

ARM Holdings plc

Q1 2008 Results

London

29 April 2008

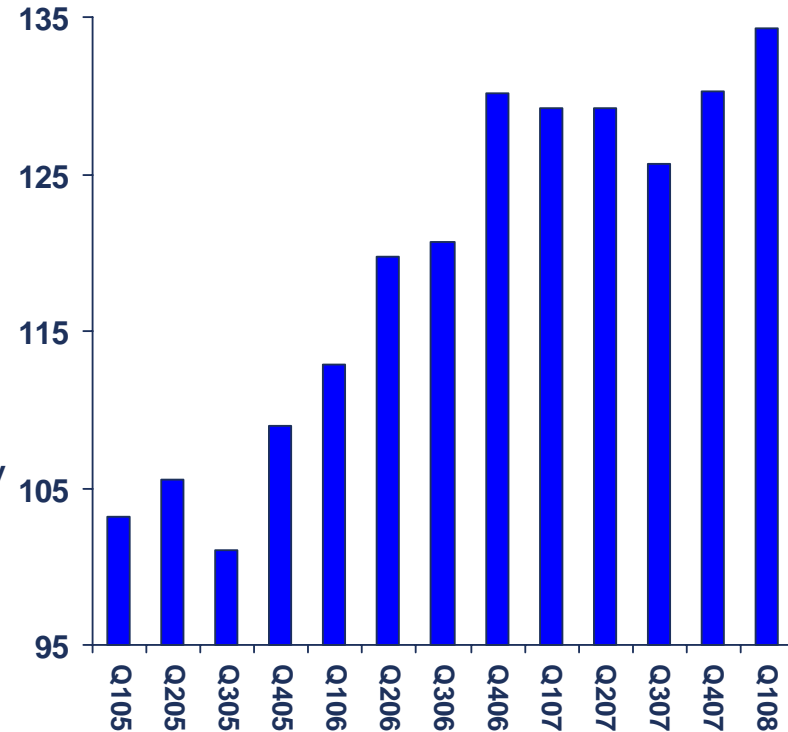
Cautionary Statement Concerning Forward-Looking Statements

- 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.

Q1 2008 Highlights

- Q1 revenues at \$134.3m, up 4%
 - Normalised PBT at £21.3m
 - Normalised EPS at 1.17p
- Processor Division
 - Royalty revenue at \$54.8m, up 22%
 - 889 million units
- Physical IP Division
 - Total revenue at \$20.9m, up 7% sequentially
 - PIPD underlying royalty revenue up 20%
- Group backlog remains at record high

Group revenues (\$m)



Outlook

- Q1 represents an encouraging start to 2008
- Uncertainty persists in semiconductor industry
- Short-term caution given uncertain trading conditions

- Total revenues in Q2 are unlikely to be higher than Q1
 - Royalty: potential impact of industry seasonality
 - Licensing: potential impact of uncertain trading conditions

- Outlook for 2008 consistent with our guidance in February
 - FY08 revenues to increase by at least the rate achieved in FY07
 - Assumes no marked deterioration in trading environment

Q1 2008 – Revenue Summary (\$)

	Q1 2008 \$m	Q1 2007 \$m	
PD	91.1	82.4	+11%
Licensing	36.3	37.4	-3%
Royalties	54.8	45.0	+22%
PIPD	20.9	25.3	-17%
Licensing	11.8	16.9	-30%
Royalties	9.1*	8.4*	+9%
DevSys	14.2	13.5	+5%
Services	8.1	8.0	+2%
Total revenue	134.3	129.2	+4%

* Includes catch-up royalty of \$0.8m:Q108 and \$1.5m:Q107

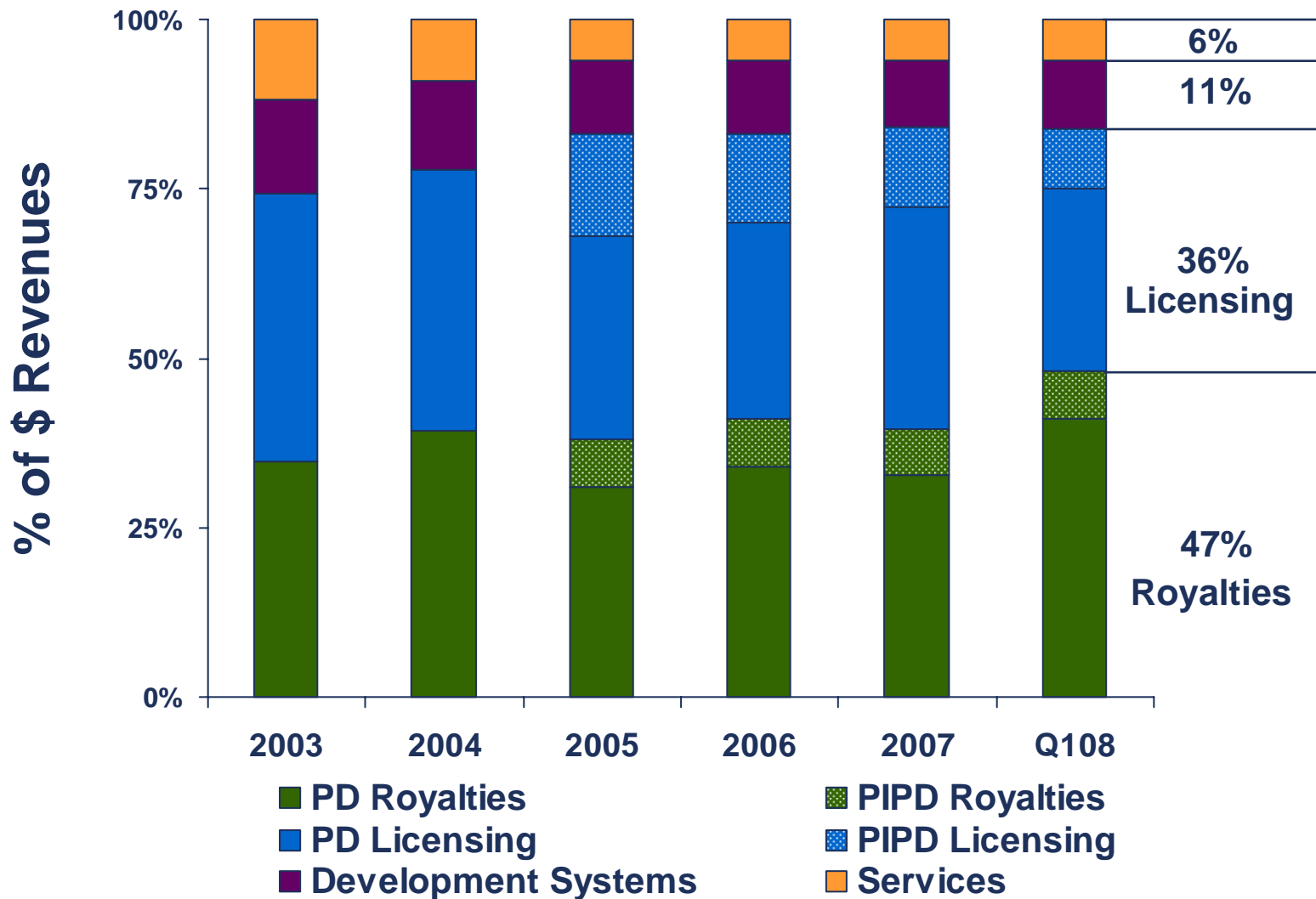
Q1 2008 – Revenue Summary (£)

	Q3 2007 £m	Q3 2006 £m	
PD	46.1	42.4	+9%
Licensing	18.3	19.4	-6%
Royalties	27.8	23.0	+21%
PIPD	10.6	13.0	-18%
Licensing	5.9	8.7	-32%
Royalties	4.7*	4.3*	+9%
DevSys	7.1	6.9	+3%
Services	4.1	4.2	-3%
Total revenue	67.9**	66.5**	+2%

* Includes catch-up royalty of £0.4m:Q108 and £0.8m:Q107

** US \$/£ effective rate of 1.98 in Q108 and 1.94 in Q107

Revenue Split Analysis



Quarterly Results Summary

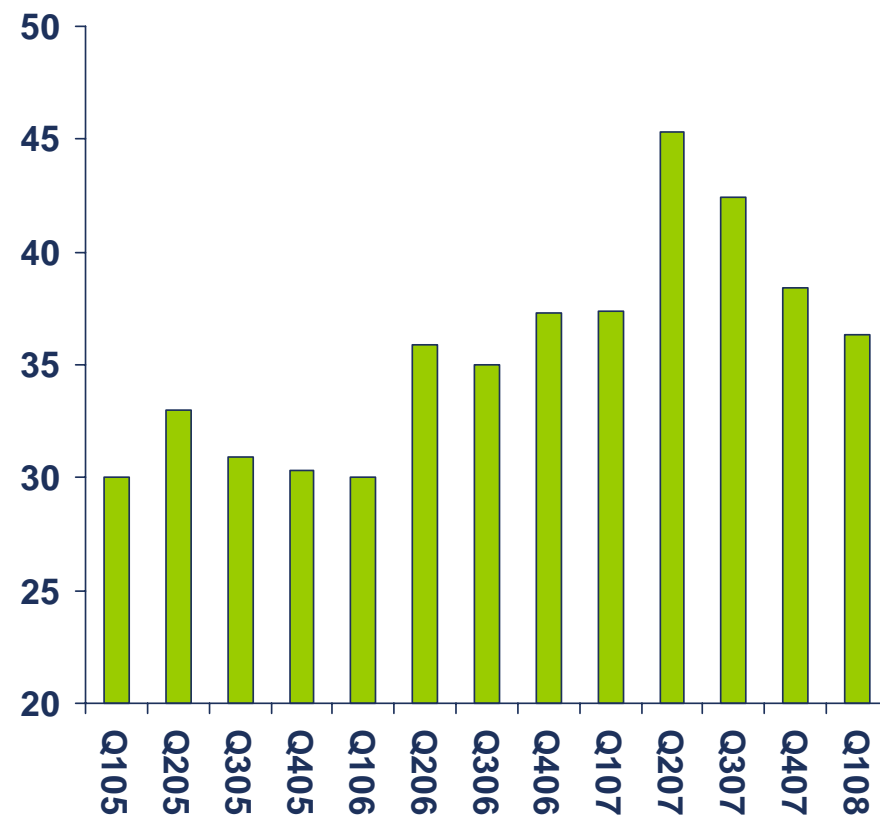
	Q207	Q307	Q407	Q108
	(£m)	(£m)	(£m)	(£m)
Total revenues	65.5	62.8	64.3	67.9
US\$ revenues	129.2	125.6	130.3	134.3
Effective fx rate	1.97	2.00	2.02	1.98
Normalised operating profit	20.9	20.0	20.3	20.8
Operating margin (%)	32.0%	31.8%	31.5%	30.6%
Normalised income before tax	22.5	21.3	21.3	21.3
Normalised EPS (pence)	1.18	1.12	1.25	1.17
Net cash	108.9	99.3	51.3	55.2

Numbers before acquisition-related, share based remuneration and restructuring charges and profit on disposal of available-for-sale securities.

PD Licensing

- 15 processor licenses signed in Q1
 - 7 Cortex licenses signed
 - 4 Cortex-M3 for MCU
 - 1 Cortex-A9 for mobile
 - Broadcom license Mali 3D graphics core
- 6 new semiconductor licensees
- More than 500 licenses signed cumulatively with over 200 companies

License revenue (\$m)



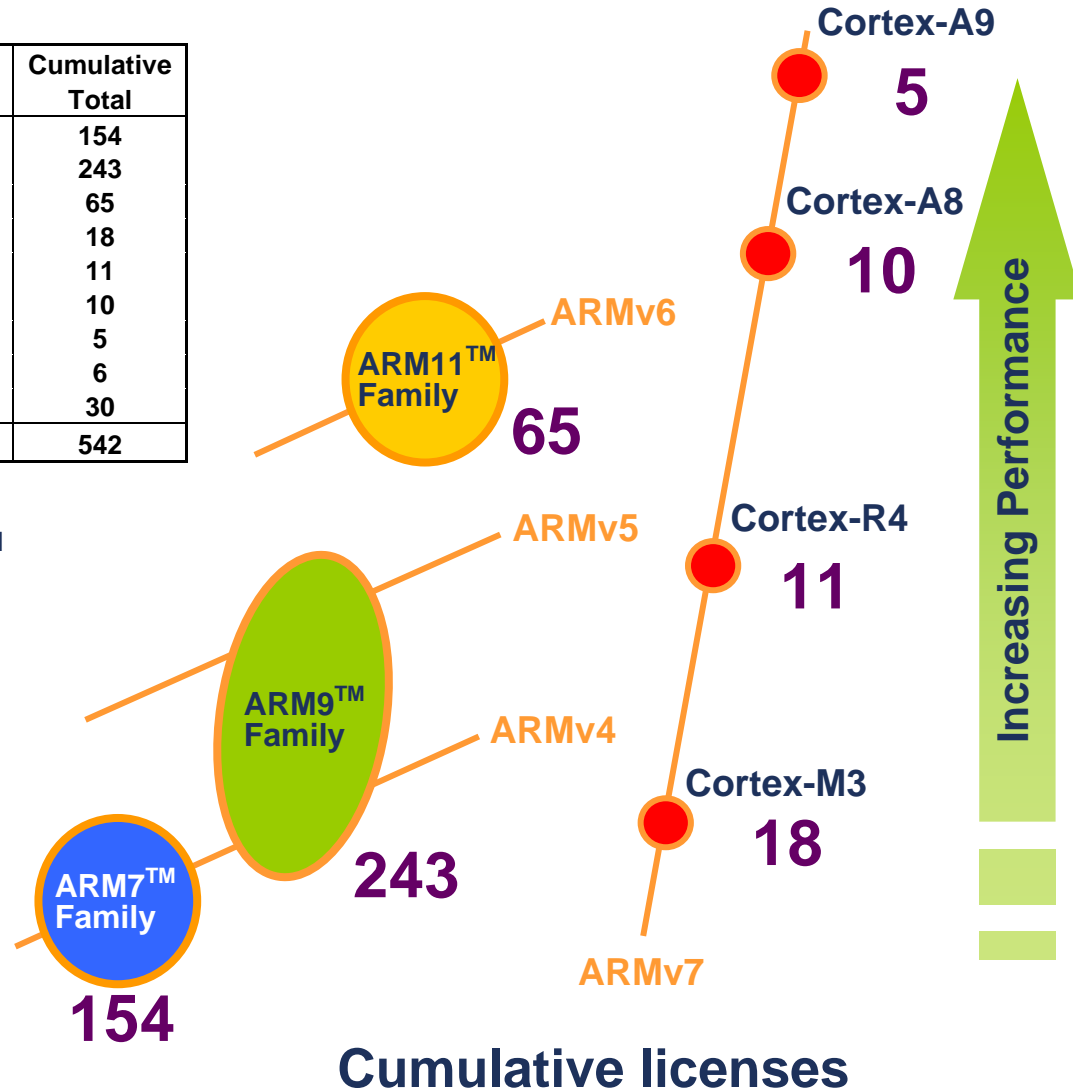
PD Licensing

Q1 2008 License Analysis

	Multi-use			Term			Per-use			Total	Cumulative Total
	U	D	N	U	D	N	U	D	N		
ARM7	1									1	154
ARM9			1	1		1			1	4	243
ARM11	1									1	65
Cortex-M3		1	2		1					4	18
Cortex-R4		1								1	11
Cortex-A8	1									1	10
Cortex-A9		1								1	5
Mali						1				1	6
Other		1								1	30
Total										15	542

U: Upgrade D: Derivative N: New

Note: Other includes licenses that have been signed for ARM10™ and SecurCore™ family processors, and Xscale/StrongARM.



Cumulative licenses

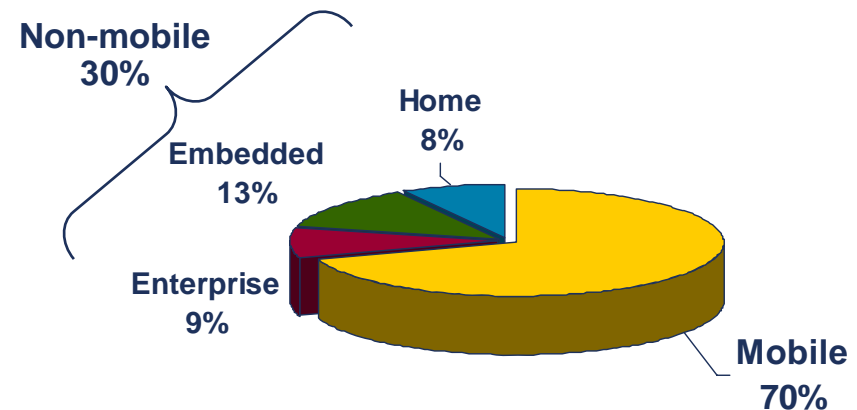
PD Royalties

- Q1 royalty revenue up 22%
- ARM11 grew 80% sequentially
 - 3% of all ARM units shipped
- Over quarter of a million Cortex units shipped in Q1
- Units in mobile devices grew to 70%, up from 67% from Q4-2007
 - Increase in smartphones
- Embedded units up 55%



* Excludes \$2.0m of catch up royalties

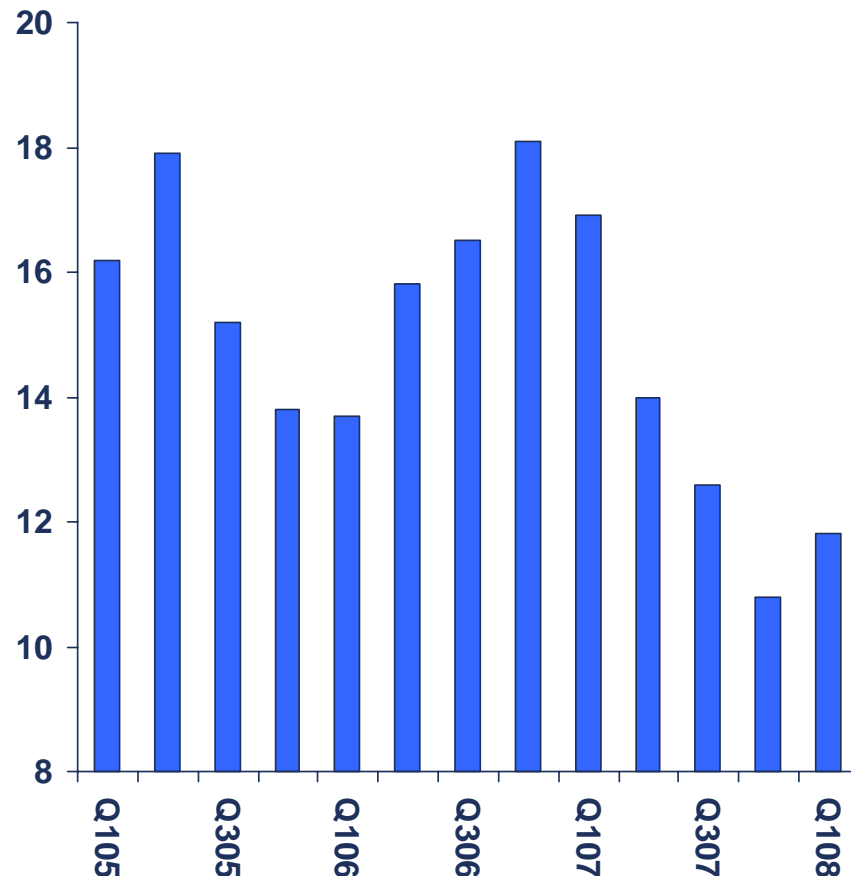
Q1 2008 Royalty Unit Split



PIPD Licensing

- Licensing revenue up 9% sequentially to \$11.8m
- 13 licenses signed during Q1
 - Most licenses at 65nm node
 - Two licenses with top ten semiconductor companies
- Two licenses covering both PD and PIPD
 - ARM926 with TSMC 130/90nm libraries
 - Low power package of Cortex-M3 and low leakage libraries
- PIPD reorganisation to create five focussed design centres:
 - More customer centric approach
 - Improved development process for leading-edge technology

License revenue (\$m)

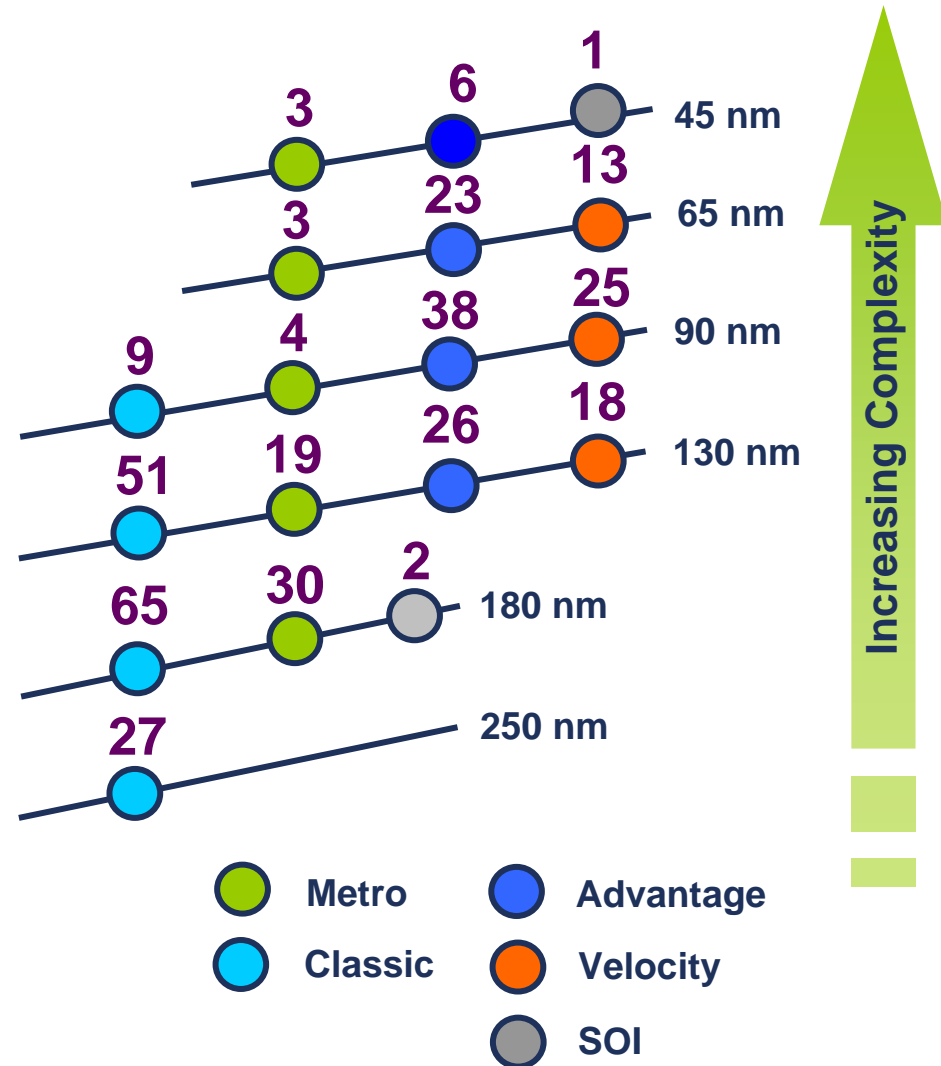


PIPD Licensing

Q1 2008 License Analysis

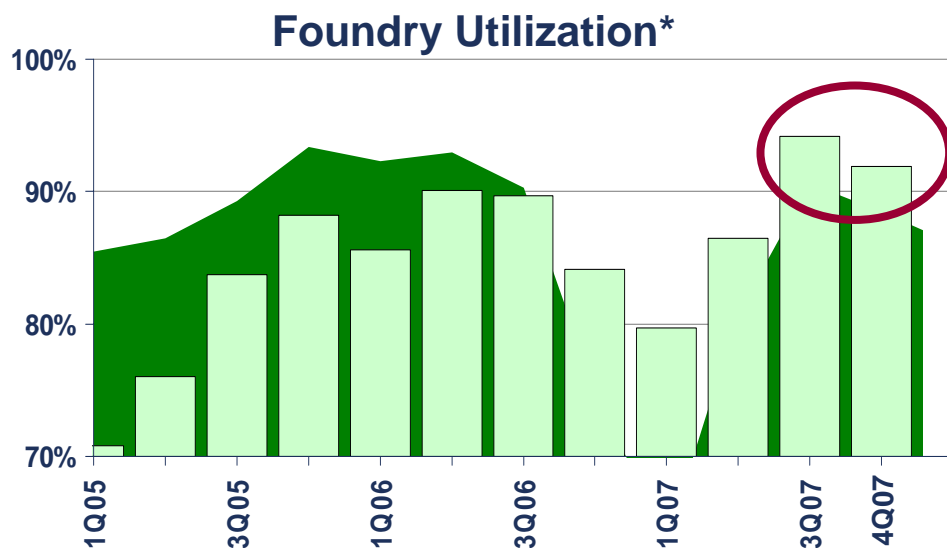
	Process Node (nm)	Total
Platform Licenses		
Metro	180/130	2
Advantage	65	1
Standard Cell Libraries		
Advantage	65/90	3
Metro	180	1
Memory Compilers		
Advantage	90	1
Velocity PHYs	90/65	5
Quarter Total		13
Cumulative Total		363

Cumulative Licenses

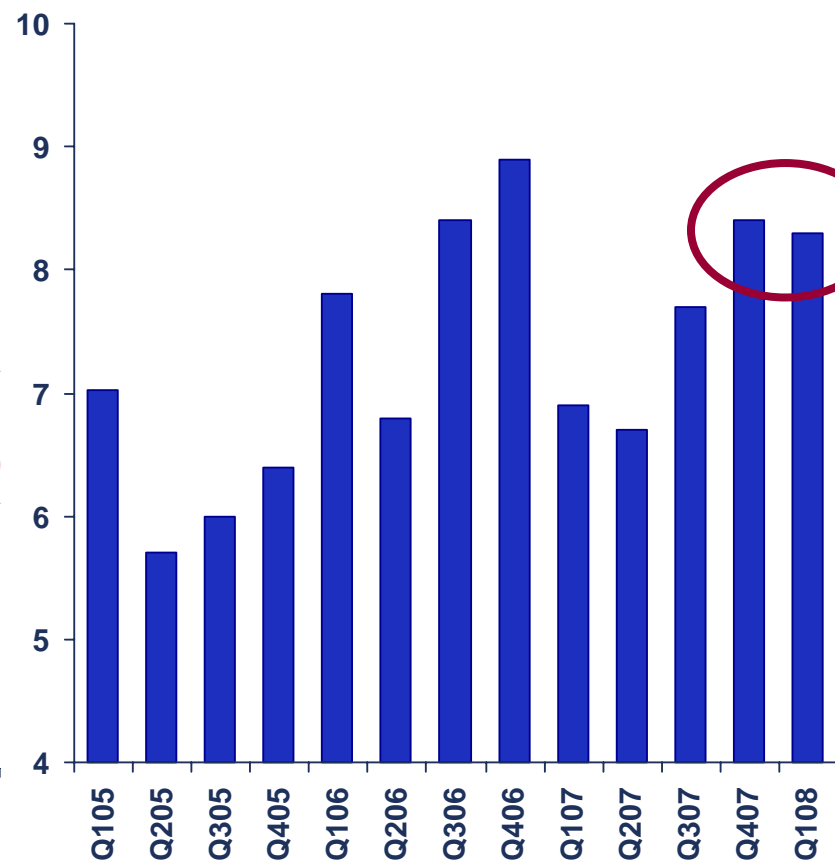


PIPD Royalties

- PIPD underlying royalty revenue up 20%
- Gained market share whilst foundry utilization fell

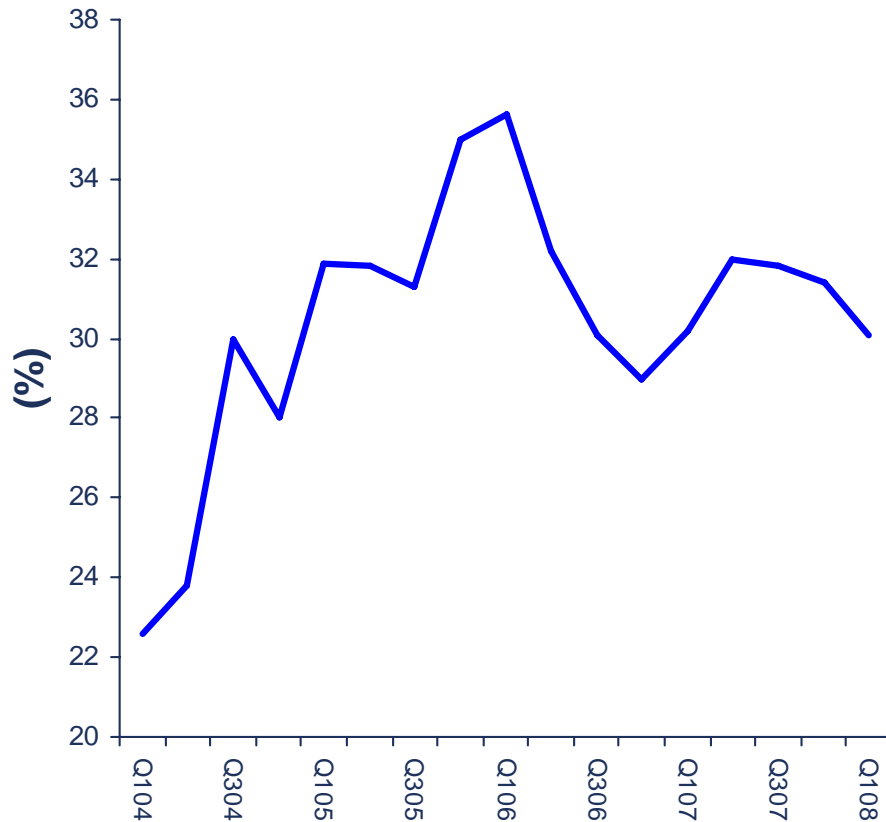


Underlying Royalty Revenue (\$m)



*Gartner Dataquest 2008

Operating Margin



— Normalized Operating Margin*

	Q207	Q307	Q407	Q108
R&D (£m)*	15.5	14.8	15.1	16.3
R&D (%)*	24%	24%	23%	24%
SG&A (£m)*	22.3	21.7	22.2	23.2
SG&A (%)*	34%	34%	34%	34%
Op Mgn (%)*	32.0%	31.8%	31.4%	30.6%

Values as percentage of sales

	FY	FY	FY	FY	FY	Q1
	2003	2004	2005	2006	2007	2008
Effective fx Rate (\$/£)	1.60	1.78	1.80	1.83	1.98	1.98

* Excludes acquisition-related charges, share based remuneration charges, restructuring charges and profit on disposal of investments

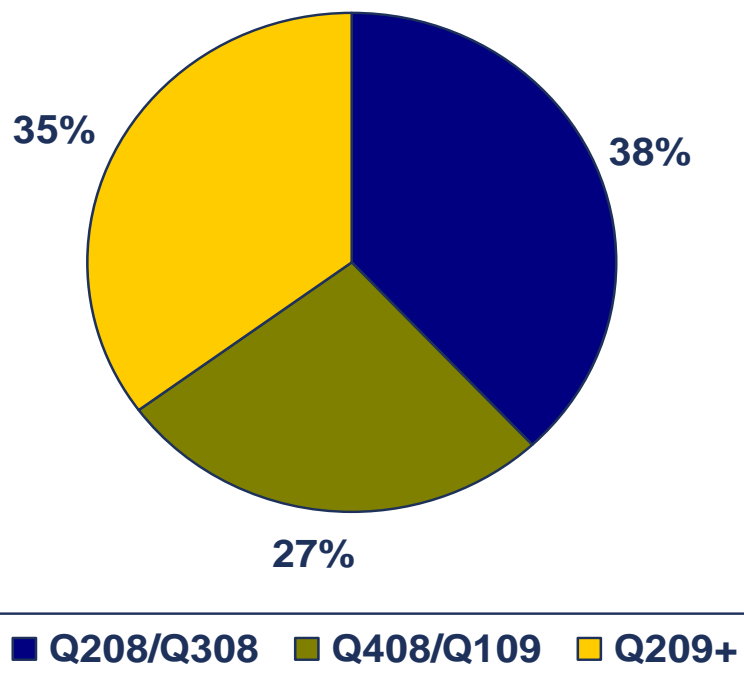
Ongoing Focus on Balance Sheet Efficiency

- Net cash of £55m at end Q1
- Normalised cash generation of £14m
- £13m spent on share buybacks

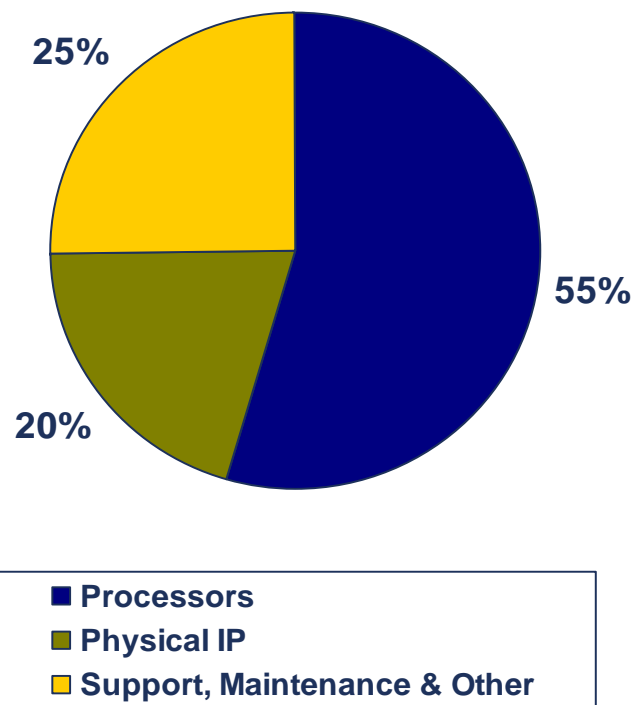
£m	Dividends	Buybacks	Total
2004	9.0	-	9.0
2005	10.4	16.2	26.6
2006	12.4	76.5	88.9
2007	18.5	128.6	147.1
Q1 2008	-	13.0	13.0
Total	50.3	234.3	284.6

Backlog Analysis – End Q1 2008

Backlog by Maturity Profile



Backlog Composition



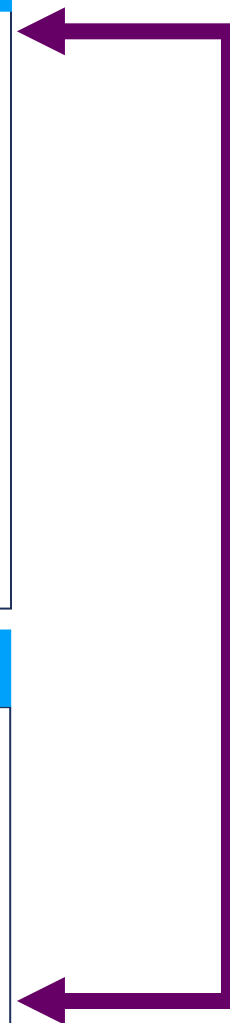
Summary Balance Sheet

US GAAP	31 Mar 08 £MM	31 Dec 07 £MM
Assets		
Cash	55.2	51.3
Accounts receivable (net of AROC)	53.9	43.7
Amounts recoverable on contracts (AROC)	18.1	24.5
Other debtors, inventory and investments	42.6	41.1
Property and equipment	11.2	12.0
Goodwill	345.2	344.7
Other intangibles	35.2	39.4
Total assets	561.4	556.7
Liabilities & shareholders' equity		
Deferred revenue	28.3	27.5
Other creditors	34.8	35.5
Shareholders' equity	498.3	493.7
Total liabilities & shareholders' equity	561.4	556.7

Cash Flow Summary

£MM	Q1 08	FY 07
Operating activities	15.5	71.9
Interest	0.5	5.6
Tax	(1.9)	(12.3)
Capital expenditure	(1.0)	(8.0)
Acquisitions (net of disposals)	0.5	(6.0)
Share options	2.7	18.9
Share buybacks and dividends	(13.0)	(147.1)
Other (forex)	0.6	(0.2)
Cash flow	3.9	(77.2)
Opening cash	51.3	128.5
Closing cash	55.2	51.3

	Q1 08	1H 07
Income from operations	11.7	42.8
Depreciation and amortisation	6.3	25.9
Stock-based compensation	3.6	16.0
Movements in working capital	(6.1)	(14.0)
Investment impairments	-	1.2
Operating activities	15.5	71.9

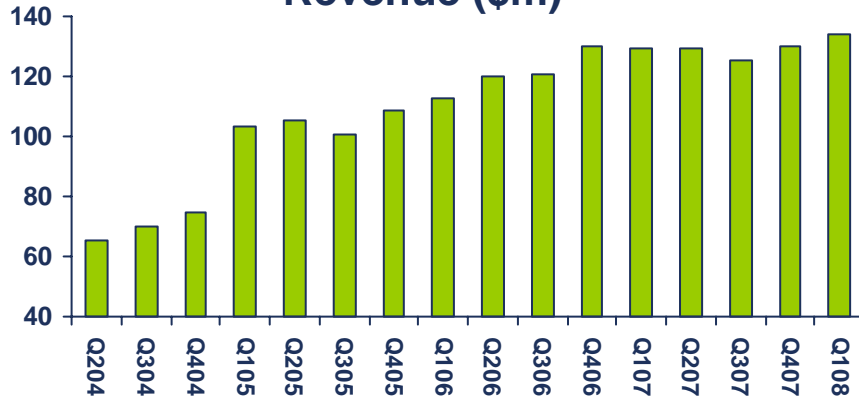


Q1 2008 ARM Pro Forma P&L

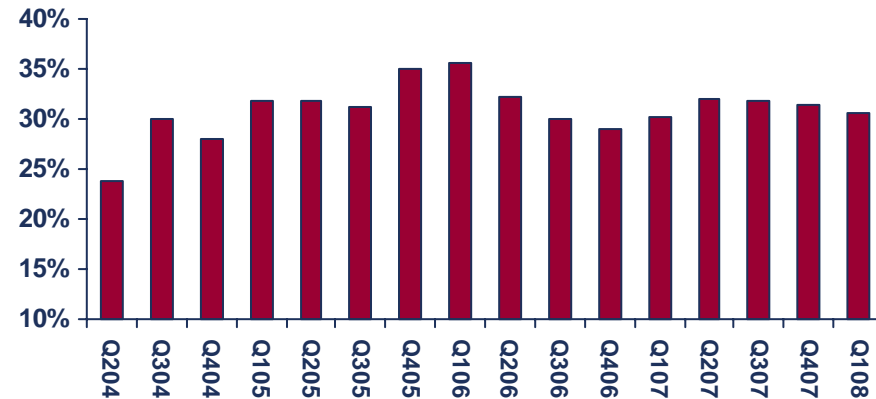
	Normalised	Share based remuneration	Intangible amortiza-tion	Other acquisition related charges	Restructuring charges	US GAAP
	£'000	£'000	£'000	£'000	£'000	£'000
Revenues						
Product revenues	63,817	-	-	-	-	63,817
Service revenues	4,071	-	-	-	-	4,071
Total revenues	67,888	-	-	-	-	67,888
Cost of revenues						
Product costs	(5,800)	-	-	-	-	(5,800)
Service costs	(1,772)	(268)	-	-	-	(2,040)
Total cost of revenues	(7,572)	(268)	-	-	-	(7,840)
Gross profit	60,316	(268)	-	-	-	60,048
Research and development	(16,312)	(2,616)	-	(38)	-	(18,966)
Sales and marketing	(11,048)	(508)	-	2	-	(11,554)
General and administrative	(12,186)	(507)	-	(9)	-	(12,702)
Restructuring costs	-	-	-	-	(718)	(718)
Amortization of intangibles	-	-	(4,430)	-	-	(4,430)
Total operating expenses	(39,546)	(3,631)	(4,430)	(45)	(718)	(48,370)
Income from operations	20,770	(3,899)	(4,430)	(45)	(718)	11,678
Interest	571	-	-	-	-	571
Income before income tax	21,341	(3,899)	(4,430)	(45)	(718)	12,249
Provision for income taxes	(6,123)	841	1,672	16	287	(3,307)
Net income	15,218	(3,058)	(2,758)	(29)	(431)	8,942
Earnings per share (assuming dilution)						
Shares outstanding ('000)	1,301,123					1,301,123
Earnings per share – pence	1.17					0.69
Earnings per ADS (assuming dilution)						
ADSs outstanding ('000)	433,708					433,708
Earnings per ADS – cents	6.97					4.10

ARM Financials

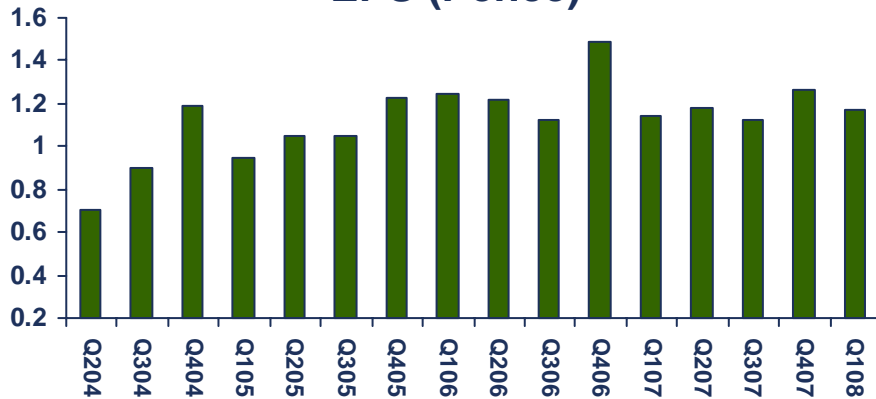
Revenue (\$m)



Normalised Operating Margin



Normalised EPS (Pence)



Cash Returned to Shareholders (£m)

