



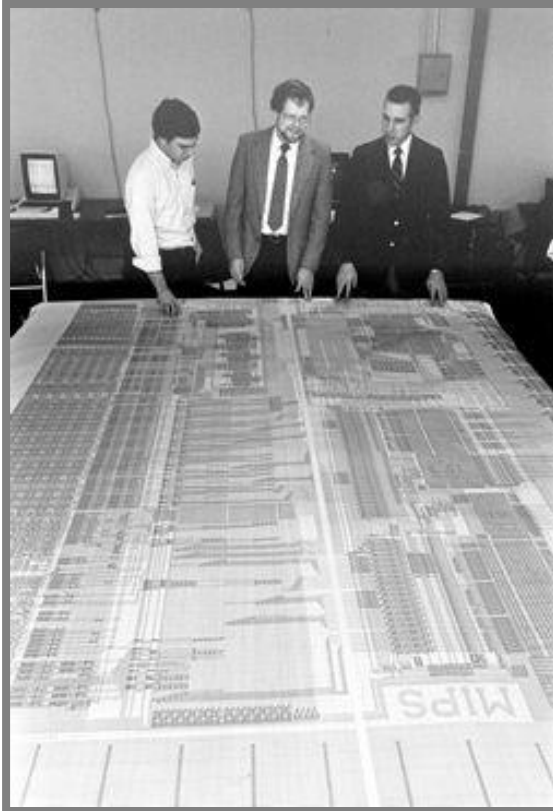
# Investor Presentation

November 2011

# Safe Harbor for Forward-Looking Statements

This presentation contains forward-looking statements; such statements are indicated by forward-looking language such as “plans”, “anticipates”, “expects”, “will”, and other words or phrases contemplating future activities including statements about future technology and growth. These forward-looking statements include MIPS’ expectation regarding improvements in financial results. Actual events or results may differ materially from those anticipated in these forward-looking statements as a result of a number of different risks and uncertainties, including but not limited to: the fact that there can be no assurance that our products will achieve market acceptance, changes in our research and development expenses, the anticipated benefits of our partnering relationships may be more difficult to achieve than expected, the timing of or delays in customer orders, delays in the design process, the length of MIPS Technologies’ sales cycle, MIPS’ ability to develop, introduce and market new products and product enhancements, the level of demand for semiconductors and end-user products that incorporate semiconductors and our ability to compete effectively with larger companies and other companies that are active in our markets. For a further discussion of risk factors affecting our business, we refer you to the risk factors section in the documents we file from time to time with the Securities and Exchange Commission.

# The Heritage of the MIPS Architecture



*Photo: In 1984, Stanford computer scientists John Shott, John Hennessy and James D. Meindl brainstorm about the MIPS project (Photo: Chuck Painter)*

**Pioneered by Stanford President John Hennessy in the 1980s**

**Pure, fast, efficient, elegant RISC architecture designed for performance**

**Now the architecture of choice for multimedia, home networking & beyond**

**Innovation continues by MIPS and licensees—Broadcom, Cavium, ICT, Ingenic, Loongson, NEC, NetLogic, Toshiba, others**

**Strong patent position with more than 580 patent properties worldwide**

**Widely used, widely taught architecture with millions of lines of code written for it**

# Market Leadership and Expansion



- Number One Market Share\*
- Digital TV
- Cable, Satellite & IPTV Set-top Boxes
- Blu-ray Players
- Broadband CPE
- WiFi Access Points and Routers

\*MIPS and Industry Analyst Data



Leading position in the digital home; Strong in networking; Aggressively expanding into mobile

# Strategic Growth in Key Markets

## Digital Home

- **Maintain #1 position across the home**
- **Invest in connected device ecosystem**

## Wired/ Wireless Networking

- **Maintain wireless leadership**
- **Leverage PowerPC transition to MIPS**
- **Leverage leadership in multicore, multi-threading & 64-bit**

## Mobile

- **Use Android & 4G to dislodge ARM monopoly**
- **Make pioneer customers successful**
- **Invest in connected device ecosystem**

**Maintaining lead in traditional markets;  
aggressive market expansion**

# Convergence Between Digital Home and Mobile

Mobile

Home

*Shared Ecosystem*



Smartphone / Tablet

Ultra-high End



Feature Phone

High-End

Ultra-Low Cost Phone

Mid-Range

Low-End

**Robust shared ecosystem is essential for growth  
in high-end mobile and ultra-high end connected home**

# MIPS Goes Mobile!



+ 4G =

100 mbps – 1GBps



**Android + 4G = opportunity for MIPS to enter the mobile market**

**MIPS is already strong in portable devices such as PMPs and digital cameras; now bringing benefits of the high performance/low power MIPS architecture to mobile**

**Gaining traction in mobile with initial customers for apps processing, baseband processing and more**

# Recent MIPS-Based Mobile Milestones



Millions of mobile devices shipped to-date



Several phones in the market



1GHz+ SoCs for mobile available now



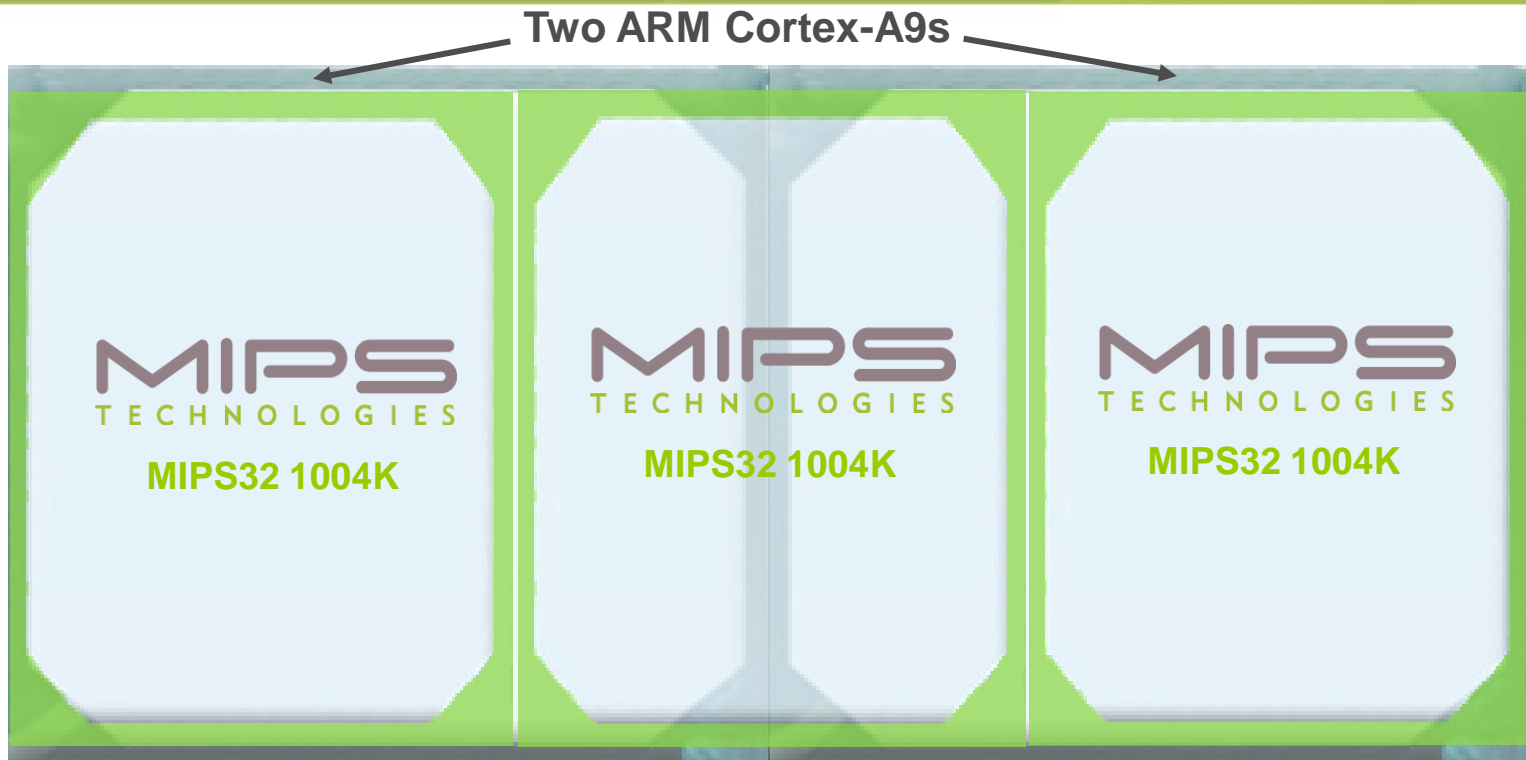
1GHz Honeycomb tablets shipping now



New LTE SoCs from leading provider of 4G handset SoCs

Bringing the right performance and ecosystem to our licensees for the next generation of smart mobile devices

# Silicon Area Advantage



Three MIPS32 1004K Cores = 3.6mm<sup>2</sup>\*

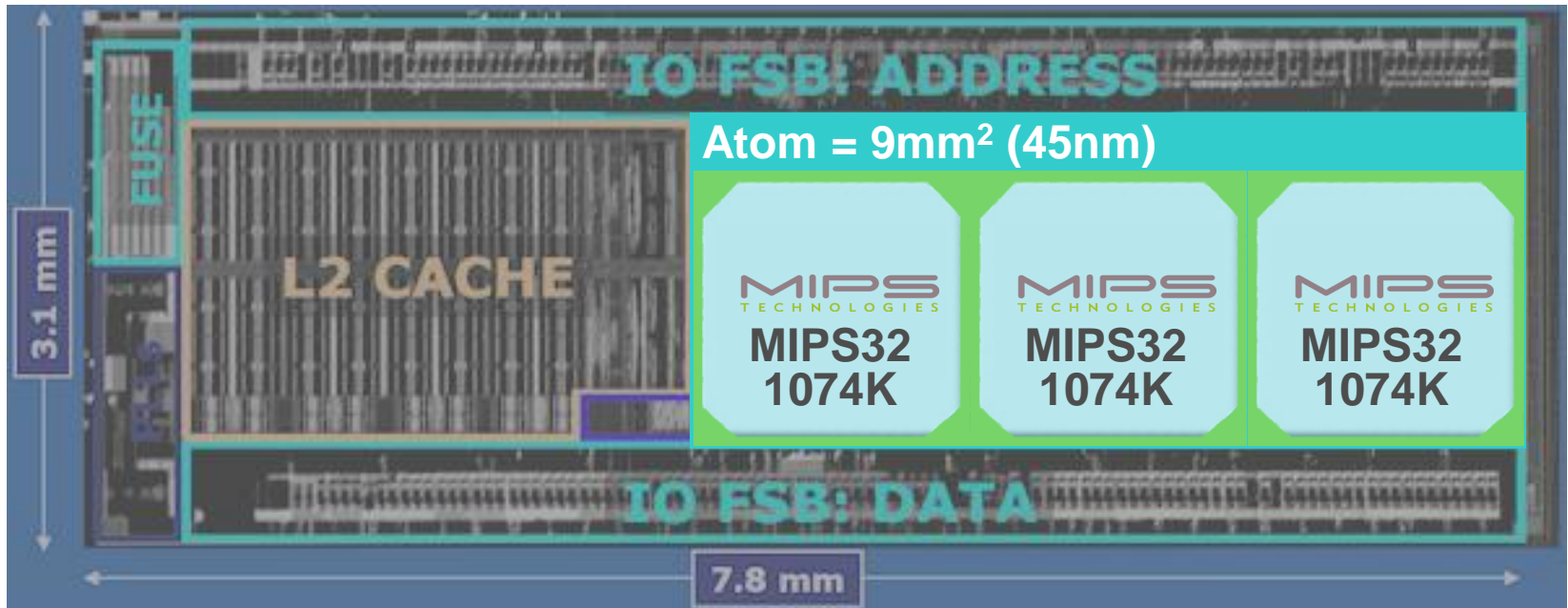
Two ARM Cortex-A9 Cores = 3.6mm<sup>2</sup>\*

**3-core MIPS 1004K occupies same die area as 2-core ARM Cortex-A9 leading to higher performance and low power**

Worst Case SS Corner Frequencies, Production Margins ARM = 12T power opt, MIPS = 9T freq opt  
Source: MIPS and ARM public data; A9 area estimated from published 4.6mm<sup>2</sup> data; Neon area removed (area based on publicly available floorplans)

# 1074K vs. Atom: 3 Cores are Better than 1!

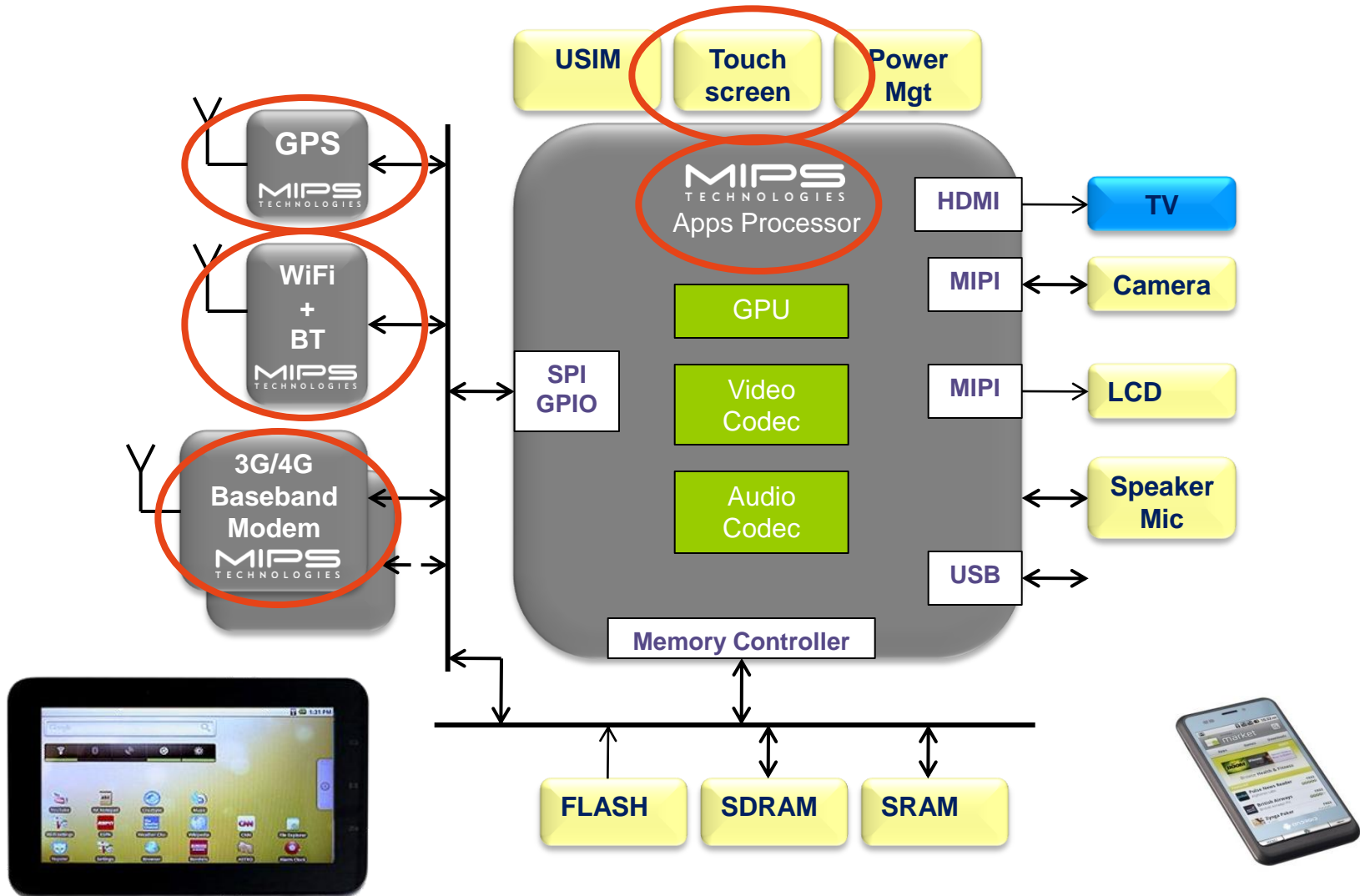
*“If anyone needs any smashed Atoms, contact MIPS.”*  
--Jon Peddie’s Techwatch



**The 1074K core delivers nearly 2.5x the performance  
in a smaller silicon footprint versus the Intel Atom**

Data sources: Atom: [www.intel.com](http://www.intel.com), Anandtech, other web content (Z5xx and CE4100 data); MIPS: prelim synthesis data for 1074Kf for 3 core CPS including fully configured FPU cores, plus CM functions; Benchmark data measured by both CoreMark and DMIPS

# Multiple Entry Points in Mobile Devices



# Industry's Most Scalable Processor Architecture



Microchip PIC32 Microcontrollers



64-bit Multicore Chips for Advanced Networking

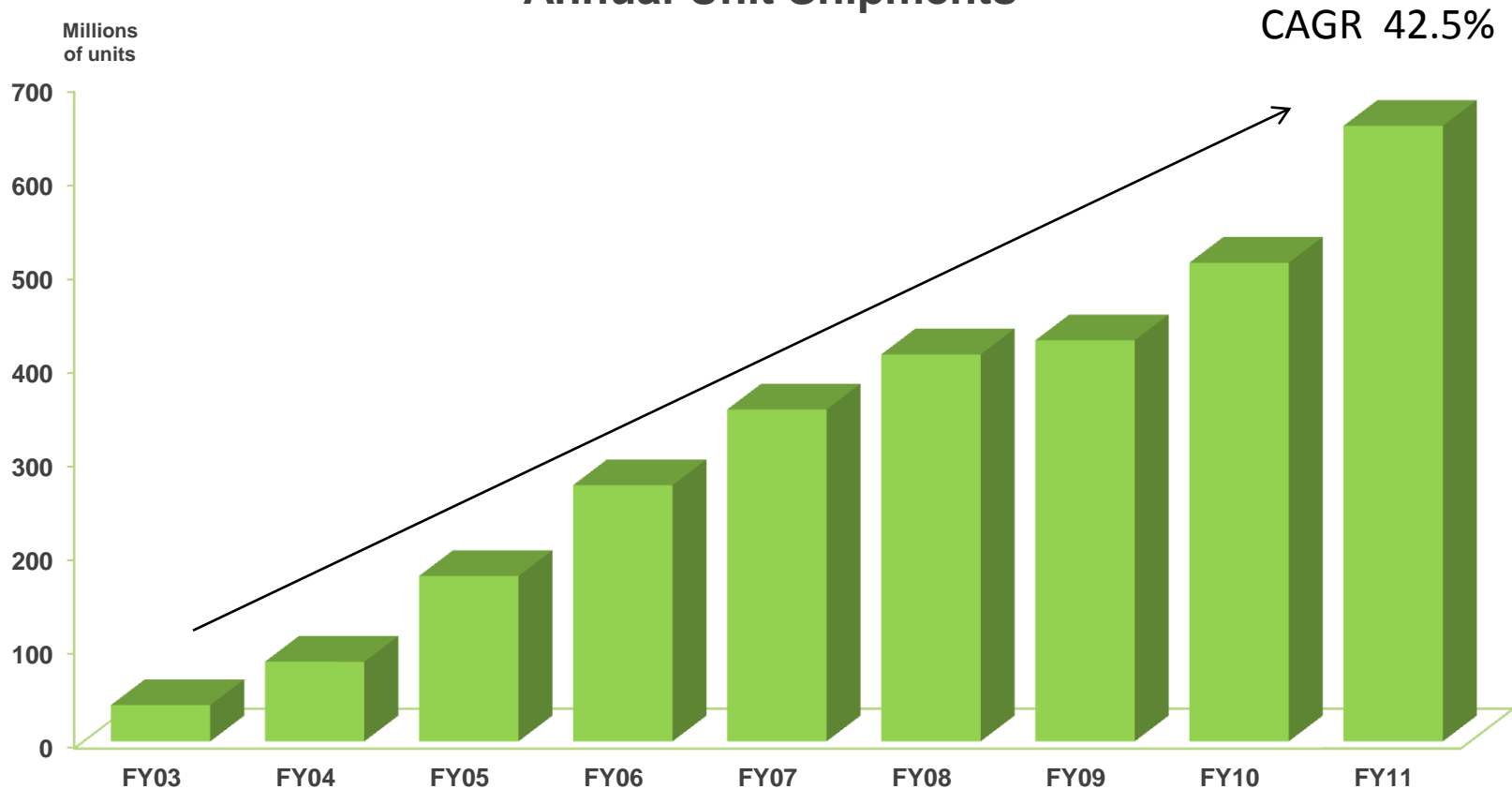


And everything in between



# Record Royalty Unit Shipments

## Annual Unit Shipments



**>3 billion unit installed base since 2000;  
>656 million units shipped in FY11**

\*MIPS royalty units reflect previous quarter shipments

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MIPS  
TECHNOLOGIES

# FY2011 Financial Results

(Year Ending June 30, 2011)

- ❖ Revenue: \$82.0 million (16% growth YoY)
- ❖ Pro-forma net income: \$22.9 million or 43 cents per share (13% EPS growth YoY)
- ❖ Cash and investments: >\$109 million
  - ❖ No debt
- ❖ Exited FY11 with 10 mobile licensees
- ❖ 656 million royalty units reported by MIPS licensees shipped in their year ended March 31 (+29% YoY)
- ❖ >2.9 billion unit installed base since 2000

# Q1 FY12 Financial Results

(Quarter Ending September 30, 2011)

- ❖ Revenue: \$17.2 million (2% decline QoQ)
- ❖ Pro-forma net income: \$2.6 million or 5 cents per share (17% EPS growth QoQ)
- ❖ Cash and investments: >\$106.7 million
  - ❖ No debt
- ❖ 173 million royalty units reported by MIPS licensees (+10% YoY)

# MIPS Two Year Pro Forma P&L Statement

|                                    | FY'10<br>GAAP | Adj          | FY'10<br>Non-<br>GAAP | FY'11<br>GAAP | Adj          | FY'11<br>Non-<br>GAAP |
|------------------------------------|---------------|--------------|-----------------------|---------------|--------------|-----------------------|
| <b>Total Revenue</b>               | \$71.0        | \$0.0        | \$71.0                | \$82.0        | \$0.0        | \$82.0                |
| <b>Gross margin</b>                | \$70.1        | \$0.0        | \$70.1                | \$80.7        | \$0.0        | \$80.7                |
| <b>R&amp;D</b>                     | \$24.3        | \$1.3        | \$23.0                | \$27.7        | \$1.5        | \$26.2                |
| <b>S&amp;M</b>                     | \$15.8        | \$0.9        | \$14.9                | \$19.1        | \$1.5        | \$17.6                |
| <b>G&amp;A</b>                     | \$13.6        | \$1.8        | \$11.8                | \$13.5        | \$2.1        | \$11.3                |
| <b>Restructuring</b>               | <u>\$0.7</u>  | <u>\$0.7</u> | <u>\$0.0</u>          | <u>\$0.0</u>  | <u>\$0.0</u> | <u>\$0.0</u>          |
| <b>Total opex</b>                  | <u>\$54.4</u> | <u>\$4.7</u> | <u>\$49.6</u>         | <u>\$60.3</u> | <u>\$5.1</u> | <u>\$55.2</u>         |
| <b>Operating income</b>            | \$15.7        | (\$4.7)      | \$20.4                | \$20.5        | (\$5.1)      | \$25.5                |
| <b>Net income (loss)</b>           | \$12.8        | (\$4.8)      | \$17.7                | \$17.8        | (\$5.2)      | \$22.9                |
| <b>Net Inc per share - diluted</b> | \$0.28        | (\$0.10)     | \$0.38                | \$0.33        | (\$0.10)     | \$0.43                |
| <b>Shares - diluted</b>            | 46.4          |              |                       | 53.3          |              |                       |
| <b>Operating Income %</b>          | 22%           |              | 29%                   | 25%           |              | 31%                   |

# MIPS Q1'12 Pro Forma P&L Statement

|                                    | Q4'11<br>GAAP | Adj          | Q4'11<br>Non-<br>GAAP | Q1'12<br>GAAP | Adj          | Q1'12<br>Non-<br>GAAP |
|------------------------------------|---------------|--------------|-----------------------|---------------|--------------|-----------------------|
| <b>Total Revenue</b>               | \$17.6        | \$0.0        | \$17.6                | \$17.2        | \$0.0        | \$17.2                |
| <b>Gross margin</b>                | \$17.3        | \$0.0        | \$17.3                | \$17.0        | \$0.0        | \$17.0                |
| <b>R&amp;D</b>                     | \$7.6         | \$0.4        | \$7.2                 | \$7.9         | \$0.5        | \$7.4                 |
| <b>S&amp;M</b>                     | \$4.9         | \$0.5        | \$4.4                 | \$4.8         | \$0.8        | \$4.0                 |
| <b>G&amp;A</b>                     | \$3.2         | \$0.6        | \$2.7                 | \$3.3         | \$0.8        | \$2.4                 |
| <b>Total opex</b>                  | <u>\$15.8</u> | <u>\$1.4</u> | <u>\$14.3</u>         | <u>\$16.0</u> | <u>\$2.1</u> | <u>\$13.9</u>         |
| <b>Operating income</b>            | \$1.6         | (\$1.4)      | \$3.0                 | \$1.0         | (\$2.1)      | \$3.1                 |
| <b>Net income (loss)</b>           | \$0.7         | (\$1.5)      | \$2.3                 | \$0.5         | (\$2.1)      | \$2.6                 |
| <b>Net Inc per share - diluted</b> | \$0.01        | (\$0.03)     | \$0.04                | \$0.01        | (\$0.04)     | \$0.05                |
| <b>Shares - diluted</b>            | 54.2          |              |                       | 53.7          |              |                       |
| <b>Operating Income %</b>          | 9%            |              | 17%                   | 6%            |              | 18%                   |

# MIPS Q1'12 Balance Sheet

| (\$ in m's)                                 | <u>Q111</u>  | <u>Q411</u>  | <u>Q112</u>  | <u>Q/Q</u>   | <u>YoY</u>     |
|---|--------------|--------------|--------------|--------------|----------------|
| <b>Assets</b>                               |              |              |              |              |                |
| Cash  | \$42.6       | \$69.2       | \$57.8       | (\$11.4)     | \$15.2         |
| Short Term Investments                      | \$22.6       | \$40.2       | \$48.9       | \$8.7        | \$26.3         |
| Accounts Receivable, net                    | \$4.6        | \$2.6        | \$4.4        | \$1.8        | (\$0.2)        |
| Other Assets                                | <u>\$1.6</u> | <u>\$1.6</u> | <u>\$1.7</u> | <u>\$0.1</u> | <u>\$0.1</u>   |
| Total Current Assets                        | \$71.4       | \$113.6      | \$112.8      | (\$0.8)      | \$41.4         |
| Intangible Assets                           | \$0.2        | \$2.1        | \$2.0        | (\$0.1)      | \$1.8          |
| Other Assets                                | \$8.6        | \$5.9        | \$5.2        | (\$0.6)      | (\$3.4)        |
| Total Assets                                | \$80.2       | \$121.6      | \$120.0      | (\$1.6)      | \$39.8         |
| <b>Liabilities and Stockholder's Equity</b> |              |              |              |              |                |
| Accrued Compensation                        | \$3.5        | \$6.3        | \$2.4        | (\$3.8)      | (\$1.1)        |
| Deferred Revenue                            | \$2.6        | \$1.8        | \$1.6        | (\$0.2)      | (\$0.9)        |
| Other Current Liabilities                   | <u>\$7.3</u> | <u>\$3.5</u> | <u>\$3.7</u> | <u>\$0.2</u> | <u>(\$3.5)</u> |
| Total Current Liabilities                   | \$13.3       | \$11.6       | \$7.8        | (\$3.8)      | (\$5.6)        |
| Other LT Liabilities                        | \$4.8        | \$5.2        | \$5.0        | (\$0.2)      | \$0.3          |
| Total Liabilities                           | \$18.1       | \$16.9       | \$12.8       | (\$4.0)      | (\$5.3)        |
| Stockholder's Equity                        | \$62.1       | \$104.8      | \$107.2      | \$2.4        | \$45.1         |
| Total Liabilities & Equity                  | \$80.2       | \$121.6      | \$120.0      | (\$1.6)      | \$39.8         |

# Strategically Investing for Success

- ❖ Software and ecosystem development—operating systems, applications, tools
- ❖ Core development—accelerating roadmap for highest performing cores
- ❖ OEM/ODM relationships
- ❖ Reference designs and platforms



Digital Home

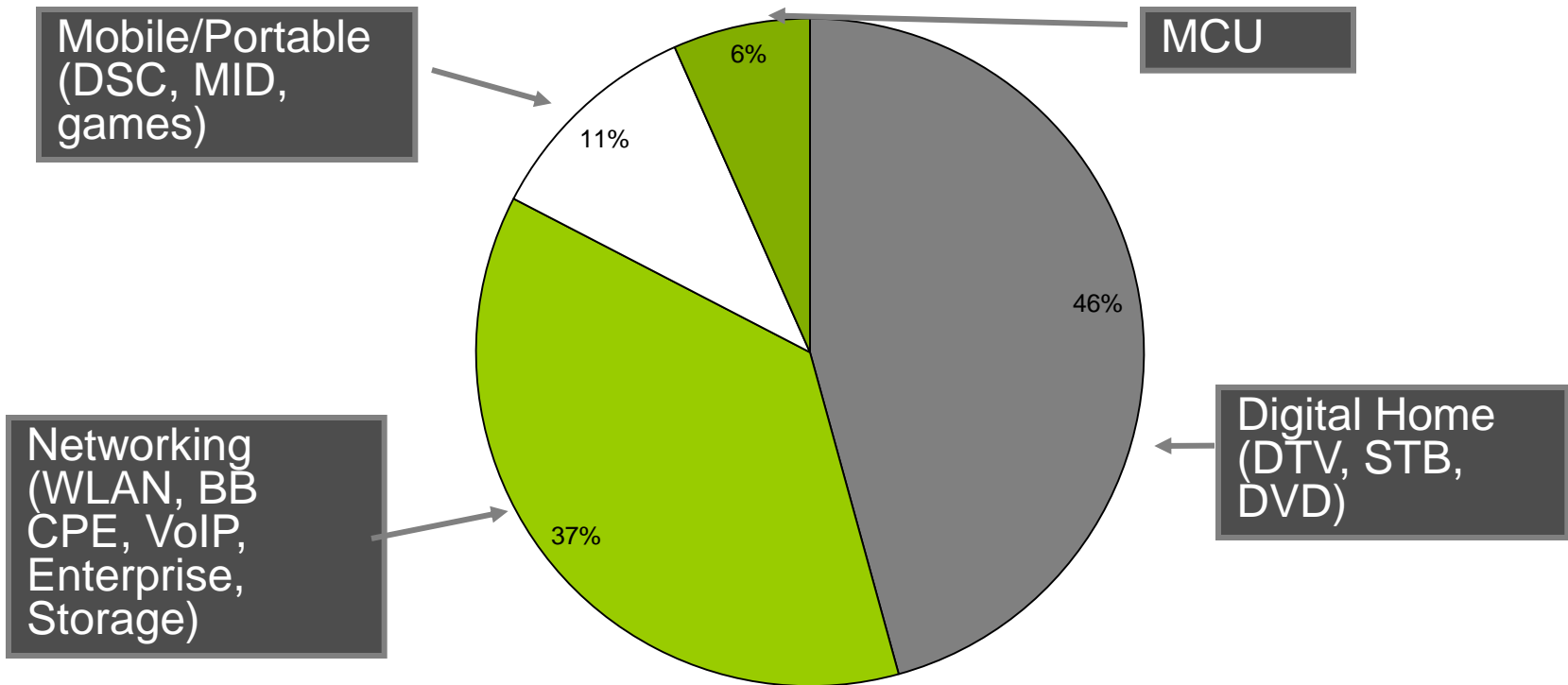
Mobile

Wired/  
Wireless  
Networking

# CY 2010 Royalty Revenue by Segment

**CY2010**

■ Digital Home ■ Networking □ Mobile ■ MCU & Storage



# Why MIPS? Why Now?

**>3 billion unit installed base since 2000;  
656 million units in FY11**

**Debt-free; \$106.7 million cash in bank as of 9/30/11**

**Strong patent position with more than  
580 patent properties worldwide;  
actively exploring monetization strategies**

**Number one in digital home;  
broadly replacing PowerPC in enterprise networking;  
aggressively expanding into mobile**

**Recent milestones—1GHz+ mobile implementations,  
Android Honeycomb tablets shipping; millions of  
smartphones and tablets shipped to-date**



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