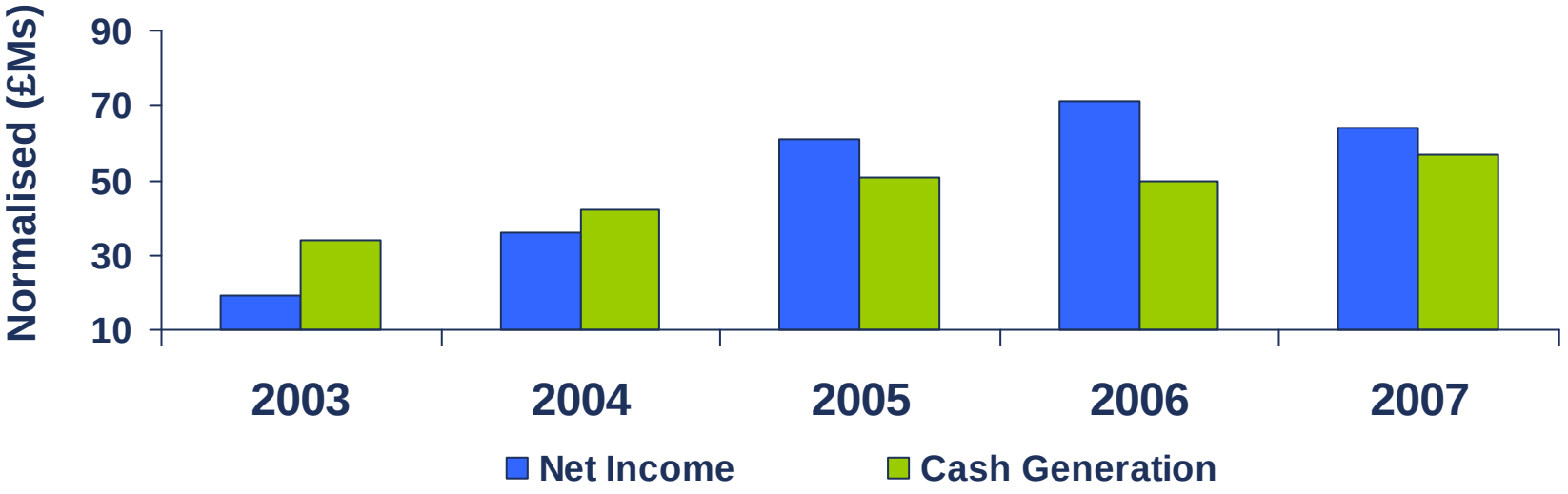
More Operating Leverage to Come

- 2006 – year of investment with 25% increase in headcount
- 2007 – year of digestion and productivity
  - PIPD technology acceleration completed
  - Engineering resources re-balanced to lower cost territories
- 2008 – year of execution and delivery
  - Margin benefits coming through

- Business model creates upward pressure on margin
  - Sustainable operating margins in excess of 40% in medium term
  - Headcount/costs related to licensing revenue
  - Royalties are 100% margin
  - Royalties will continue to grow as proportion of total revenues
  - Operating expenses reduce as % of total revenue

Cash Generative Business Model

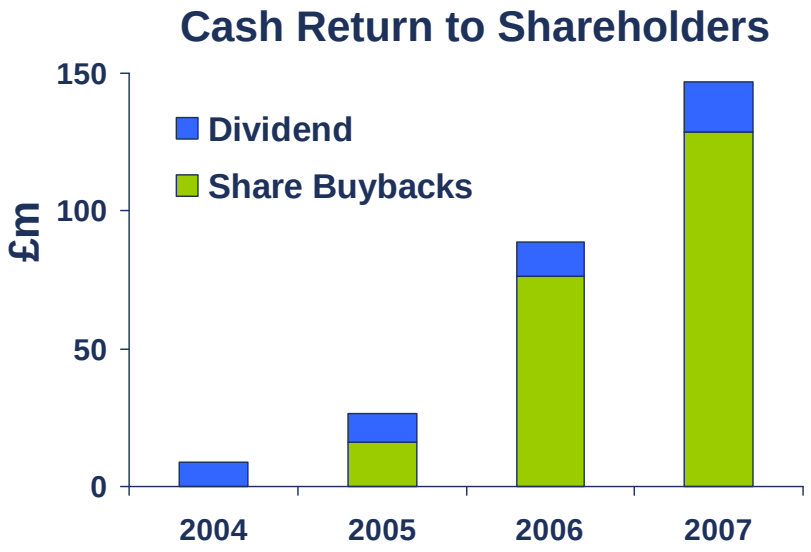
(£M)	2003	2004	2005	2006	2007	Total
Normalised Net Income	20	36	61	71	64	252
Normalised Cash Generation	34	42	51	50	57	234
% Cash Conversion	170%	117%	84%	70%	89%	93%



Ongoing Focus on Balance Sheet Efficiency

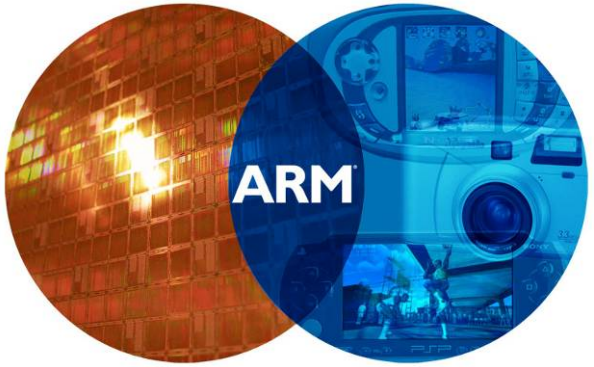
- £147m cash returned in FY07
  - £60m in Q4
- FY07 dividend up 100%
- Net cash £51.3m at end 2007
  - In line with target
- Buyback to continue in 2008

£m	Dividends	Buybacks	Total
2004	9.0	-	9.0
2005	10.4	16.2	26.6
2006	12.4	76.5	88.9
2007	18.5	128.6	147.1
Total	**50.3**	**221.3**	**271.6**



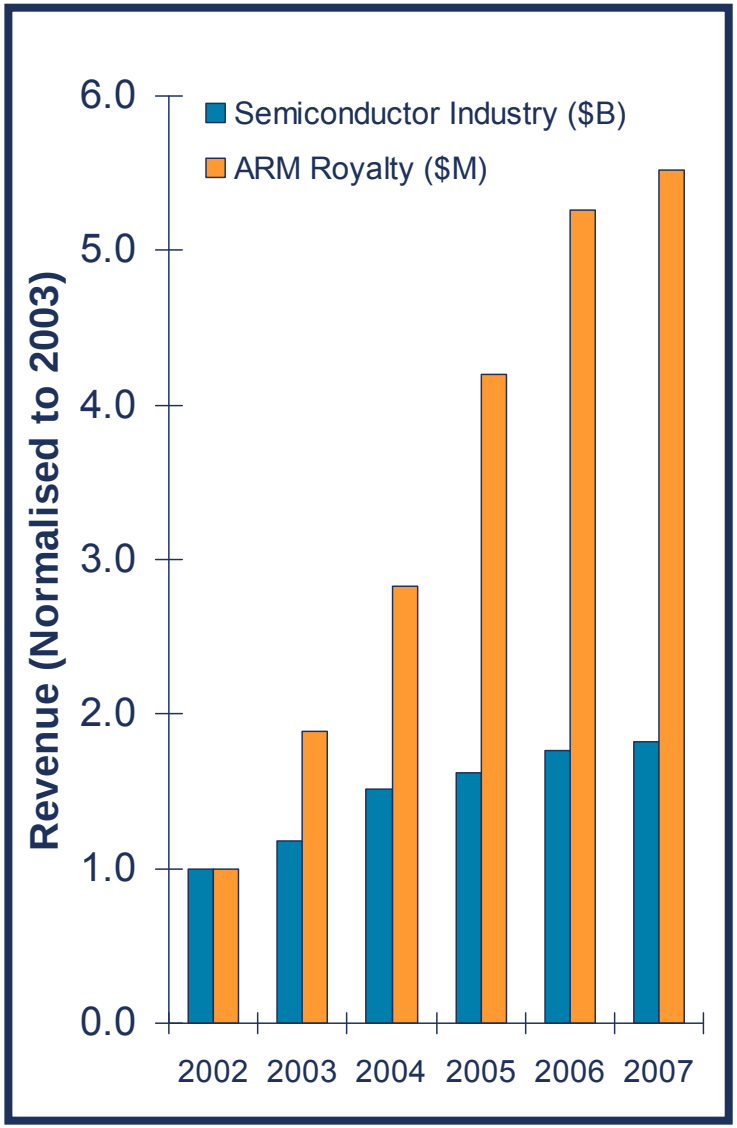
Why ARM is Unique in the Semi Industry

- ARM has clear market and brand leadership
  - Sustainable revenue growth higher than the overall industry
    - Business model yields operating leverage
  - High (and increasing) competitive barriers for other entrants
  - High (and increasing) switching costs for customers
  - Lower technology risk
  - Increasing visibility
- Compelling growth drivers
  - Established processor license base
    - Leading position in handset market
    - Early stage in market penetration beyond mobile
  - Early in royalty harvest from existing licenses
  - Acceleration in PIPD and other licensing streams
- Increasing cash returns and balance sheet efficiency



Summary

- ARM has the best business model, best ecosystem and best technology
- Processor revenue is driven by increasing volume and value per consumer device, and also licensing into broader applications
- Developing advanced physical IP with top semicos increases growth potential and continues the momentum for free library program
- Increasing complexity at small geometries makes the processor and physical IP combination even more compelling
- This combination together with ARM's focus in low power design technology, and financial discipline, makes ARM a unique investment opportunity



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- Results Center:
  - http://ir.arm.com/reports
- Other Contacts
  - http://ir.arm.com/advisors

Glossary

- ARM Ecosystem – group of companies that develop technology and applications based on the ARM technology. Serve as a continually growing barrier to competitors entering the market.
- ARR – average royalty rate. Calculated by dividing total royalty dollars by the total number of ARM processor cores shipped in a given period. Representative of the weighted average of chip prices that were shipped with in a period.
- ASIC – Application specific integrated circuit
- ASP – average selling price, used to describe the average selling price of a group of semiconductor chips.
- Development Systems – tools used to develop software for ARM based semiconductor chips.
- EDA – Electronic Design Automation companies that provide tools that enable chip design (ex. Synopsis or Cadence)
- Fabric IP – technology used to connect different functional blocks on an SoC together (analogous to the blood vessels of the body).

- IP – intellectual property, usually in the form of a blue print type design of the underlying technology
- IDM – Integrated Device Manufacturer (ex. Texas Instruments or ST microelectronics)
- OEM – Original Equipment Manufacturer (ex. Nokia or Apple)
- Processors – technology with in an SoC used to Process software (analogous to the brain, heart, or muscles of the body). Sometimes described as ‘cores’.
  - Microprocessor – general/generic processors used to process a wide range of software (from MP3 to complex operating systems).
  - Graphics Processors – specialist processors used to process a very specific types of graphics based software (such as 3D games).
- Physical IP – fundamental building blocks of a semiconductor chip used to implement a circuit design into working transistors (analogous to the cells of the body).
- SoC – System on Chip