ARM: Media fact sheet (Sept. 1, 2016)

Overview

ARM technology is at the heart of a computing and connectivity revolution that is transforming the way people live and businesses operate. Every day more than 40 million ARM-based chips are shipped by our partners into products that enhance the human experience; connecting people, improving lives and making the impossible possible. From the chip to the cloud and all points in between, ARM is the shaping the smart connected world.

With a history built on more than a quarter of a century of advanced semiconductor engineering, ARM technology has spread from powering the first smartphones into enabling any product where digital intelligence is needed. We are enabling smart cities, smart phones, supercomputers, cars, spacecraft, networking base stations and servers - efficiently, securely and always in partnership.

Key statistics (July, 2016)

- 4,227 employees from 61 nationalities in Europe, N. America, Asia Pacific
- More than 86 billion ARM®-based chips shipped to date (14.9bn FY2015 / 12.1bn in FY2014)
- Processor unit shipments by market (FY2015): 40% mobile / 5% home / 13% enterprise / 42% embedded
- To date circa. >1,379 processor and physical IP licenses sold to 450 partners
- Key industry partners include AMD, Fujitsu, IBM, Mediatek, Qualcomm, Samsung, STMicroelectronics

Markets

- **Mobile**: Devices including smartphones, ultra HD tablets, clamshell devices, e-readers and wearables
- **Embedded**: including automotive, industrial, connectivity, smartcard and Internet of Things devices
- **Enterprise**: Applications such as hard disk drives, networking infrastructure and servers
- **Home**: Consumer devices such as smart TVs, game consoles and home networking gateways.

Business model

Why semiconductor companies use ARM technology

The design work that ARM does requires a large amount of R&D investment and expertise. Every semiconductor company would need to spend between $50 million and $150 million every year to reproduce what ARM does. This represents an additional $20 billion of annual cost for the industry. By designing once and licensing many times, ARM spreads the R&D costs over the whole industry and helps make digital electronics cheaper.

How ARM makes money

The partner companies who adopt ARM technology pay an up-front licence fee to gain access to a design and also a royalty on every chip that uses the licensed design. A single licence is the starting point for many different ARM Powered® chip designs and in 2015, ARM partners shipped 14.8 billion ARM Powered chips. Our designs are used in more than 95% of the world's mobile phones and are increasingly designed into a wide range of other digital electronic products.

How ARM creates value

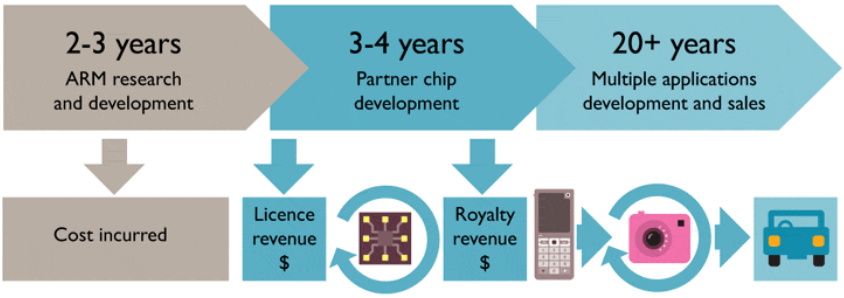
ARM aims to recover its costs from the future licence revenues of each new technology. This would leave the majority of royalties as profits. Over the medium term, we expect royalties to grow faster than licence revenues and costs, making ARM increasingly profitable.

As our customers are the world's largest semiconductor manufacturers, their regular royalty payments have become a highly reliable cash flow. Given our broad base of partners and end markets, ARM is not overly reliant on any one company or consumer product for its future profits and cash.

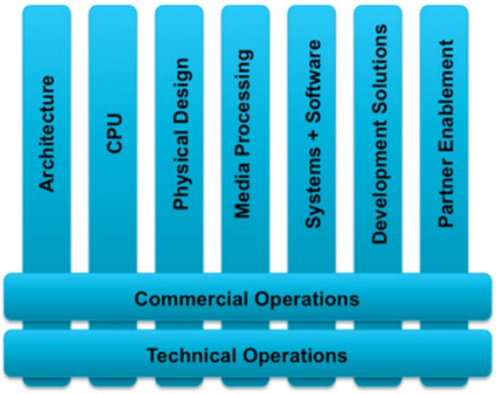
How the ARM business model works

ARM licenses technology designs to semiconductor companies. The licence fee is typically several million dollars, dependent upon which technology has been licensed and the type of licence. The semiconductor company will design and manufacture a chip utilising the ARM technology. The chip will then be incorporated into a digital electronic product, which is sold to the consumer.

ARM receives a royalty, typically based on a percentage of the chip price, for every chip sold by the semiconductor company containing ARM technology. These royalties are received by ARM one financial quarter after the one in which the chip is shipped by our partners. It takes an average of 3-4 years from the time the semiconductor company signs the licence until they start to pay royalties. Many customers are able to re-use the same ARM technology in many different chips going into a broad range of end markets. Each new chip starts a new stream of royalties.



Organisational Structure



Architecture and Technology Group**:** delivers logical architecture and associated technology, including CPU, GPU, Interconnect, Debug and Systems.

CPU Group: delivers the entire CPU roadmap.

Media Processing Group: delivers ARM's media products roadmap.

Development Solutions Group: delivers the software tool product portfolio, including the current development systems roadmap, all compiler work for CPUs, GPU tooling, and ownership of the third party ecosystem to ensure the best tools for ARM products regardless of whether they came from ARM or not.

Physical Design Group: delivers the physical IP roadmap and partnering with ARM's ecosystem to ensure the best implementations of ARM-based SoCs can be created by our partners.

Systems and Software Group: ensures that optimal ARM-based compute subsystems can be created by delivering on our systems IP roadmap, and testing, validating and benchmarking to ensure ARM leadership. This Group is also responsible for all operating systems work.

Partner Enablement Group: supports partners' deployment of ARM-based systems and accelerate time to royalty through first-line support, pro-active and on-site support, training and technical documentation.

ARM Executive Committee

Simon Segars - Chief Executive Officer Simon Segars, CEO, has been at the heart of transformational change in the technology industry for 25 years. He led the development of early ARM processors for the world's first digital mobile phones and now spearheads ARM's vision for smart and connected technologies that create better social, economic, education and health prospects for all. Before being appointed CEO in July 2013, Simon held several leadership positions within ARM's engineering and business development teams. He lives in California's Silicon Valley, but spends much of his time meeting leading influencers in the world's technology hubs in the US, Europe and Asia. He is a member serves on the Boards of the Global Semiconductor Alliance (GSA), the Electronic System Design Alliance (ESD Alliance), and as a non-executive director at Dolby Laboratories, Inc. Simon holds a number of patents in the field of embedded CPU design and earned his BEng in electronic engineering from the University of Sussex as well as an MSc in computer science from the University of Manchester.

Chris Kennedy - Chief Financial Officer joined the Board as Chief Financial Officer on 1 September 2015. He brings to ARM more than 20 years of international experience in senior financial roles in a broad range of sectors, most recently at easyJet plc where he was CFO from 2010 onwards and a key part of the management team that transformed its performance. Prior to this he worked at EMI plc and was appointed to the board of EMI's holding company, Maltby Ltd in 2008 as CFO and then Chief Investment Officer.

Graham Budd - Chief Operating Officer was appointed Chief Operating Officer in July 2008. Prior to this he was EVP and General Manager of the Processor Division from July 2005. He joined ARM in 1992 as a VLSI design engineer and led the development of several of ARM's early system-on-chip designs. Since then he has held a number of engineering, marketing and operations leadership roles. He is a chartered engineer.

Philip Davis - General Counsel & Company Secretary joined ARM as General Counsel on 1 September 2014. Philip was previously Legal Director of the Enterprise Division of Vodafone from 2012. Philip has 20 years' experience as a corporate and commercial lawyer in business, having worked in both private legal practice and public companies in the UK and globally. Former roles include General Counsel & Company Secretary of Cable & Wireless Worldwide plc, W S Atkins plc and Bookham Technology plc.

Mike Muller - Chief Technology Officer is one of ARM's founders and he has served as VP, Marketing from 1992 to 1996 and EVP, Business Development until October 2000 when he was appointed Chief Technology Officer. In October 2001, he was appointed to the Board.

Jennifer Duvalier - EVP People joined ARM as Executive Vice President, People in September 2013. Prior to joining ARM, she was Group People & Culture Director for 6 years at UBM plc, the global events-led marketing and communications services business, and was previously Group HR Director for an international media and marketing services group. Her earlier career was in management consultancy and banking.

Pete Hutton - EVP and President of Product Groups was appointed EVP and President of Product Groups in January 2014 and is responsible for development and delivery of ARM's main business lines including ARM processors, Mali graphics processors and Artisan Physical IP. Pete joined ARM in 2008 from Wolfson Microelectronic and was also general manager, processors, at ARC International and group director for Cadence Design Systems.

Thomas P. Lantzsch - EVP Strategy joined ARM in December 2006 as VP Marketing for the Physical IP Division. In 2009 he became EVP of Corporate Development and joined the Executive Committee in 2010. He has been a senior business leader for over 30 years in both Fortune 500 companies and early stage startups. Previous roles include CEO of StarCore, 13 years with Motorola in VP positions (sales, marketing and operations) in four countries, having started his career with Texas Instruments.

Rene Haas - EVP and Chief Commercial Officer was appointed as Executive Vice President and Chief Commercial Officer leading ARM sales and marketing in October 2015, having joined ARM as VP Strategic Alliances in October 2013. Prior to this, Rene spent 7 years at NVIDIA as the Vice President and General Manager of NVIDIA's Computing Products Business. Former roles include the first VP Sales at both Tensilica and Scintera. He was also Director of Sales at NEC for Major Accounts and has held multiple Applications Management, Applications Engineering and Product Engineering roles in his career.

Dipesh Patel - EVP Incubation Businesses since October 2015 and is responsible for development of new businesses to create solutions to enable the Internet of Things. He was previously EVP Technical Operations, responsible for ARM's infrastructure used for IP development. Before this role he was general manager of the physical design group. Dipesh joined ARM in 1997 and has held senior management positions working primarily in System on Chip (SoC) related activities including vice president of Technology for physical IP and Director of Research.

Andy Smith - Chief Information Officer joined ARM in 2014 as Chief Information Officer. Prior to this he spent 5 years as a Government CIO working for one of the agencies within Defence. Before that he worked for 20 years with BP in a variety of roles and locations around the world, the last 8 years of which were spent on a series of challenging CIO roles.

Allen Wu - EVP and President of ARM Greater China was appointed President of ARM Greater China in January 2013. He joined ARM in 2004 and held the roles of President of ARM China and Country Manager & VP of sales for ARM China. Prior to ARM, Allen was VP of Corporate Marketing at Arasor, Entrepreneur in Residence at NEC America, and the founder for AccelerateMobile. He held sales and engineering positions at Mentor Graphics, LSI Logic, and Intel in the Silicon Valley. Allen holds two US patents in core based IC design methodology.

ARM Contacts

Andy Winstanley
Director of External Communications, US & EMEA
+44 1223 405244/+44 7788 249712
andy.winstanley@arm.com

Phil Hughes
Director of Technical PR and analyst relations
+1 512 330 1844/ +1 512 330 1844
Phil.Hughes@arm.com