

# The Architecture for the Digital World™



ARM®

Artisan  
COMPONENTS®



# Important Information For Investors and Shareholders

ARM and Artisan will file a proxy statement/prospectus with the SEC in connection with the proposed transaction. ARM and Artisan urge investors and security holders to read the proxy statement/prospectus when it becomes available and any other relevant documents filed with the SEC because they will contain important information. Investors and security holders will be able to obtain these documents free of charge at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, documents filed with the SEC by ARM are available free of charge by contacting ARM Holdings plc Investor Relations, 110 Fulbourn Road, Cambridge, UK, CB1 9NJ, +44 (0)1223 400400, and on ARM's web site at [www.arm.com](http://www.arm.com); documents filed with the SEC by Artisan are available free of charge by contacting Artisan Components, Inc. Investor Relations, 141 Caspian Court, Sunnyvale, California, 94089, (408) 743-5600, on Artisan's web site at [www.artisan.com](http://www.artisan.com) or on the SEC's web site at [www.sec.gov](http://www.sec.gov). Documents on Artisan's web site are not a part of this press release.

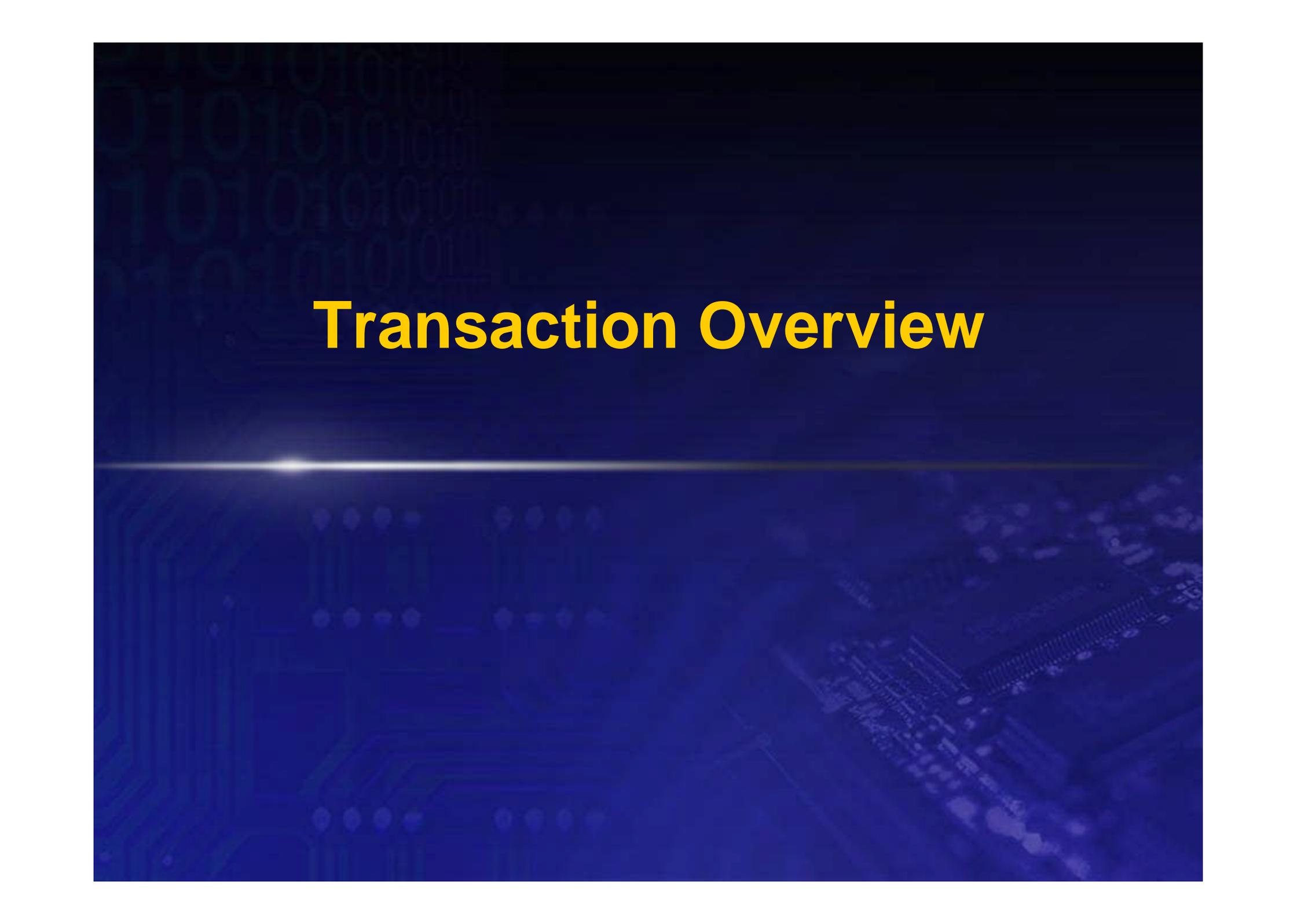
ARM and ARM's directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Artisan in connection with the transaction. A description of the interests of directors and executive officers of ARM is set forth in its Annual Report on Form 20-F for the year ended December 31, 2003, which was filed with the SEC. If and to the extent that any of ARM's directors and executive officers will receive any additional benefits in connection with the transaction that are unknown as of the date of this filing, the details of those benefits will be described in the definitive proxy statement/prospectus. Investors and security holders can obtain additional information regarding the direct and indirect interests of ARM's directors and executive officers in the transaction by reading the definitive proxy statement/prospectus when it becomes available.

Artisan and Artisan's directors and executive officers may be deemed to be participants in the solicitation of proxies from its stockholders in connection with the transaction. A description of the interests of directors and executive officers of Artisan is set forth in the proxy statement for Artisan's 2003 annual meeting of stockholders, which was filed with the SEC on January 27, 2004. Mr. Templeton is expected to enter into an employment agreement with ARM, effective upon the closing of the proposed acquisition, that will be described in the proxy statement/prospectus. Mr. Lanza, Artisan's Chairman, may be deemed to be a participant in the solicitation of proxies of ARM's shareholders in connection with the proposed acquisition. A description of the non-employee director appointment letter similar to that into which Mr. Lanza would enter in upon joining the ARM Board of Directors at the closing of the proposed acquisition is described in ARM's Annual Report on Form 20-F. If and to the extent that any of Artisan's directors and executive officers will receive any additional benefits in connection with the transaction that are unknown as of the date of this filing, the details of those benefits will be described in the definitive proxy statement/prospectus. Investors and security holders can obtain additional information regarding the direct and indirect interests of Artisan's directors and executive officers in the transaction by reading the definitive proxy statement/prospectus when it becomes available.

# Cautionary Statement Regarding Forward-Looking Statements

This document contains certain forward-looking statements about ARM and Artisan. 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, Artisan, the management of either such company or the transaction are intended to identify those assertions as forward-looking statements. In making any such statements, the person making them believes that its expectations are based on reasonable assumptions. However, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected or anticipated. These forward-looking statements are subject to numerous risks and uncertainties. There are various important factors that could cause actual results to differ materially from those in any such forward-looking statements, many of which are beyond the control of ARM and Artisan, including: the impact of general economic conditions in regions in which either such company currently does business, industry conditions, including competition, fluctuations in exchange rates and currency values, capital expenditure requirements, legislative or regulatory requirements, changes in the tax laws, interest rates and access to capital markets, the possibility that the transaction will not close, that the closing may be delayed or that the companies may be required to modify aspects of the transaction to achieve regulatory approval; the reaction of customers of ARM and Artisan to the transaction and economic and political conditions in the U.K., U.S. and elsewhere. The actual results or performance by ARM or Artisan could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of ARM or Artisan. ARM and Artisan are under no obligation to (and expressly disclaim any such obligation to) update or alter their forward-looking statements whether as a result of new information, future events or otherwise. 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, 2003 including (without limitation) under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are on file with the Securities and Exchange Commission (the "SEC") and available at the SEC's website at [www.sec.gov](http://www.sec.gov). For more information and additional risk factors regarding Artisan, see the information under the captions "Factors Affecting Future Operating Results" contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the Annual Report on Form 10-K for the fiscal year ended September 30, 2003, the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004 filed with the SEC.

# Transaction Overview

The background is a dark blue gradient. A bright, glowing horizontal line with a lens flare effect runs across the middle. Faint, semi-transparent patterns of binary code (0s and 1s) and circuit board traces are visible in the background.

# Summary of Transaction Terms

- |                            |  |
|----------------------------|--|
| <b>Equity Value</b>        | ■ <b>Approx. \$910 million</b>   |
| <b>Aggregate Value</b>     | ■ <b>Approx. \$770 million</b>   |
| <b>Consideration</b>       |  |
| — <b>Per Share</b>         | ■ <b>\$9.60 cash and 4.41 ARM ADSs (or 13.22 ARM ORDs)</b>                         |
| — <b>Aggregate</b>         | ■ <b>Approx. \$225 million cash and 125 million ARM ADSs (or 374 million ORDs)</b> |
| <b>Pro Forma Ownership</b> | ■ <b>73.6% ARM / 26.4% Artisan</b>   |
| <b>Board of Directors</b>  | ■ <b>10 ARM / 2 Artisan</b>  |

# Summary of Transaction Terms (cont'd)

## Election Mechanism

- Artisan stockholders can elect to receive cash, ARM ADSs, ARM ORDs, or a combination thereof, subject to pro-ration

## Funding

- Cash portion of consideration funded using ARM's existing cash resources

## Closing Conditions

- Shareholder approvals – ARM and Artisan
- Regulatory and other customary closing conditions

## Target Closing

- Q4 2004

# Compelling Logic

- **Broadened IP Offering**
  - Complementary product portfolio provides full range of IP to SoC design community
- **Enhanced Sales Channel**
  - Combines ARM's and Artisan's channels to reach a broader audience
- **Ability to Deliver Better Products**
  - Enables development of SoC with lower power and higher performance
- **Attractive Margin Structure**
  - Innovative business model

# ARM Overview

- Provider of Microprocessor IP
- Founded in 1990
- IPO in 1998
  - LSE: ARM; Nasdaq: ARMHY
- HQ in Cambridge, UK
- 20 offices worldwide
- 770+ employees
- 130+ semiconductor licensees currently using ARM IP

# Artisan Overview

- **Provider of Physical IP for SoC design**
- **Founded in 1991**
- **IPO in 1998**
  - Nasdaq: ARTI
- **HQ in Sunnyvale, California**
- **R&D Centers:**
  - Sunnyvale and San Diego, California
  - Bangalore, India
- **340+ employees**
- **Thousands of design teams at 2,000+ companies are active Artisan licensees**

# Transaction Rationale

- IP market represents exciting opportunity
- Complementary product portfolio provides one of the broadest offerings of IP to design community
- Complementary sales channels and business models
- Ability to deliver better design solutions:
  - Better integration
  - Easier to use
  - Increased 3<sup>rd</sup> party community

# Strategic Context

## Environment

- More digital systems permeating all aspects of our lives whether at home, in the office or on the move

## Technologies

- Compute Engines, Silicon IP, tools and software. Excellent power efficiency & system cost



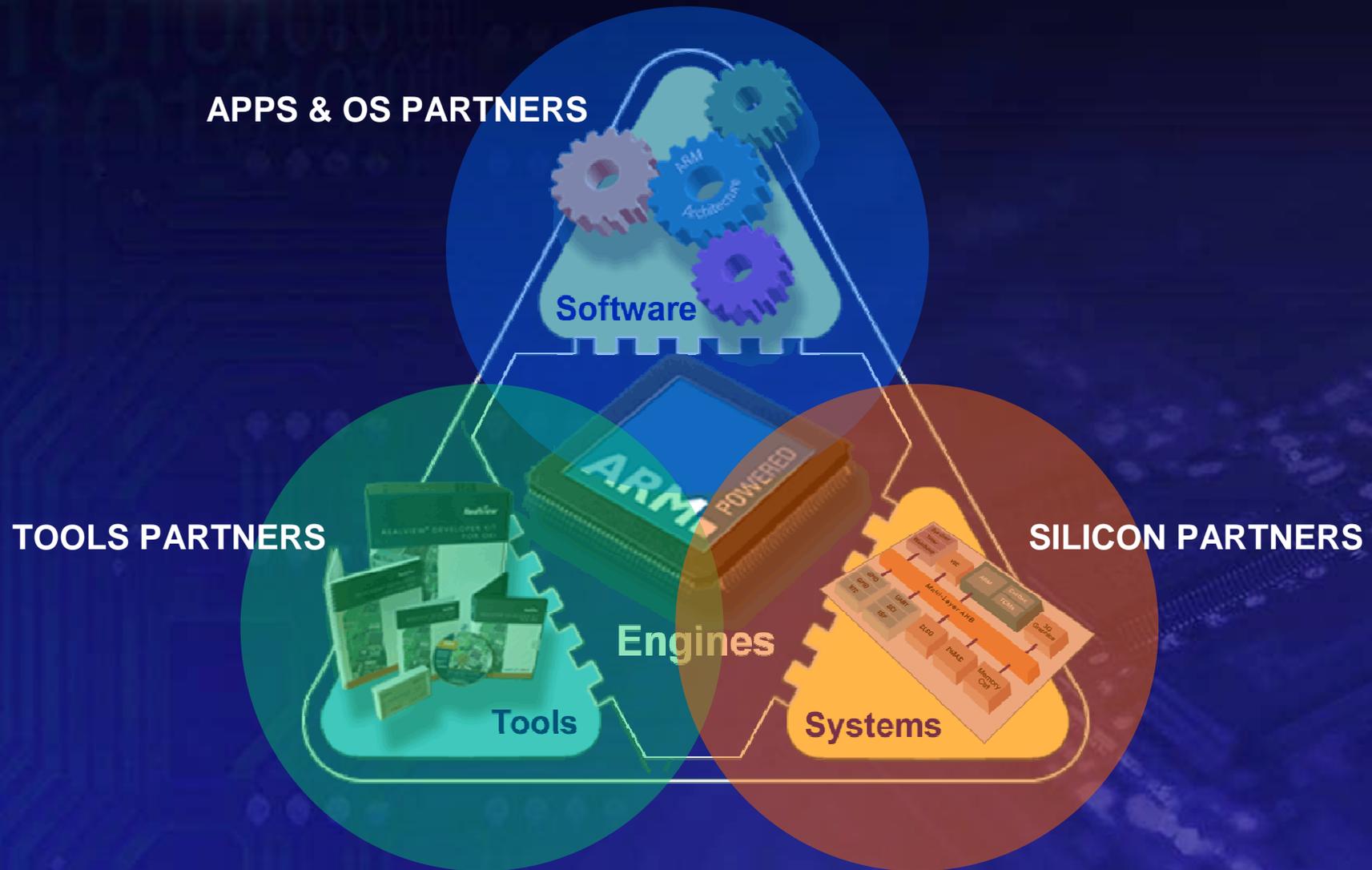
## The Architecture for the Digital World™

- ARM designs technology that lies at the heart of digital products

## Business

- ARM standards enable our Partners to create differentiated products for our target applications

# The Architecture for the Digital World™



**ARM**

THE ARCHITECTURE FOR THE DIGITAL WORLD™

# ARM Product Reach



Connected Community



**Microsoft** **symbian**



**WIND RIVER**  take it to the n<sup>th</sup> 

TrustZone™, IEM, JTEK™

3D Crypto  
USB OTG

**PrimeXsys™**  
ARM Extendible System Technology

PL300  
PL340  
L220

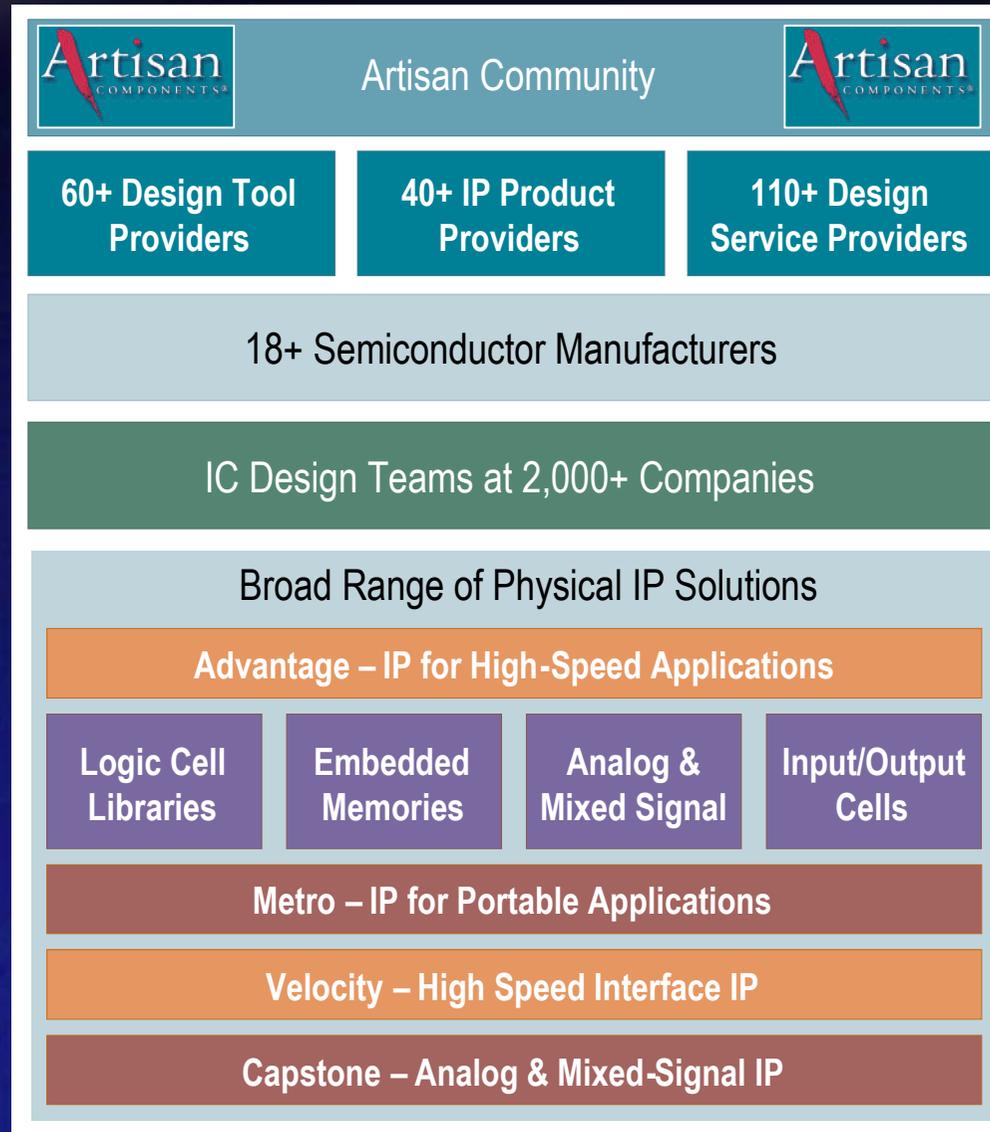
ADK

ETK11

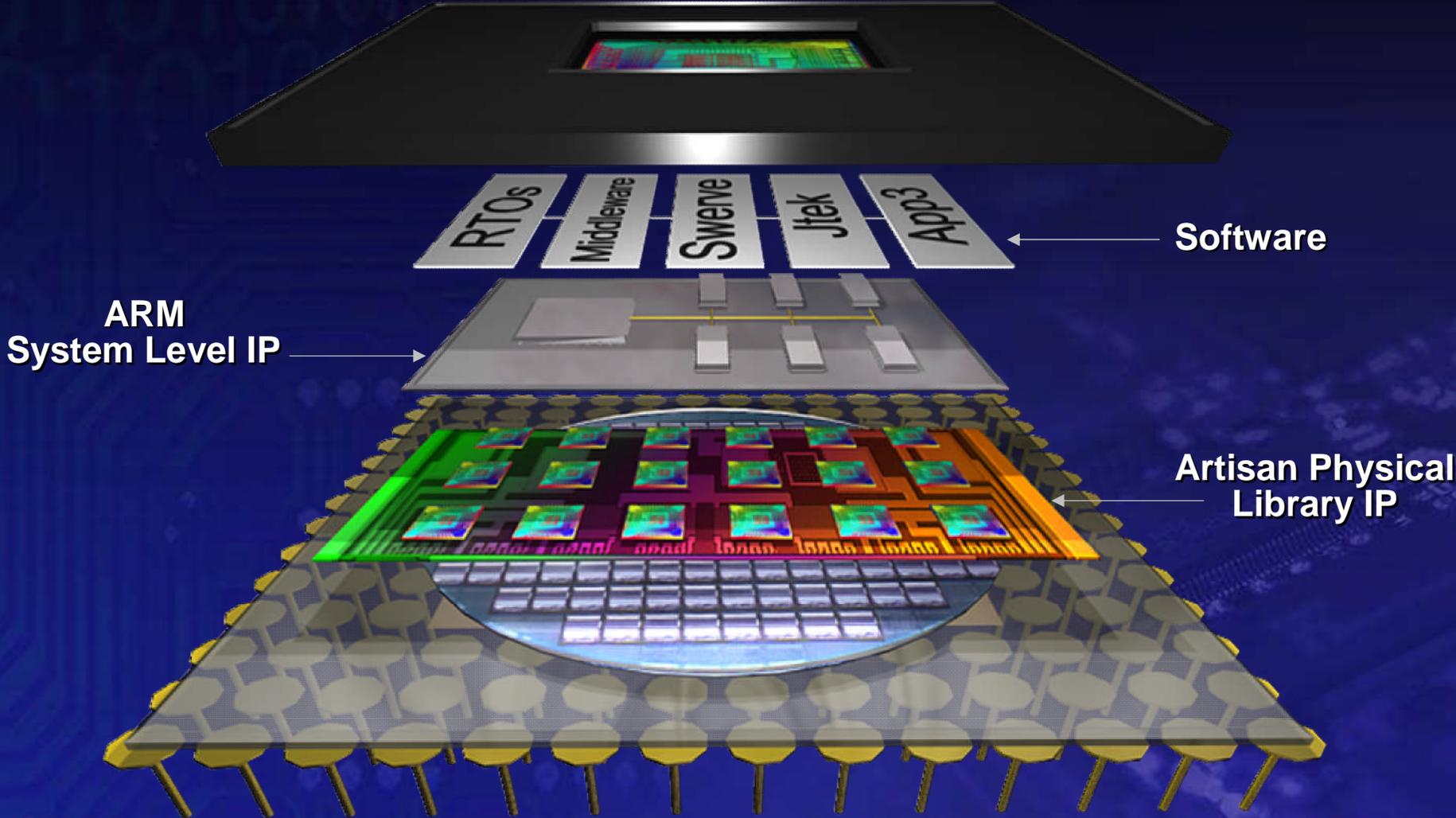
ARM1176JZ-S™

OptimoDE™

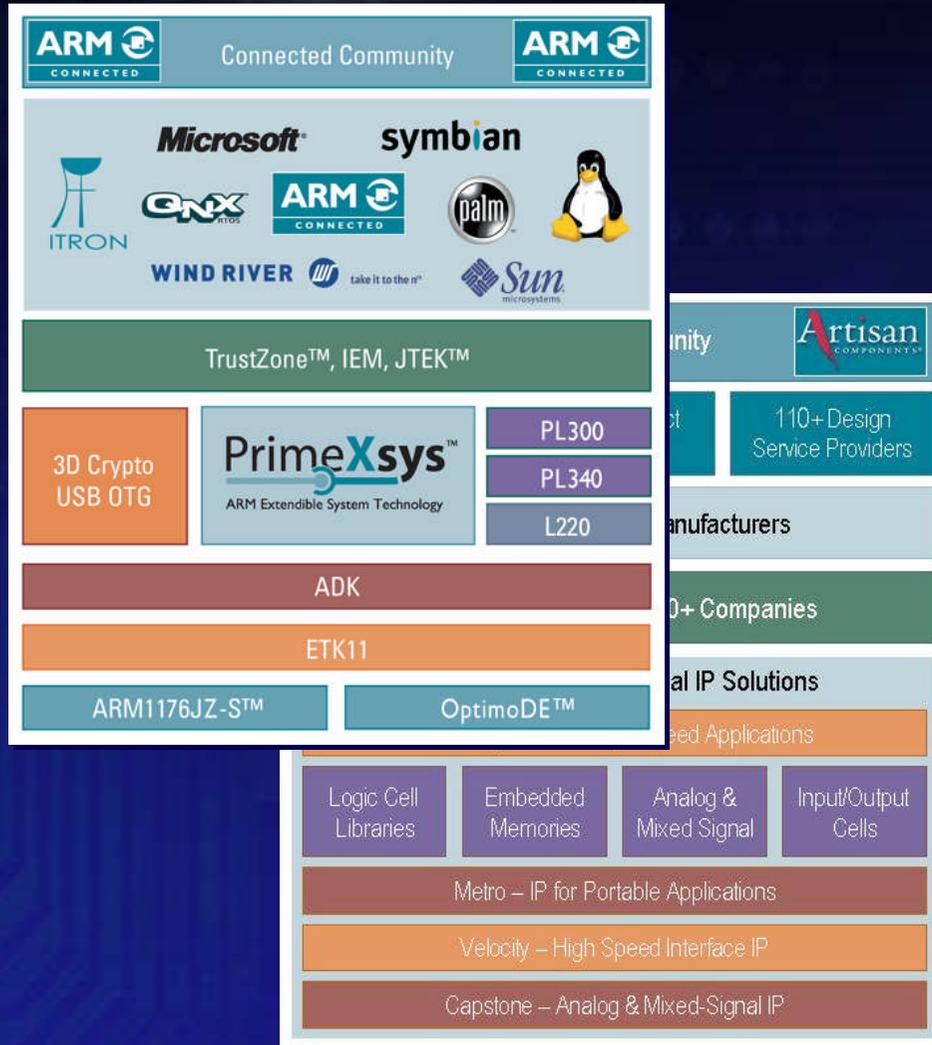
# Artisan Product Reach



# Complementary IP Offering



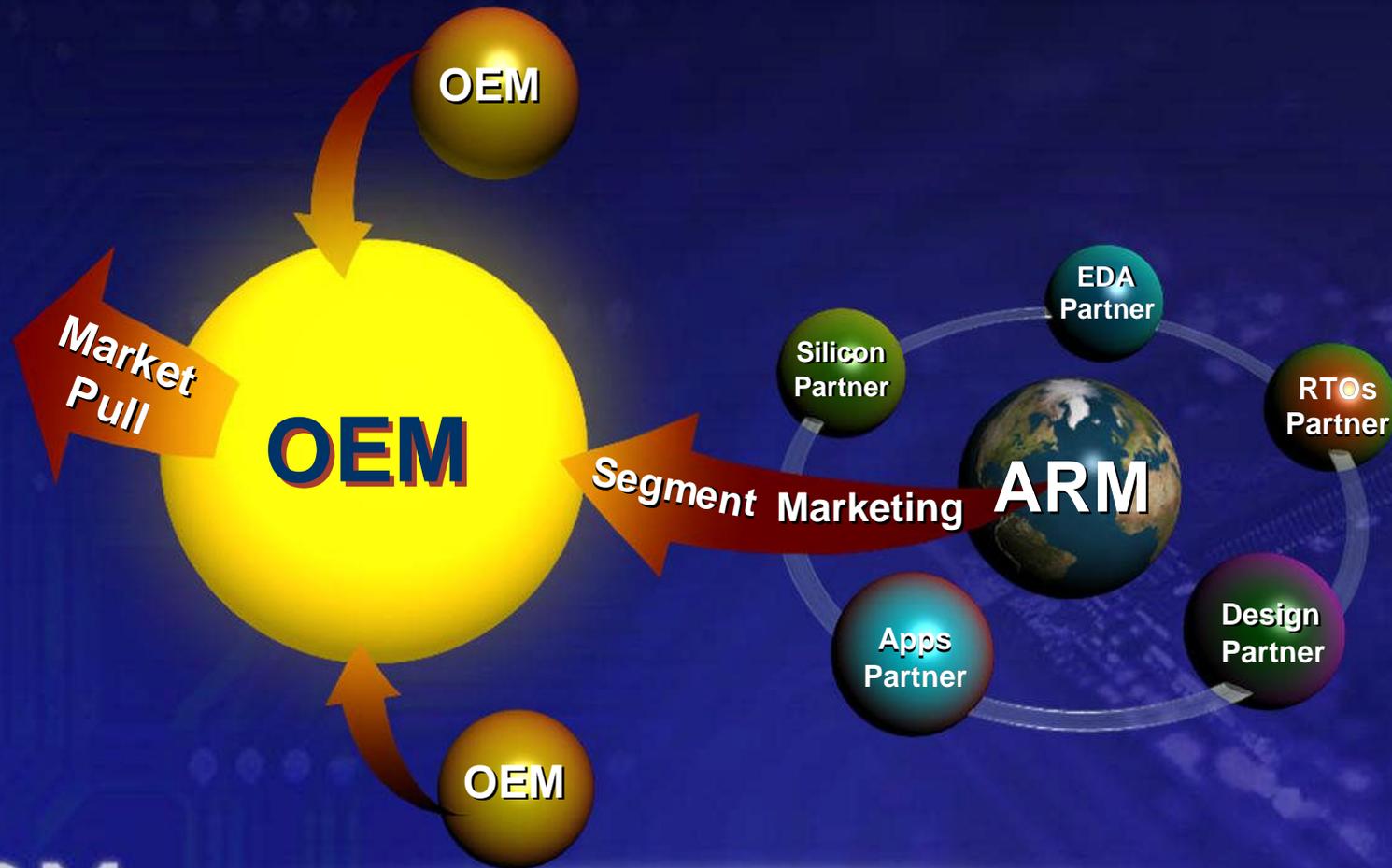
# ARM IP + Artisan IP = Broad IP Offering



- ARM + Artisan provides broad IP offering
- Complete solutions
- High integration value
- Expanded 3<sup>rd</sup> party community support

# ARM Sales Channel

ARM has a sales channel to more than 130 silicon partners



# The ARM Connected Community



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# Artisan Sales Channel

Artisan has a sales & distribution channel to thousands of design teams at 2,000+ companies

Semiconductor  
Manufacturers



Design  
Teams

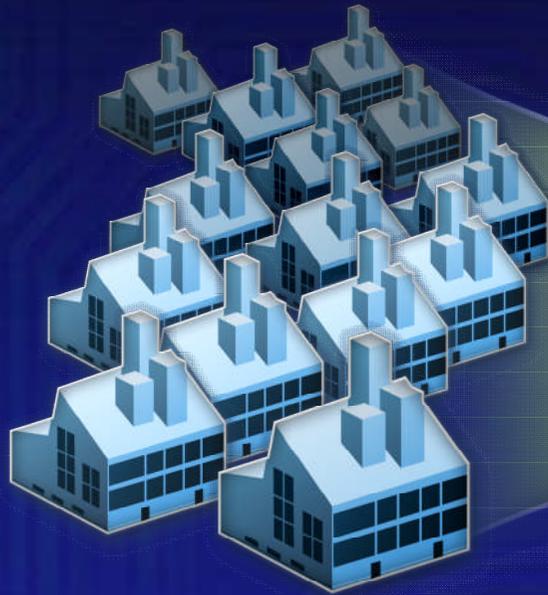
Fabless IC  
Companies

IDMs

ASIC  
Designers

# Artisan Design Community

Artisan-Licensed  
IC Manufacturers

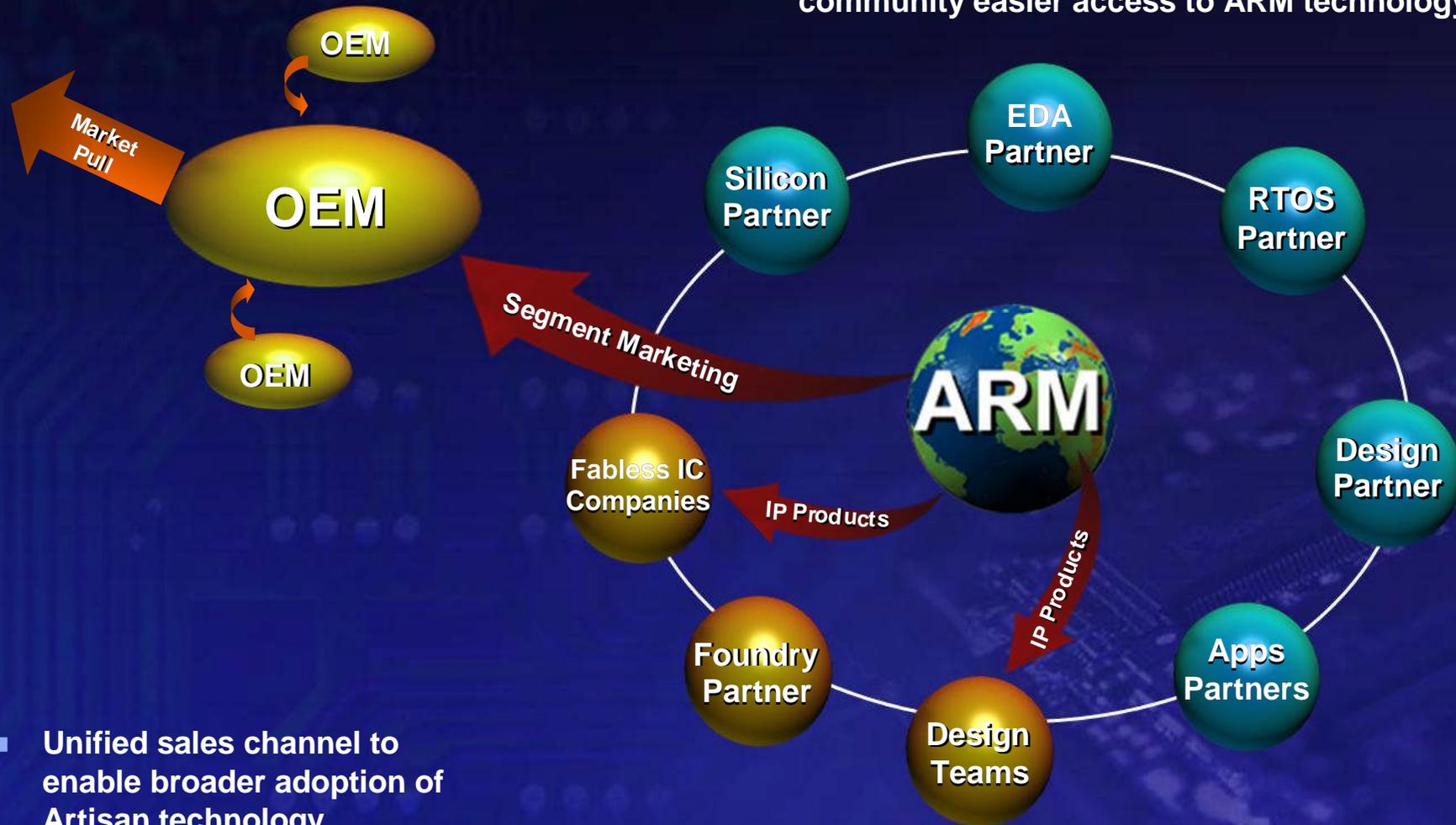


Thousands of IC Design  
Teams Using Artisan



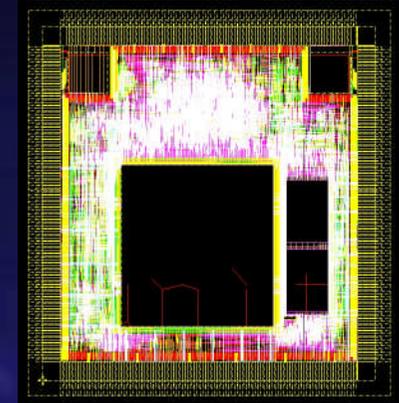
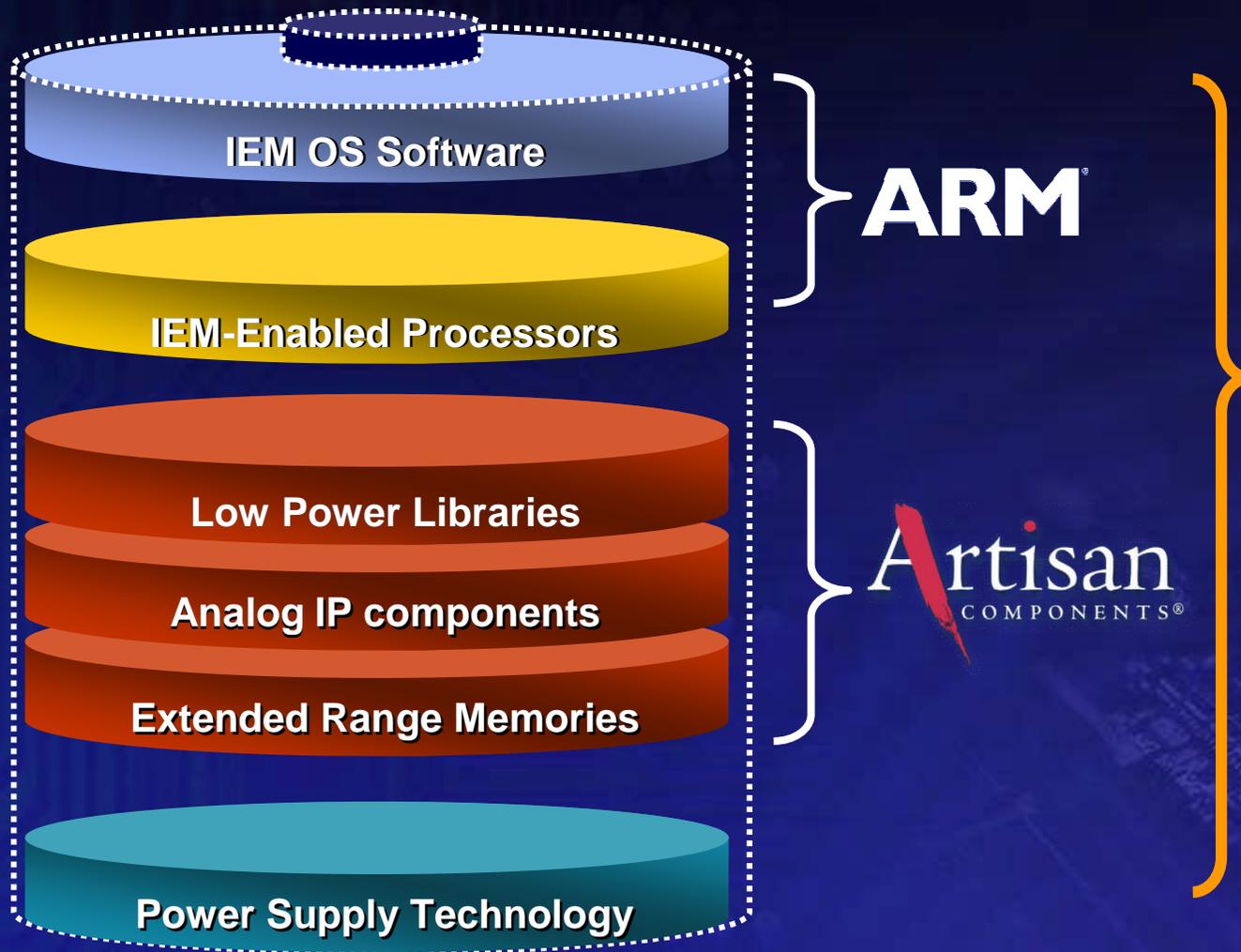
# Combined Channels Benefits

- Enhanced sales channel to provide the design community easier access to ARM technology



- Unified sales channel to enable broader adoption of Artisan technology

# Combined Value – Low-Power Case Study



Power savings are achieved through processor architecture, carefully matched physical IP and optimization software

# Financial Highlights

The background is a dark blue gradient. In the upper portion, there are faint, semi-transparent binary digits (0s and 1s) arranged in a grid-like pattern. A bright, horizontal light streak with a soft glow cuts across the middle of the image. In the lower portion, there is a faint, glowing pattern of lines and dots, resembling a circuit board or a data network map.

# Financial Profile

- Complementary royalty and license streams
- History of revenue growth
- Potential for enhanced profitability
- Increased scale
- Strong balance sheet and financial flexibility
- History of strong cash flow
- Expected to be non-dilutive post integration

# Financial Summary

Last Twelve Months Ended June 30, 2004 <sup>(1)</sup>

<i>(\$ Millions)</i>	ARM	Artisan
<b>Revenue</b>		
License	\$93.3	\$58.3
Royalty	87.4	24.6
Other	<u>54.4</u>	<u>0.0</u>
<b>Total</b>	<b>\$235.1</b>	<b>\$82.9</b>
<b>Gross Profit</b>	<b>216.5</b>	<b>63.0</b>
<i>% Gross Margin</i>	<b>92.1%</b>	<b>76.0%</b>
<b>Operating Profit</b>	<b>51.3</b>	<b>21.5</b>
<i>% Operating Margin</i>	<b>21.8%</b>	<b>25.9%</b>

(1) Financial summary stated using respective accounting policies; Artisan figures from company reports and exclude amortization of intangibles; ARM figures from Wall Street research

# Financial Summary (cont'd)

As of June 30, 2004 <sup>(1)</sup>

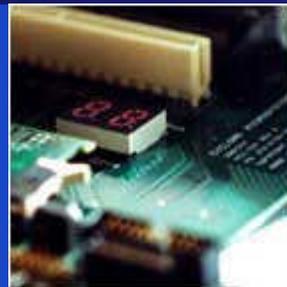
<i>(\$ Millions)</i>	ARM	Artisan
<b>Total Assets</b>	<b>\$427.7</b>	<b>\$232.6</b>
<b>Cash, Equivalents and Investments</b>	<b>301.7</b>	<b>140.4</b>
<b>Debt</b>	<b>0.0</b>	<b>0.0</b>

(1) Financial summary stated using respective accounting policies; figures from company reports

# ARM + Artisan

- Broad IP offering
- Enhanced sales channel
- Better products
- Compelling financial profile

# ARM<sup>®</sup>



**Artisan**  
COMPONENTS<sup>®</sup>