

ARM Holdings plc

Priorities for Future Growth

Q4 2005

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, 2004 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.

Business measures in focus - Q3 YTD

1. Group Revenue	+16%
2. Processor Division (PD) license revenue	+25%
3. Physical IP Division (PIPD) license revenue	+9%
4. PD royalty unit shipments	+29%
■ Mobile 24%, Non – mobile 39%	
5. PD royalty revenue	+21%
6. PIPD royalty revenue (ex-Catch up)	+6%
7. Development Systems revenue	+29%
8. Group Backlog	Flat
9. Operating Margin	31%
10. Synergistic Deals	6

Priorities for Future Growth

1. Further penetration of ARM IP into digital products

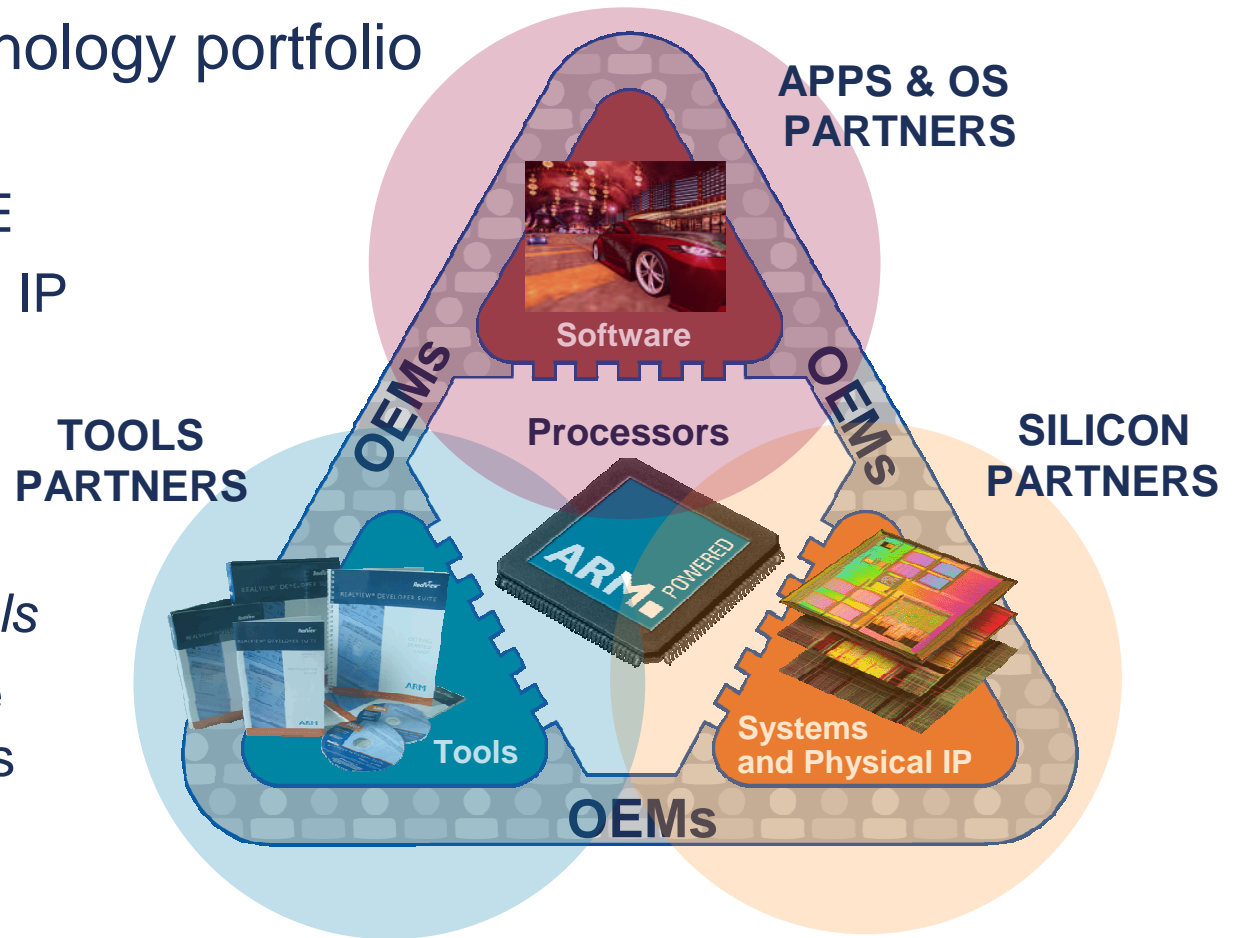
2. Physical IP outsourcing by integrated device manufactures and fabless semiconductor companies

1. Further penetration of ARM IP into digital products

Providing a Complete Solution

- Expanding our technology portfolio

- Processors
 - Cortex, OptimoDE
- System and Physical IP
 - Artisan, AMBA
- Development Tools
 - RealView family
 - *Keil MCU Tools*
 - ESL and software development tools
- Embedded Software
 - Jazelle, IEM, TrustZone

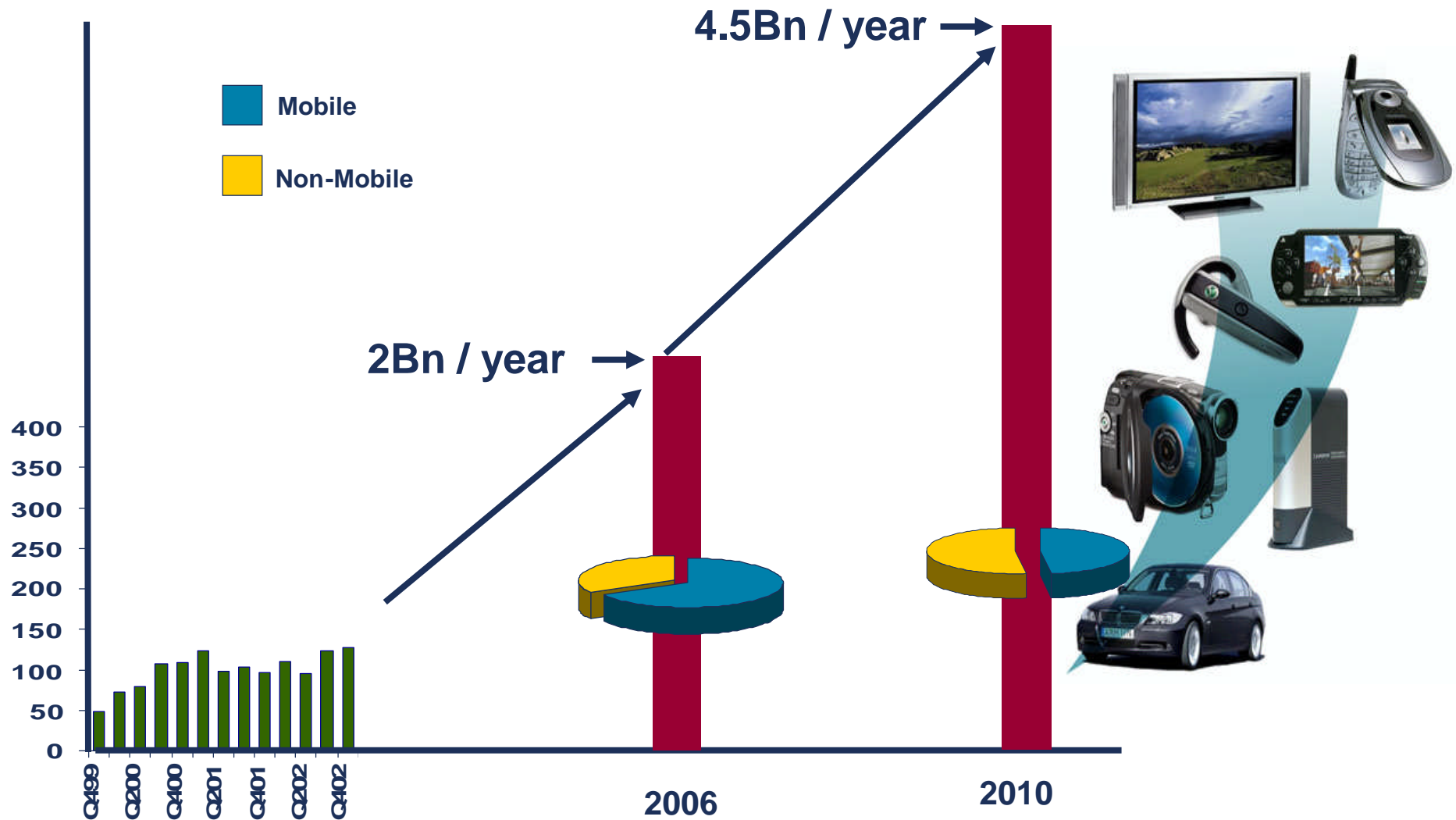


- Enabling new levels of Partnership

Processors for All Applications

Applications Processor Market	<div>H</div> <div></div> <div>L</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>MBX HR-S</div> <div>MBX R-S</div> <div>Graphics Accelerators</div>
Real-Time Embedded Market	<div>H</div> <div></div> <div>L</div>	<div>ARM1156T2(F)-S</div> <div>600+ MIPS Uni-Proc</div> <div>ARM946E-S</div> <div>ARM968E-S</div> <div>150+ MIPS Uni-Proc</div> <div>ARM7TDMI</div> <div>100+ MIPS Uni-Proc</div> <div>300+ MIPS Uni-Proc</div>
Microcontroller Market	<div>H</div> <div></div> <div>L</div>	<div>ARM7TDMI</div> <div>Cortex-M3</div>

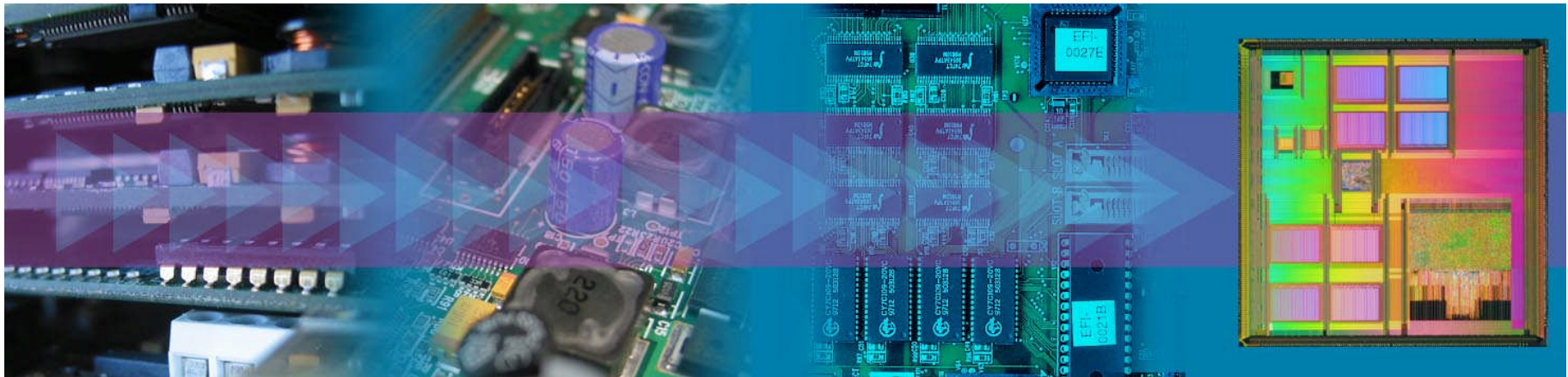
Driving Momentum: 4.5Bn Units by 2010



2. Physical IP outsourcing by integrated device manufactures (IDM) and fabless semiconductor companies

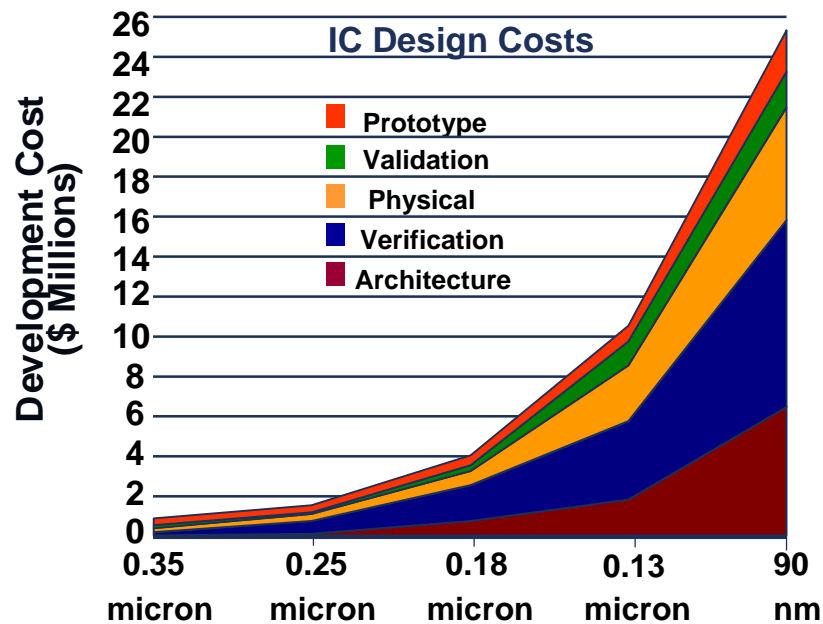
Semiconductor Industry – A History of Outsourcing

- Technical progress brings a basis for industry evolution
 - Miniaturization, reductions in chip costs, increases in complexity

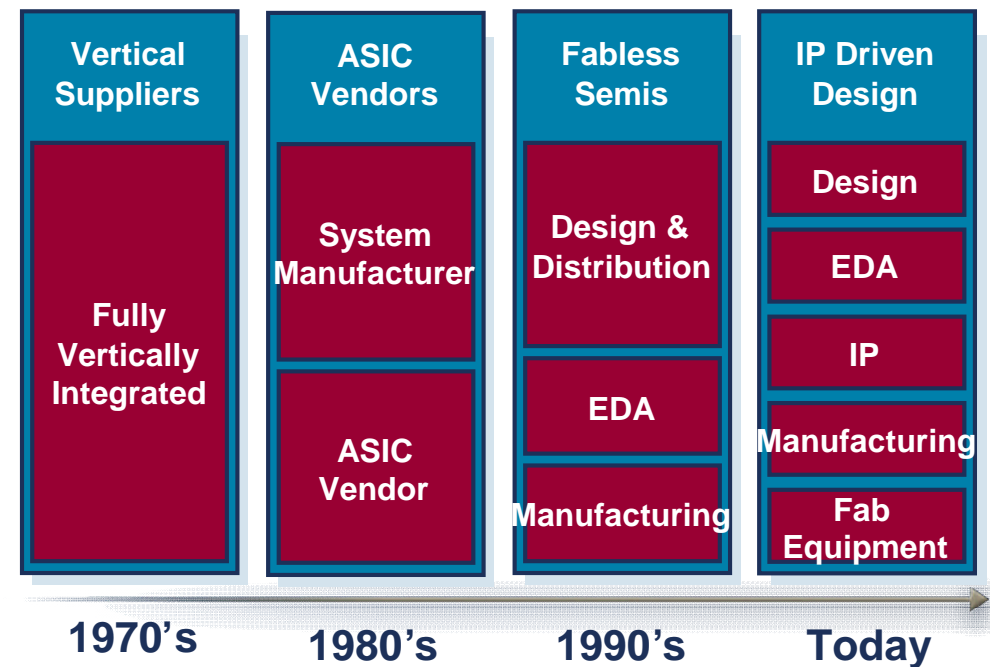


Semiconductor Industry – A History of Outsourcing

- Technical progress brings a basis for industry evolution
 - Miniaturization, reductions in chip costs, increases in complexity
- Increases complexity has exponential effect on design costs
- Rising costs give way to specialisation and outsourcing



Source: International Business Strategies



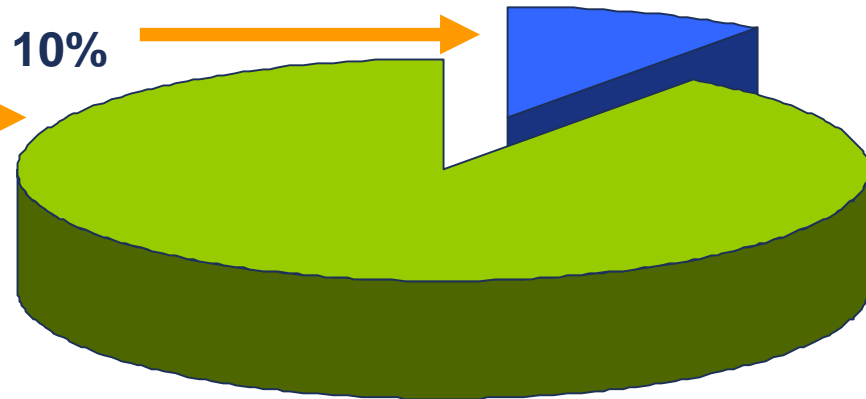
Semiconductor Industry – A History of Outsourcing

- Technical progress brings a basis for industry evolution
 - Miniaturization, reductions in chip costs, increases in complexity
- Increases complexity has exponential effect on design costs
- Rising costs give way to specialisation and outsourcing
- Today outsourcing of physical IP is constrained to small Fabless Semiconductor Companies

Total Semiconductor Revenue ~ \$220B

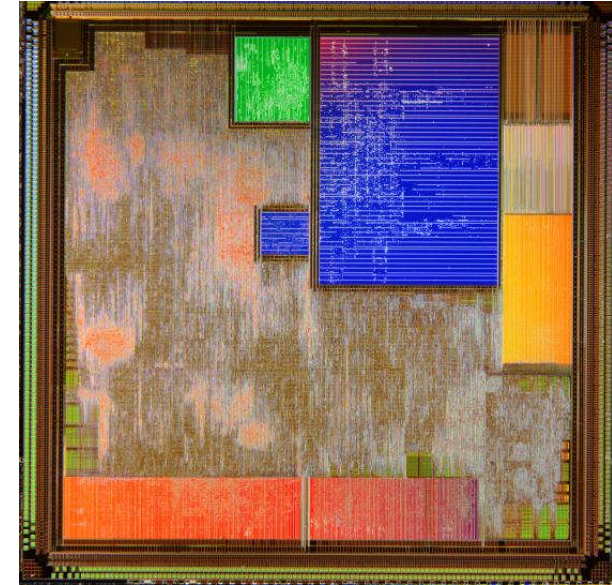
Small Fabless Semiconductor – 10%

Large Fabless/IDM – 90%



Delivering Library IP Value

- Deliver required system performance
 - Lowest power
 - Smallest area
 - Highest yield
- Enable customer choice
 - Library platform choice
 - Design methodology and flow choice
 - Support for all leading EDA flows
 - Manufacturing choice
 - Multiple process technologies at leading manufacturers
- Customer Success
 - Right-first-time silicon
 - High yield ramps to volume



ARM926EJ-S™ Dev Chip
using ARM® library

ARM/Artisan combination 1 yr on

- Integration of Artisan and ARM was completed mid-year
 - Brent Dichter, former VP of Eng. for Artisan, appointed GM of PIPD in Q1
 - Teams and processes are integrated
- More synergistic deals than expected
 - Opportunistic deals for isolated projects
 - Winning against the competition because of the combined product offering
 - Two synergistic deals to the same partner
- Input from industry is encouraging
 - Conversations with partners have been very positive
 - No one from the industry feels we have missed the mark
 - Waiting for ARM to provide the right solution
- Revenue from traditional Artisan business has been disappointing
 - \$7M of one off catch up royalties in 2004
 - License revenue up less than expected (+9%)
 - Backlog up 23% from Q3 2004
 - Market share gains did not overcome weakness in foundry revenue

Outlook

- ARM to achieve approximately 15% revenue growth for 2005
 - Equates to ~10% sequential growth from Q3
 - Contribution from all business lines
 - Healthy pipeline
 - Royalty momentum
 - Industry expected to achieve 5-10% growth for 2005
- ARM is well positioned for growth in 2006
 - Broad technology portfolio in both cores, physical IP, and tools
 - Continued royalty momentum
 - Increased activity for synergistic deals derived from the combination of ARM and Artisan