



MIPS
TECHNOLOGIES

At the core of the user experience.®

EDAC CEO Forecast

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February 2, 2006

In the Intellectual Property World....

- Moore's Law drives
- Higher densities drives
- Longer design cycles drives
- Dramatically increasing NRE's drives
- Increasing demand for IP reuse drives
- Standard functions & interfaces drives
- Programmable solutions for differentiation

- Opportunities for Growth
 - Consumer: Digital TV & DVD
 - Wireless Communications

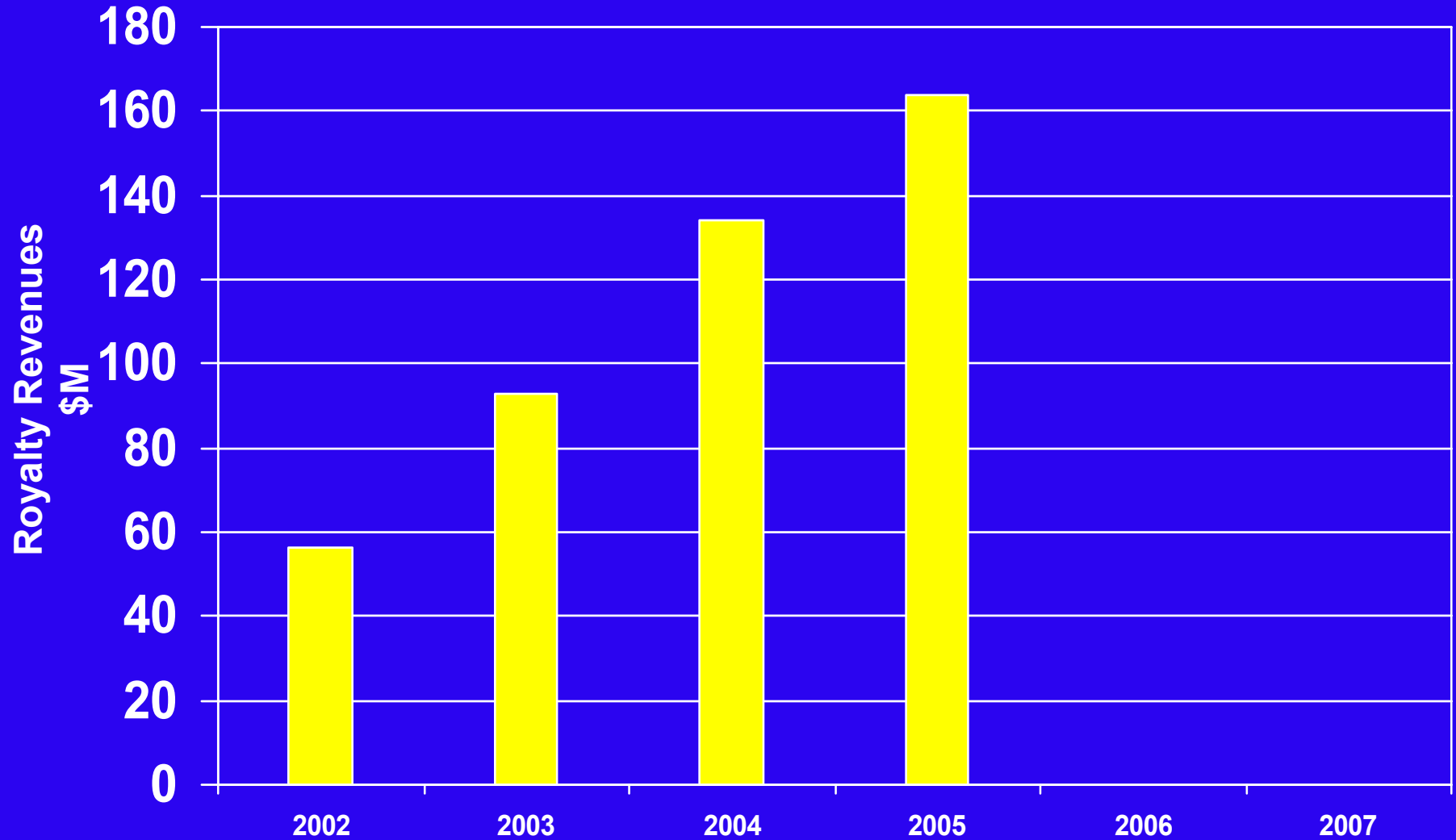
2006

- **System Level Verification Taking Hold**
 - Allows parallelization of hardware & software tasks, materially improving time to market.
 - Offsets longer design cycles for SOC's
 - System C

- **Platform Usage Much More Widespread**
 - e.g. EMMA, DaVinci, UniPhier
 - Consistent set of API's and programming models, particularly for consumer products.
 - Enhances reusability and time to market for products beyond the first.

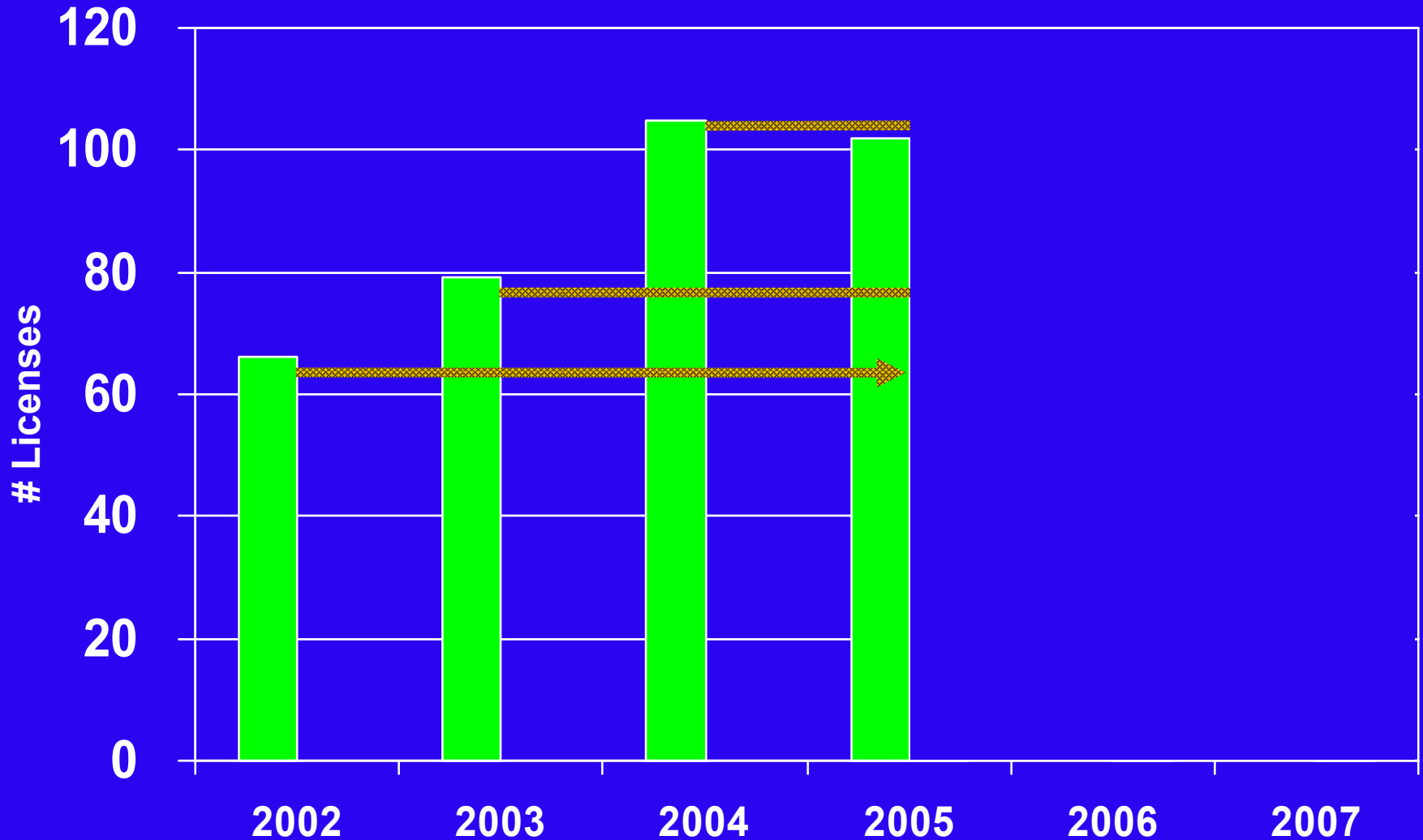
- **Both Trends are Accelerating**
the Already Rapid Growth in IP Usage

Processor IP Royalties from Top 2 Suppliers



Licenses Translate to Royalties 3 years Later

Top 2 Processor IP Suppliers



Summary

- Long term trends play into the value proposition for IP.
- SystemC & Platform usage are:
 - Helping reduce the cost & time of development
 - Accelerating the rate of new product introductions.
- Royalty rates for major IP suppliers show rapidly growing IP usage.
- Recent historical license rates suggest more such growth is ahead.

Thank You