

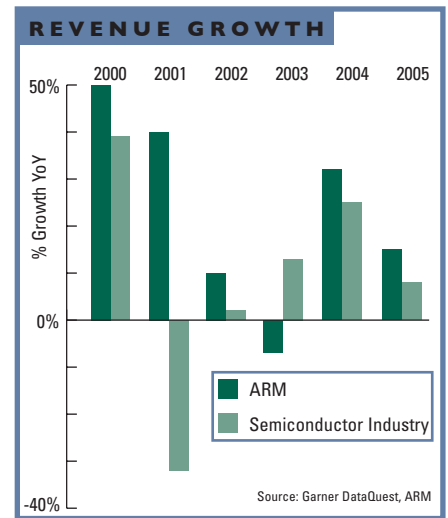
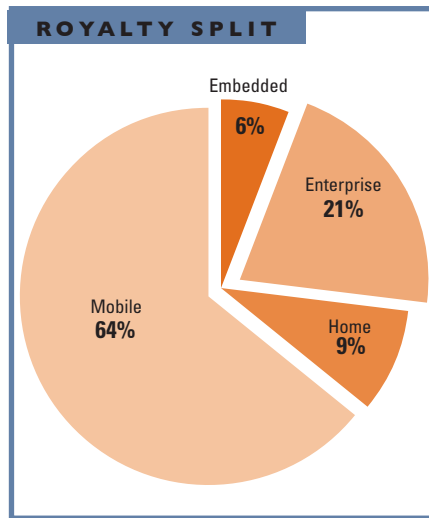
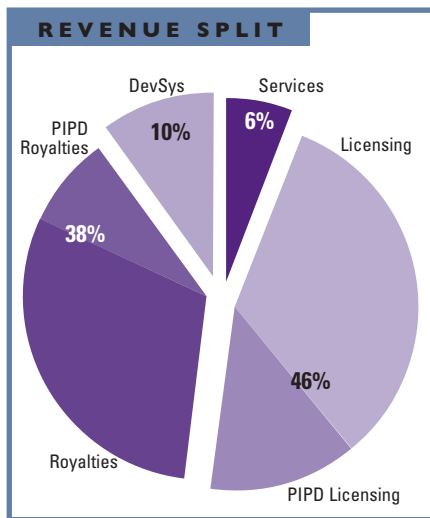
ARM OVERVIEW

ARM Holdings is the world's leading semiconductor intellectual property (IP) supplier* and as such is at the heart of the development of digital electronic products. The use of microprocessors in a wide range of electronic devices has escalated to the extent that the use of microprocessor IP is now providing the technology foundation for nearly everything electronic in the world today.

However the ARM business model involves the licensing rather than the manufacturing and selling of chip technology. It licences its IP to a network of 'Partners', which includes most of the world's leading semiconductor and systems companies. These Partners utilise ARM's IP designs to create and manufacture microprocessors, peripherals and system-on-chip designs, paying ARM a royalty on every chip or wafer produced. In order to maximise the range of users of ARM products, the Group provides a range of tools, software and systems IP to facilitate adoption and incorporation.

With ARM's diversity of IP and broad range of performance features, the world's leading Original Equipment Manufacturers (OEMs) use ARM's IP in a wide variety of different applications ranging from mobile handset and digital set top boxes to car braking systems and network routers. The 5 key market segments the Group addresses are: 1) Embedded Solutions, 2) Enterprise Solutions, 3) Home Solutions, 4) Mobile Solutions, and 5) Emerging Applications.

* Source: Dataquest's 2004 IP Company Rankings



SUMMARY OF KEY EVENTS

- 1985** First working microprocessor based on ARM Technology (ARM1)
- 1990** ARM established as Advanced RISC Machines Ltd.
- 1990** Sir Robin Saxby joins ARM as CEO (now chairman)
- 1991** ARM Ltd. signs first commercial license agreement
- 1994** Texas Instruments signs first license agreement
- 1996** Samsung signs first license agreement
- 1998** ARM Ltd. initial public offering and listing on the London Stock Exchange (LSE) and Nasdaq
- 2001** Warren East appointed CEO of ARM Holdings
- 2002** Tim Score joins ARM as CFO
- 2004** ARM hold first ARM Developers Forum in Silicon Valley
- 2004** ARM acquires Artisan Components
- 2005** ARM Partnership ships over 4 billion units cumulative
- 2005** First synergistic deal arising from the combination of ARM and Artisan is signed

CORPORATE OBJECTIVES

- Consistently exceed semiconductor growth rate.
- Revenue growth of at least 15% per year.
 - License growth of 5-10% per year
 - Royalty growth of 20-25% per year
- ARM Partners ship 4.5B cores in 2010
 - Mobile growth 15-20% CAGR
 - Non mobile 30-35% CAGR
- Sustained operating margins above 30%.
- Growth of research and development in line with licensing growth.
- Return of capital to the shareholders through progressive dividend payments and long term ongoing share buyback program.

KEY PERFORMANCE METRICS

- License sales (typically lumpy depending upon ARM's development cycle)
- Number of cores shipped (subject to ARM's market share of chips produced)
- Average Royalty rate (subject to specification and mix of chips sold)

KEY EVENTS CALENDAR

FY Results for 2005	31 Jan 2006
Q1 Results for 2006	19 Apr 2006
ARM General Meeting	25 Apr 2006
Analyst/Investor Day	22-23 May 2006
Q2 Results for 2006	25 Jul 2006
ARM Developers Conf.	30 Sep-6 Oct 2006
Q3 Results for 2006	31 Oct 2006

STOCK DATA

Market Capitalisation as of Dec 2005: £1.5B
 Shares outstanding (Dilutive): 1,437,448
 Symbol/Exchange: ARM/LSE
 ARMHY/NASDAQ
 ARD Ratio (ADR:Ord) 1:3

OWNERSHIP STRUCTURE

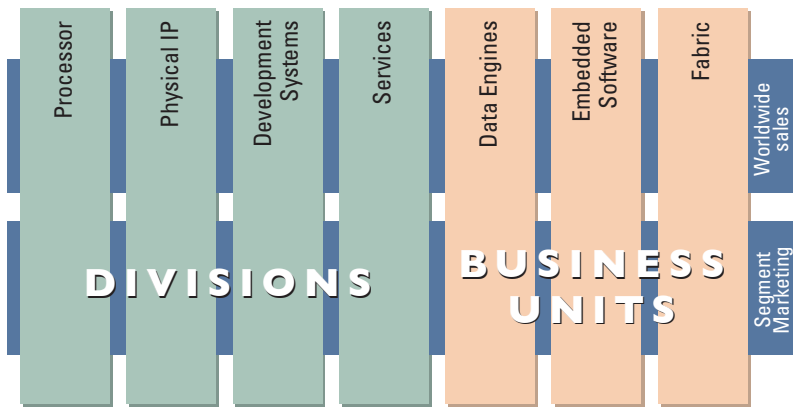
As of 7th September 2005

Fidelity Investments	14.75%
Capital Group	9.51%
Janus Capital Corp	3.81%
Threadneedle Asset Mgt.	3.46%
Legal & General Inv. Mgt.	3.42%

CONTACTS

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ARM OPERATIONAL STRUCTURE



COMMERCIAL

Worldwide Sales: Single global sales force responsible for the push sale of all product lines on to direct customers (e.g. Texas Instruments) through account management and use of technical specialists from each of the divisions and BU's.

Segment Marketing: Global organization responsible of creating pull for ARM product through original equipment manufacturers (e.g. Nokia) and other value chain influencers (e.g. Network Operators).

ENGINEERING AND MARKETING (% OF REVENUE [INCLUDES ROYALTY])

Processor Division (63%) — Microprocessor core which typically acts as the brains and the decision maker with in the system on chip (SoC).

Physical IP Division (21%) — The building blocks necessary for translation of a circuit design into actual silicon.

Development Systems (10%) — Tools and models used to create and debug software and SoC designs.

Services Division (6%) — Support and maintenance of ARM products along with training and consulting services.

Data Engines Business Unit — Configurable DSP IP used for data intensive algorithms.

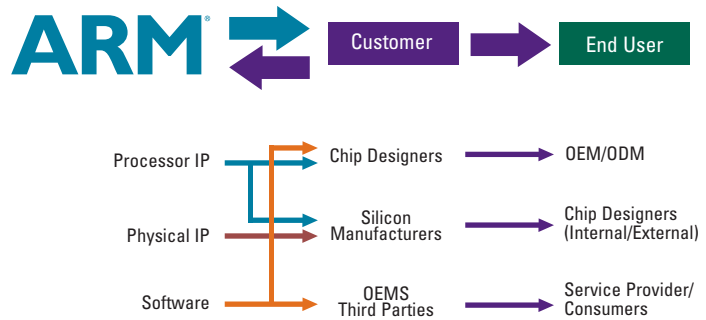
Embedded Software Business Unit — Middleware software such as power management, security, and java acceleration which is typically linked to the microprocessor core.

Fabric Business Unit — System IP such as buses and controllers that connect functional blocks (microprocessor and DSP blocks) together with in an SoC.

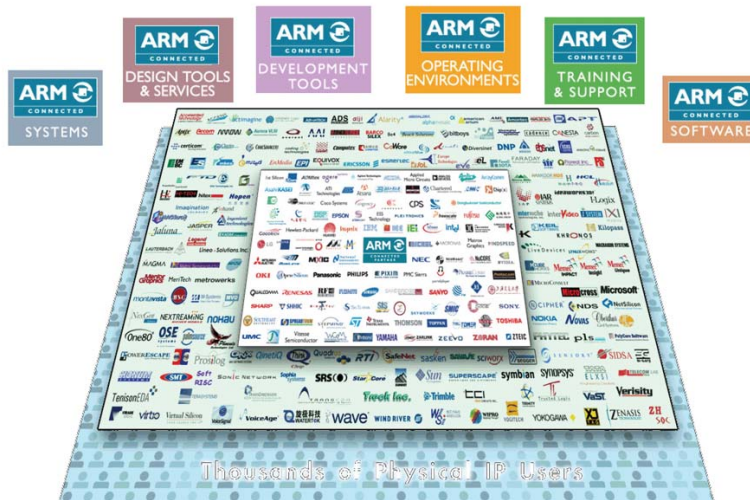
Note business unit revenue contribution to ARM revenue is negligible and therefore not broken out as a % of revenue.

ARM BUSINESS MODEL

ARM licenses its IP to a direct customer at which time ARM receives a license fee. For Processor IP and Physical IP the licensee fee is typically in the range of a few millions of dollars dependant on the type of licensee. The customer will then design and manufacturer a SoC based on this IP which takes on average between 2 to 4 years to complete. At this point ARM's direct customer will sell their product to their direct customer at which time a royalty will be owed to ARM for every product sold that contains ARM IP. The royalties are received one quarter in arrears and are typically in the range of 1-2% of the average selling price (ASP) of the semiconductor or 2.5% of the ASP of the completed wafer.



ARM CONNECTED COMMUNITY



ARM has built up an extensive community of 3rd party technology providers and designers (called the ARM Connected Community) This is designed to facilitate the networking opportunities for the member companies in an effort to increase design win opportunities and shorten the time-to-market of complete ARM powered

solutions. There are currently over 300 companies within the community spanning the semiconductor supply chain. This community not only serves to enable the uptake of ARM technology, but also as an extensive competitive advantage and barrier to entry for IP companies providing technologies in the same areas as ARM.

DEMAND DRIVERS FOR ARM

The demand for ARM's 'products' is ultimately determined by a combination of:

- The pace of technological development generally
- The "technology" cycle
- The ARM business model (offering a combination of independence but integration with other users of the ARM platform)
- The economics of Moore's Law that is forcing the semiconductor industry to look to standards and outsourcing model to reduce costs
- The effectiveness of input gathering from the value chain to steer the product development process
- The specification, flexibility and quality of the product and the effectiveness of its marketing (ARM products are specifically focused upon the delivery of high performance with low power consumption and system cost)

MANAGEMENT BACKGROUND



SIR ROBIN SAXBY CHAIRMAN

Sir Robin Saxby was involved in founding ARM and joined the Company full-time in February 1991 as President and Chief Executive Officer, becoming Chairman in October 2001. Prior to ARM, he was with ES2, Motorola Semiconductors and Henderson Security Systems Limited. He has also served as Chairman of the Open Microprocessor Initiative Advisory Group.



WARREN EAST CHIEF EXECUTIVE OFFICER AND DIRECTOR

Warren East joined ARM in 1994. He set up ARM's consulting business and was Vice President, Business Operations from February 1998. In October 2000 he was appointed to the board as Chief Operating Officer and in October 2001 was appointed Chief Executive Officer.



TIM SCORE CHIEF FINANCIAL OFFICER AND DIRECTOR

Tim Score joined ARM as Chief Financial Officer and director in March 2002. Before joining ARM, he was Finance Director of Rebus Group Limited. He was previously Group Finance Director of William Baird plc, Group Controller at LucasVarity plc and Group Financial Controller at BTR plc.



TUDOR BROWN CHIEF OPERATING OFFICER & DIRECTOR

Tudor Brown was one of the founders of ARM. Before joining the Company, he was Principal Engineer at Acorn Computers. At ARM, he was Engineering Director and Chief Technical Officer from 1993; in October 2000, he was appointed Executive Vice President, Global Development.



MIKE INGLIS EXECUTIVE VICE PRESIDENT, MARKETING

Mike Inglis joined ARM as Executive Vice President, Marketing in June 2002, and was appointed to the board in August that year. Before joining ARM, he led the UK Communications and High Technology team at A.T. Kearney Management Consultants and held a number of senior positions at Motorola.



MIKE MULLER CHIEF TECHNOLOGY OFFICER & DIRECTOR

Mike Muller was one of the founders of ARM. Before joining the Company, he was responsible for hardware strategy and the development of portable products at Acorn Computers. At ARM he was Vice President, Marketing from 1992 to 1996 and Executive Vice President, Business Development.



PHILIP ROWLEY INDEPENDENT NON- EXECUTIVE DIRECTOR

Philip Rowley joined the ARM board in January 2005. He is President and CEO of AOL Europe, the interactive services, web brands, internet technologies and e-commerce provider. Prior to that his roles included Executive Vice President and Chief Financial Officer of EMI Music Worldwide.



PETER CAWDRON INDEPENDENT NON- EXECUTIVE DIRECTOR

Peter Cawdron joined the ARM board in March 1998. From 1983 to 1997 he worked for Grand Metropolitan plc, where he served as Group Strategy Development Director. He was previously Chief Financial Officer and a director of D'Arcy-MacManus & Masius Worldwide, Inc.



DOUG DUNN INDEPENDENT NON- EXECUTIVE DIRECTOR

Doug Dunn joined the ARM board in December 1998. He was previously President and Chief Executive Officer of ASM Lithography Holding N.V. until his retirement in December 2004. Before joining ASML, he was Chairman and Chief Executive Officer of the Consumer Electronics Division of Royal Philips Electronics N.V.



JEREMY SCUDAMORE INDEPENDENT NON- EXECUTIVE DIRECTOR

Jeremy Scudamore joined the ARM board in April 2004. He is Chief Executive Officer of Avecia Group (formerly the specialty chemicals business of Zeneca) and previously held senior management positions both in the UK and overseas with Zeneca and ICI.



JOHN SCARISBRICK INDEPENDENT NON- EXECUTIVE DIRECTOR

John Scarisbrick joined the ARM board in August 2001. He had previously worked for 25 years at Texas Instruments (TI) in a variety of roles including as Senior Vice President responsible for TI's \$5 billion ASP chip business, and President.



LUCIO L. LANZA NON-EXECUTIVE DIRECTOR

Lucio L. Lanza joined ARM as a non-executive director in December 2004 following ARM's acquisition of Artisan. He was previously a director of Artisan, from 1996, and became Chairman in 1997. He is currently Managing Director of Lanza techVentures, an early stage venture capital and investment firm, which he founded in January 2001.



MARK TEMPLETON NON-EXECUTIVE DIRECTOR

Mark Templeton joined ARM as General Manager, Physical IP in December 2004 as a result of ARM's acquisition of Artisan. He co-founded Artisan in 1991 and was President and Chief Executive Officer for 13 years. He has been instrumental in driving growth in the IP market.



SIMON SEGARS EXECUTIVE VICE PRESIDENT, SALES AND DIRECTOR

Simon Segars joined the ARM board in January 2005. He was appointed Executive Vice President, Worldwide Sales in January 2004. He was previously EVP of Engineering. He joined ARM in early 1991 and has worked on most of the ARM CPU products since then.

MANAGEMENT STRUCTURE & PHILOSOPHY

- New executive team over last 3 years
- Widely experienced and bolstered by strong and diverse non-executive
- Co-ordinated strategy with strong review process
- Delivery culture and proactive approach to business risk

OPERATIONAL REVIEW

	2005	2004	% Growth
ARM Partnership	157		
ARM Connected Community			
ARM Employees	1300		
Processor Division			
# of Licenses Signed	80		
# of Cores Shipped	1.6B		
% ARM926	6%		
% Mobile	64%		
% Non-mobile	36%		
Physical IP Division			
# of Licenses Signed	XX		
# of Synergistic Licenses	6		
Total # of library downloads	24000		
Development Systems Division			
Op goal 1	??		
Op goal 2	??		

FINANCIAL REVIEW

	2005 (\$m)	2004 (\$m)	%Growth	2005 (£m)
Licensing				
PD	126.9	104.2	22%	70.3
PIPD	65.8	63.7	3%	36.2
Royalties				
PD	128.9	107.0	20%	70.9
PIPD	26.0	31.3	-17%	14.2
Development Systems	xx.x	xx.x	xx%	xx.x
Services	72.1	61.0	18%	39.8
Total Revenue	419.7	367.2	14%	231.4

	2005	2004
Operating Margin	31.3%	
PBT*	77.6	
Net Cash Generated	£100M	
EPS*	4.10p	

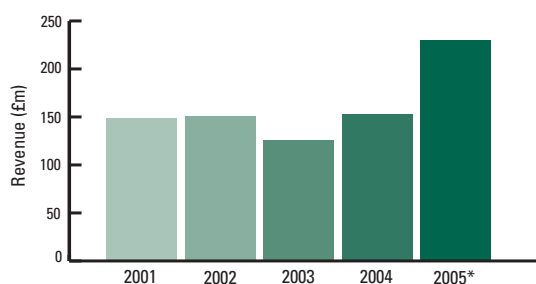
* Before amortization, deferred comp, and share base remuneration

BUSINESS HIGHLIGHTS

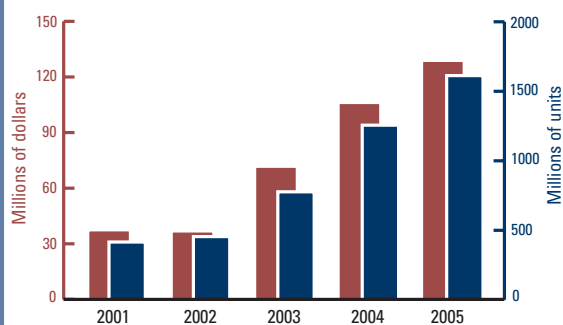
ARM FINANCIALS 2001-2005

Year End 31st December (£m)	2001	2002	2003	2004	2005*
PROFIT & LOSS					
Revenue					
License Fees	76.1	83	51.2	59.6	
Royalties	27.8	27.2	43.5	59.6	
Development Systems	23.4	22.6	17.9	19.9	
Services	19	18.1	15.4	13.8	
Total Revenue	146.3	150.9	128	152.9	
Costs					
Cost of Sales	-17.3	-13.2	-11	-11.8	
Research & Development Costs	-38.9	-48.7	-48.1	-50.1	
Sales & Marketing Costs	-21.4	-24.5	-23	-23.9	
Administration Costs	-20.9	-20.1	-26.2	-29.7	
Operating Expense	-98.5	-106.5	-108.3	-115.5	
Operating Profit	47.8	44.4	19.7	37.4	
Net Interest Payable	4.5	4.4	4.8	6.9	
Exceptional Items	-1.9	-1.4	-1.3	-2.1	
Amortisation	0.3	-2	0	0	
Pretax Profit	50.7	45.4	23.2	42.2	
Basic EPS (Actual) (p)	3.5	3.2	1.5	3.1	
Dividend per Share (p)	0	0	0.6	0.7	
CASH FLOW (£m)					
Pre-amortisation Operating Profit	47.8	44.4	19.8	37.3	
Depreciation & Amortisation	10.4	15.2	16.3	12.5	
EBITDA	58.2	59.7	36	49.8	
Movements in Working Capital	-1.6	-6.3	6.9	0.8	
Other	0.5	0.6	0.8	0.1	
Cash Flow from Operations	57	54.1	43.8	50.7	
Financing Costs	4.6	4.2	4.9	7.2	
Taxation	-9.6	-16.8	-9.9	-11.6	
Gross Capex	-25.9	-18	-5.1	-5.4	
Disposals	2	0	0	0	
	28	23.5	33.7	40.9	
Acquisitions	-1.4	0	-3.4	-88.3	
Operating Free Cash Flow	26.7	23.5	30.3	-47.4	
Dividends	0	0	0	-9	
Share Issues/Buybacks	1.6	4.8	0.3	1.3	
Forex Variances	1	0.2	0.3	0	
Increase/(Decrease) in Net Debt	29.2	28.5	30.8	-55.1	
BALANCE SHEET					
Called-up Share Capital	0.5	0.5	0.5	0.7	
Reserves	137.6	173.8	179.9	617.9	
Net Assets	138.1	174.3	180.4	618.5	
Gross Borrowings	0	0	0	0	
Cash	104.5	130.3	159.8	142.8	
Net Cash / (Debt)	104.5	130.3	159.8	142.8	

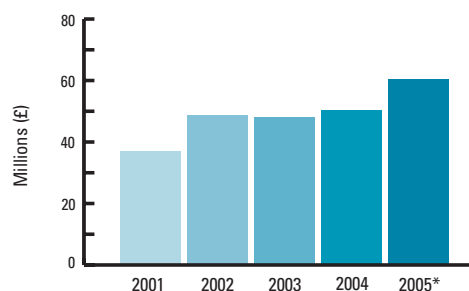
REVENUES



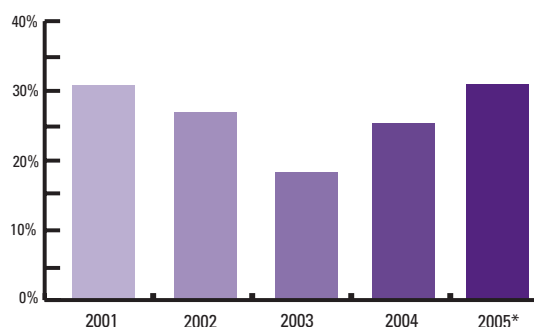
PD ROYALTIES: UNITS & DOLLARS



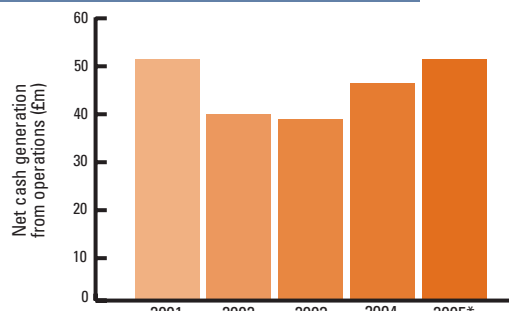
RESEARCH & DEVELOPMENT



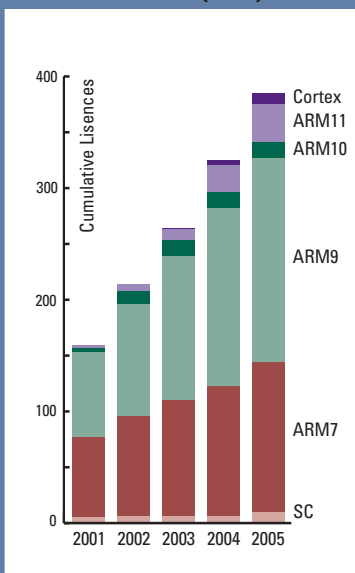
OPERATING MARGIN



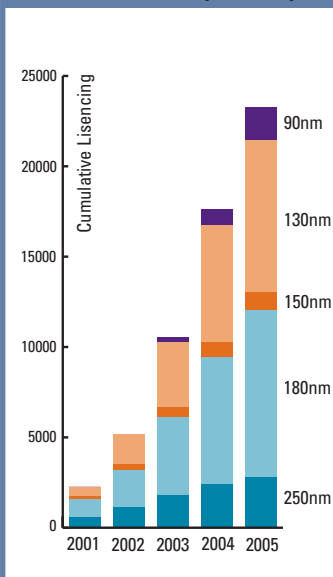
NET CASH GENERATION



CUMULATIVE LICENSING (PD)



CUMULATIVE LICENSING (PIPD)



*Includes the combination of ARM and Artisan