



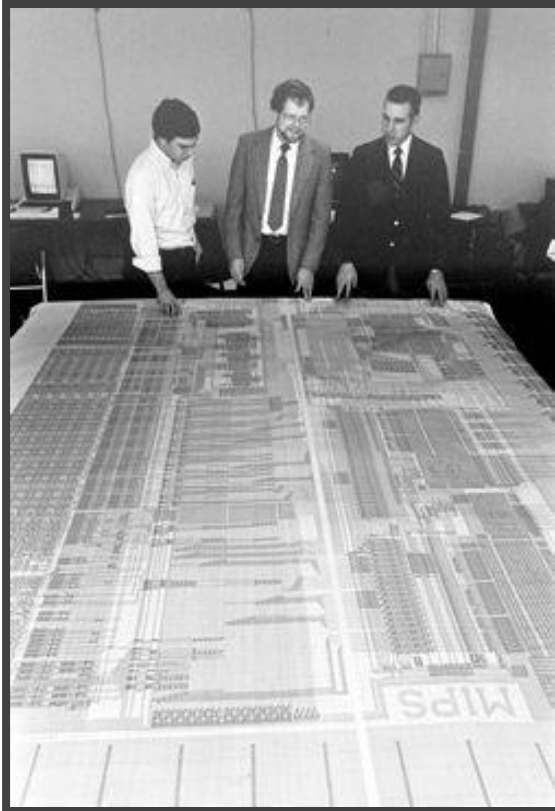
# Investor Presentation

February 2012

# 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

**MIPS**  
TECHNOLOGIES

**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 leading position across the home
- Invest in connected device ecosystem

## Wired/ Wireless Networking

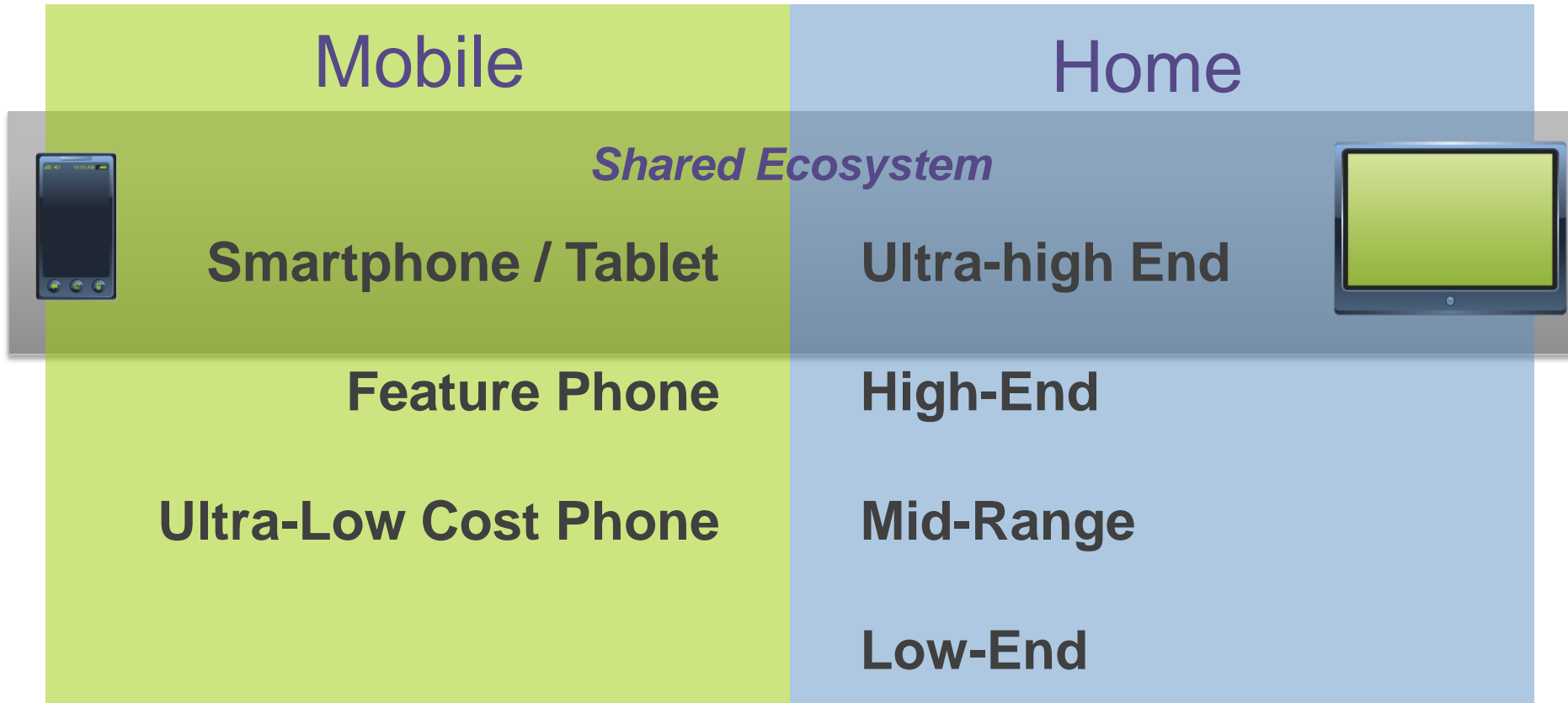
- Maintain leadership in broadband CPE and WLAN
- Facilitate PowerPC transition to MIPS
- Leverage leadership in multicore, multi-threading & 64-bit

## 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



**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 Milestones



Millions of units shipped; Mobile is no longer just an ARM world



Momentum in LTE baseband processing for handsets & tablets



World's first 'Ice Cream Sandwich' tablet—yes it's MIPS!



Breaking tablet price/performance barrier: 1GHz & sub-\$100



Bringing Android 4.0 to the digital home

**Breaking Barriers: MIPS in Mobile; Android for the Masses; Android beyond Mobile**

# World's First Available Android 4.0 Tablet — Yes it's MIPS!



- ✓ *Android 4.0 – Ice Cream Sandwich*
- ✓ *Full functionality*
- ✓ *1GHz performance*
- ✓ *Low power consumption*
- ✓ *Low cost: ASP below \$100!*
- ✓ *Reference port available mid-December  
at [developer.mips.com](http://developer.mips.com)*

*“I’m thrilled to see the entrance of MIPS-Based Android 4.0 tablets into the market. Low cost, high performance tablets are a big win for mobile consumers and a strong illustration of how Android’s openness drives innovation and competition for the benefit of consumers around the world.”*

—Andy Rubin,  
Senior Vice President of Mobile,  
Google

**2 weeks after Google releases Android 4.0, MIPS leads the market by announcing availability of first ICS tablet**

# MIPS in Connected Entertainment



TransGaming:  
real-time, multi-  
screen gaming  
on MIPS-Based  
Android  
devices



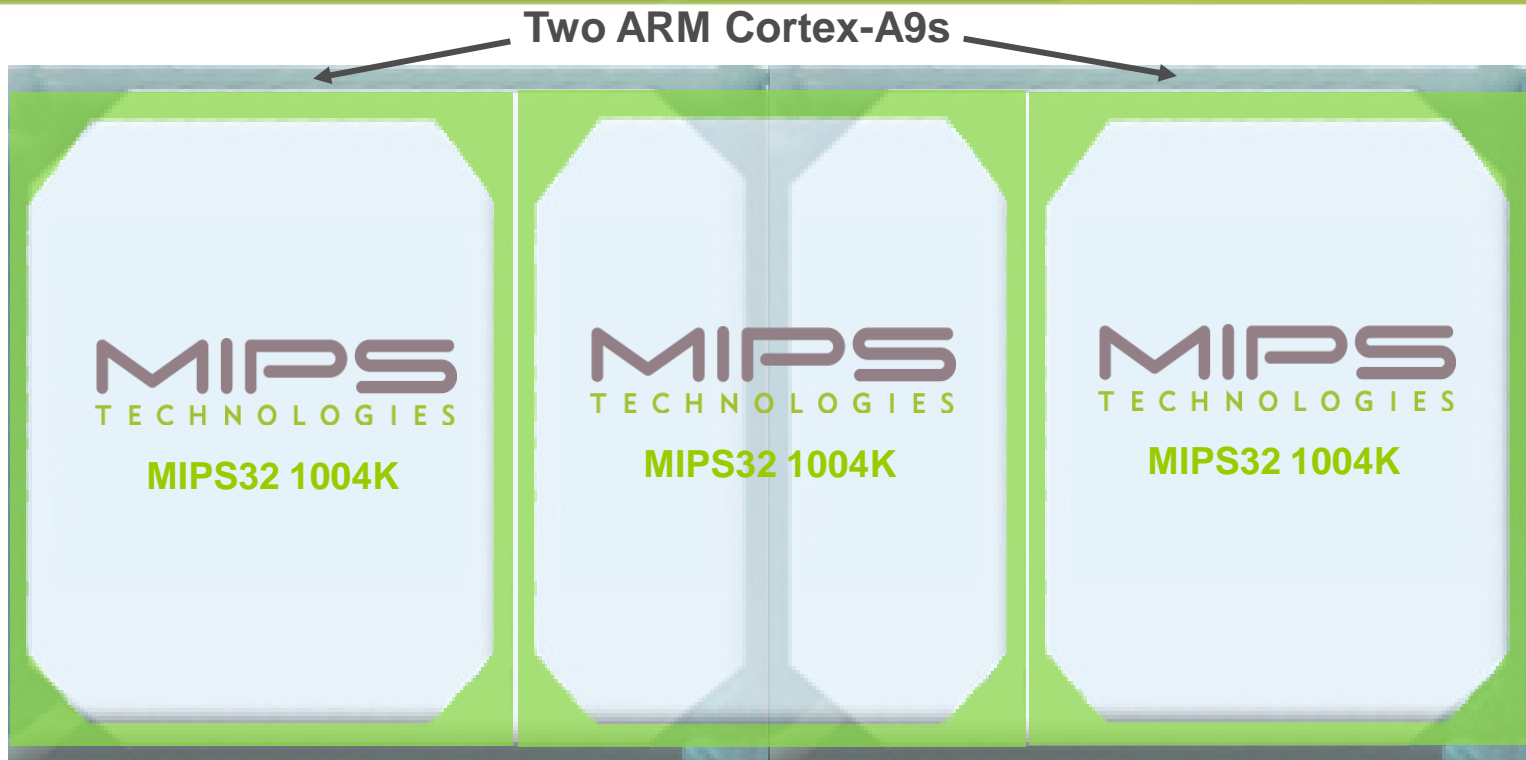
Gameloft and  
MIPS: a high-  
end gaming  
experience  
for the  
mainstream



PacketVideo and MIPS:  
seamless delivery of  
content and access to  
online services across  
multiple screens

**Driving the future connected entertainment experience,  
from content viewing/sharing to multi-screen gaming**

# Silicon Area Advantage



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

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

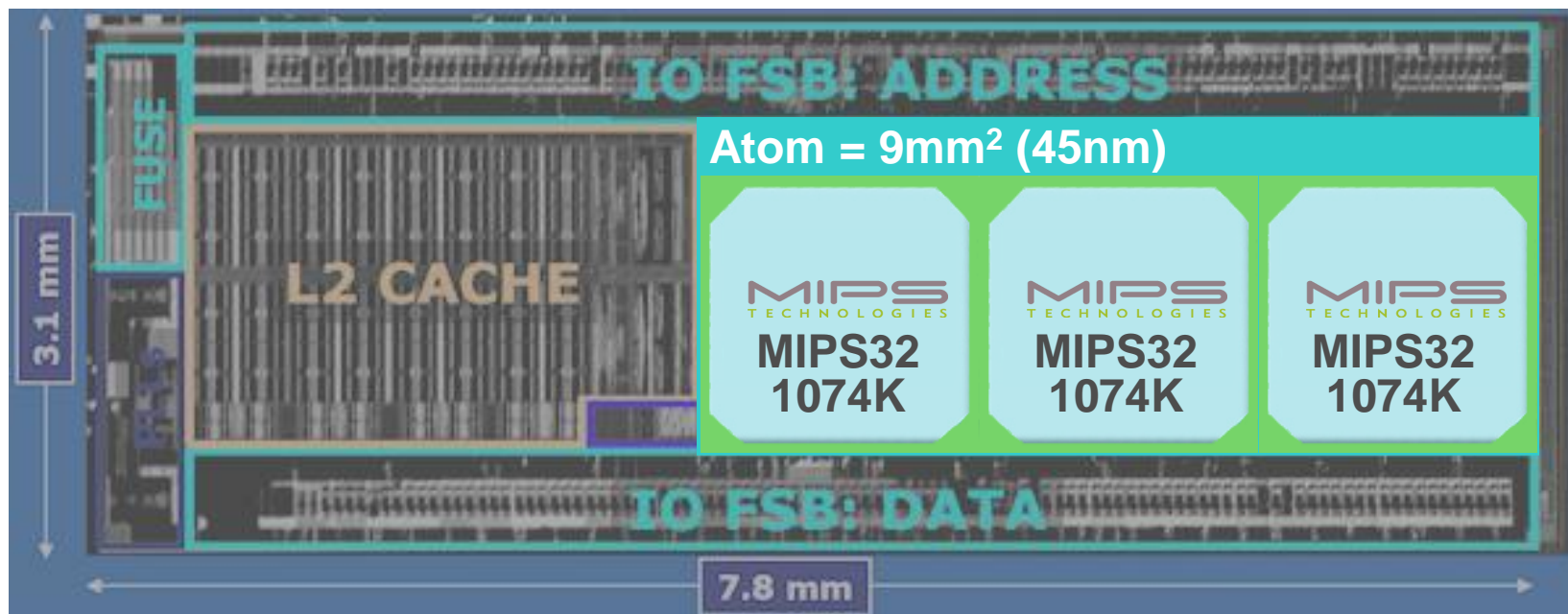
**3-core MIPS 1004K occupies same die area as 2-core ARM Cortex-A9 leading to higher performance and low power**

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.”*

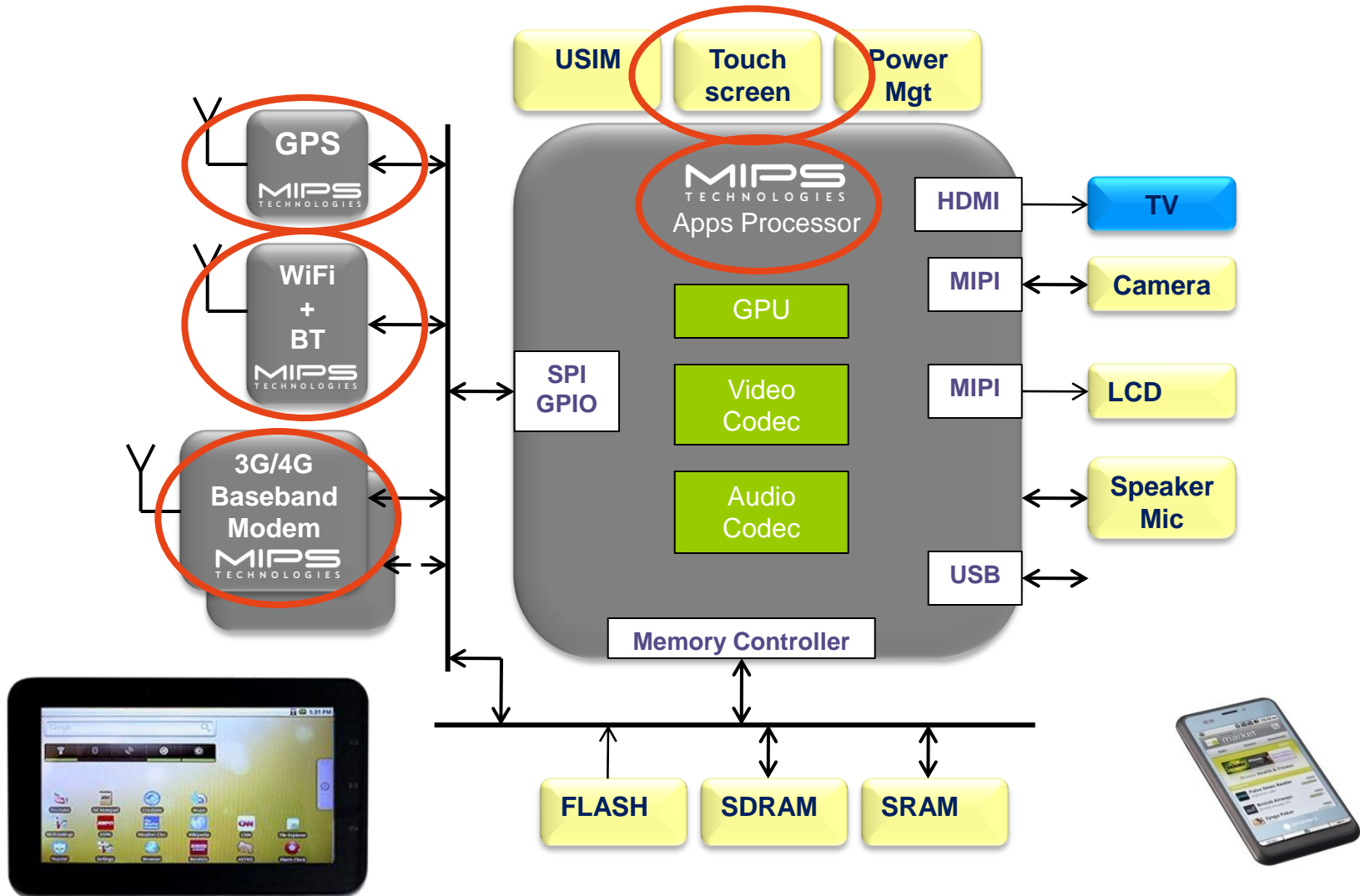
--Jon Peddie's Techwatch



**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

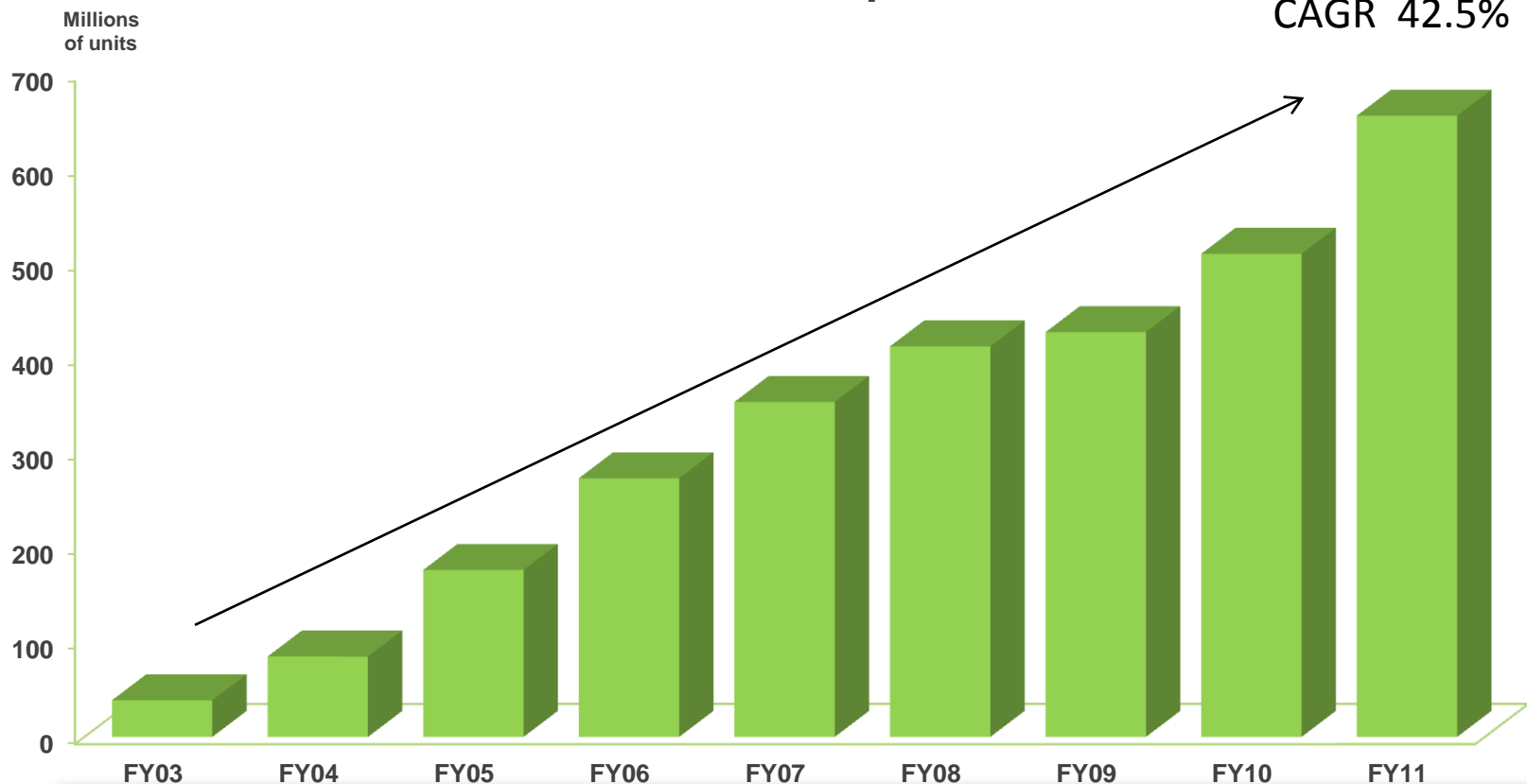


# Industry's Most Scalable Processor Architecture



# 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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# Q2 FY12 Financial Results

(Quarter Ending December 31, 2011)

- ❖ Revenue: \$15.3 million (11% decline QoQ)
- ❖ Pro-forma net income: \$0.6 million or 1 cent per share
- ❖ Cash and investments: >\$110 million
  - ❖ No debt
- ❖ 186 million royalty units reported by MIPS licensees (+8% YoY)

# MIPS Q2'12 Pro Forma P&L Statement

	Q1'12 GAAP	Adj	Q1'12 Non- GAAP	Q2'12 GAAP	Adj	Q2'12 Non- GAAP
<b>Total Revenue</b>	\$17.2	\$0.0	\$17.2	\$15.3	\$0.0	\$15.3
<b>Gross margin</b>	\$17.0	\$0.0	\$17.0	\$15.0	\$0.0	\$15.0
<b>R&amp;D</b>	\$7.9	\$0.5	\$7.4	\$8.3	\$0.5	\$7.7
<b>S&amp;M</b>	\$4.8	\$0.8	\$4.0	\$3.9	\$0.2	\$3.7
<b>G&amp;A</b>	\$3.3	\$0.8	\$2.4	\$3.3	\$0.8	\$2.5
<b>Total opex</b>	<u>\$16.0</u>	<u>\$2.1</u>	<u>\$13.9</u>	<u>\$15.5</u>	<u>\$1.6</u>	<u>\$13.9</u>
<b>Operating income</b>	\$1.0	(\$2.1)	\$3.1	(\$0.6)	(\$1.6)	\$1.1
<b>Net income (loss)</b>	\$0.5	(\$2.1)	\$2.6	(\$1.0)	(\$1.6)	\$0.6
<b>Net Inc per share - diluted</b>	\$0.01	(\$0.04)	\$0.05	(\$0.02)	(\$0.03)	\$0.01
<b>Shares - diluted</b>	53.7			53.7		
<b>Operating Income %</b>	6%		18%	(4%)		7%

# MIPS Q2'12 Balance Sheet

(\$ in m's)

	<u>Q212</u>	<u>Q112</u>	<u>Q211</u>	<u>Q/Q</u>	<u>YoY</u>
<b>Assets</b>					
Cash	\$76.8	\$57.8	\$61.5	\$19.0	\$15.3
Short Term Investments	\$33.9	\$48.9	\$39.4	(\$15.0)	(\$5.5)
Accounts Receivable, net	\$1.0	\$4.4	\$4.3	(\$3.4)	(\$3.3)
Other Assets	\$1.8	\$1.7	\$1.7	\$0.1	\$0.1
Total Current Assets	\$113.6	\$112.8	\$107.0	\$0.8	\$6.5
Intangible Assets	\$1.9	\$2.0	\$0.2	(\$0.1)	\$1.7
Other Assets	\$14.3	\$5.2	\$7.8	\$9.1	\$6.4
Total Assets	\$129.7	\$120.0	\$115.1	\$9.7	\$14.6
<b>Liabilities and Stockholder's Equity</b>					
Accrued Compensation	\$2.0	\$2.4	\$4.8	(\$0.4)	(\$2.8)
Deferred Revenue	\$1.5	\$1.6	\$3.3	(\$0.2)	(\$1.8)
Other Current Liabilities	\$7.3	\$3.7	\$7.8	\$3.5	(\$0.5)
Total Current Liabilities	\$10.7	\$7.8	\$15.9	\$3.0	(\$5.1)
Other LT Liabilities	\$10.5	\$5.0	\$4.8	\$5.4	\$5.6
Total Liabilities	\$21.2	\$12.8	\$20.7	\$8.4	\$0.5
Stockholder's Equity	\$108.5	\$107.2	\$94.4	\$1.3	\$14.1
Total Liabilities & Equity	\$129.7	\$120.0	\$115.1	\$9.7	\$14.6

# 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

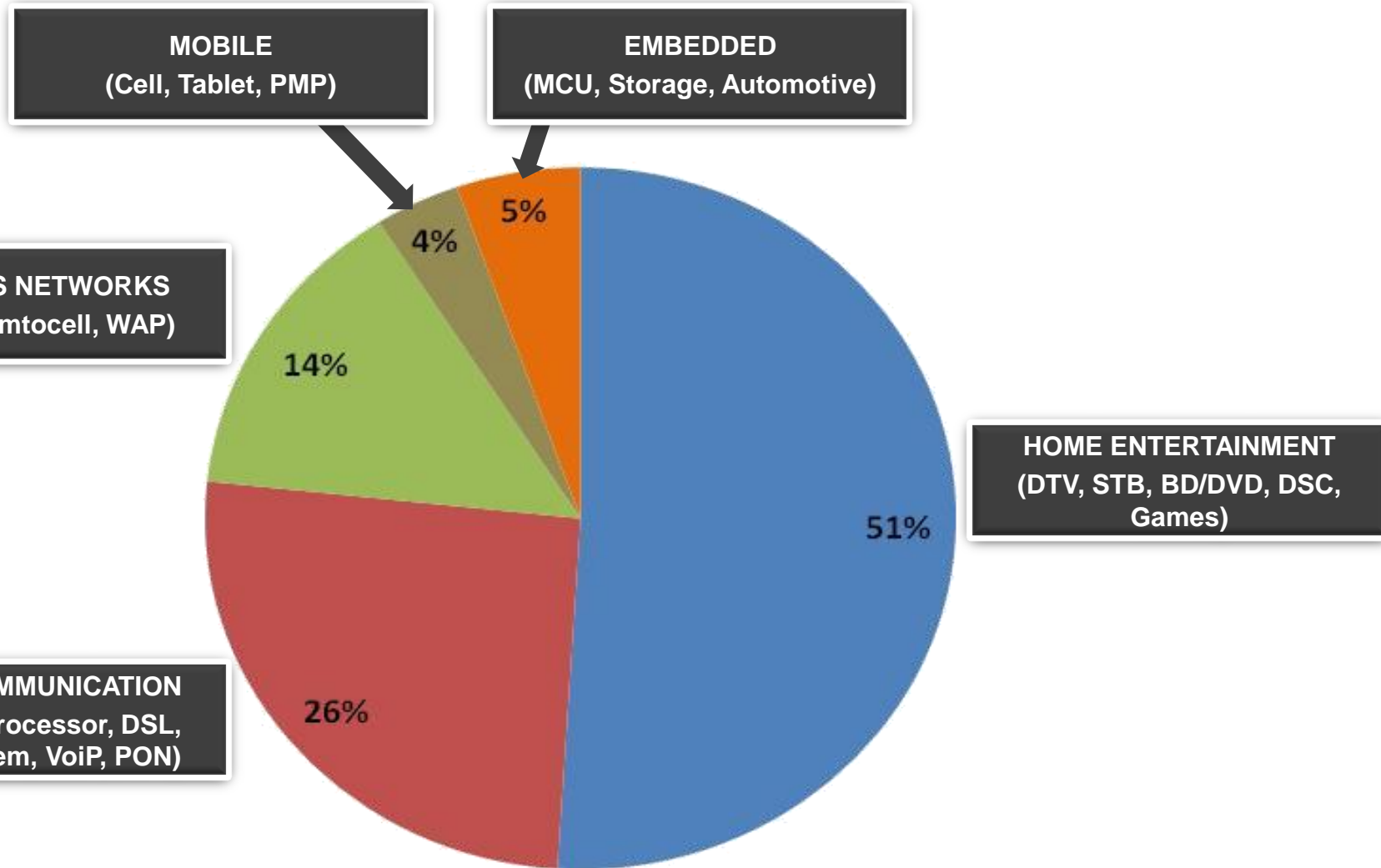


Digital Home

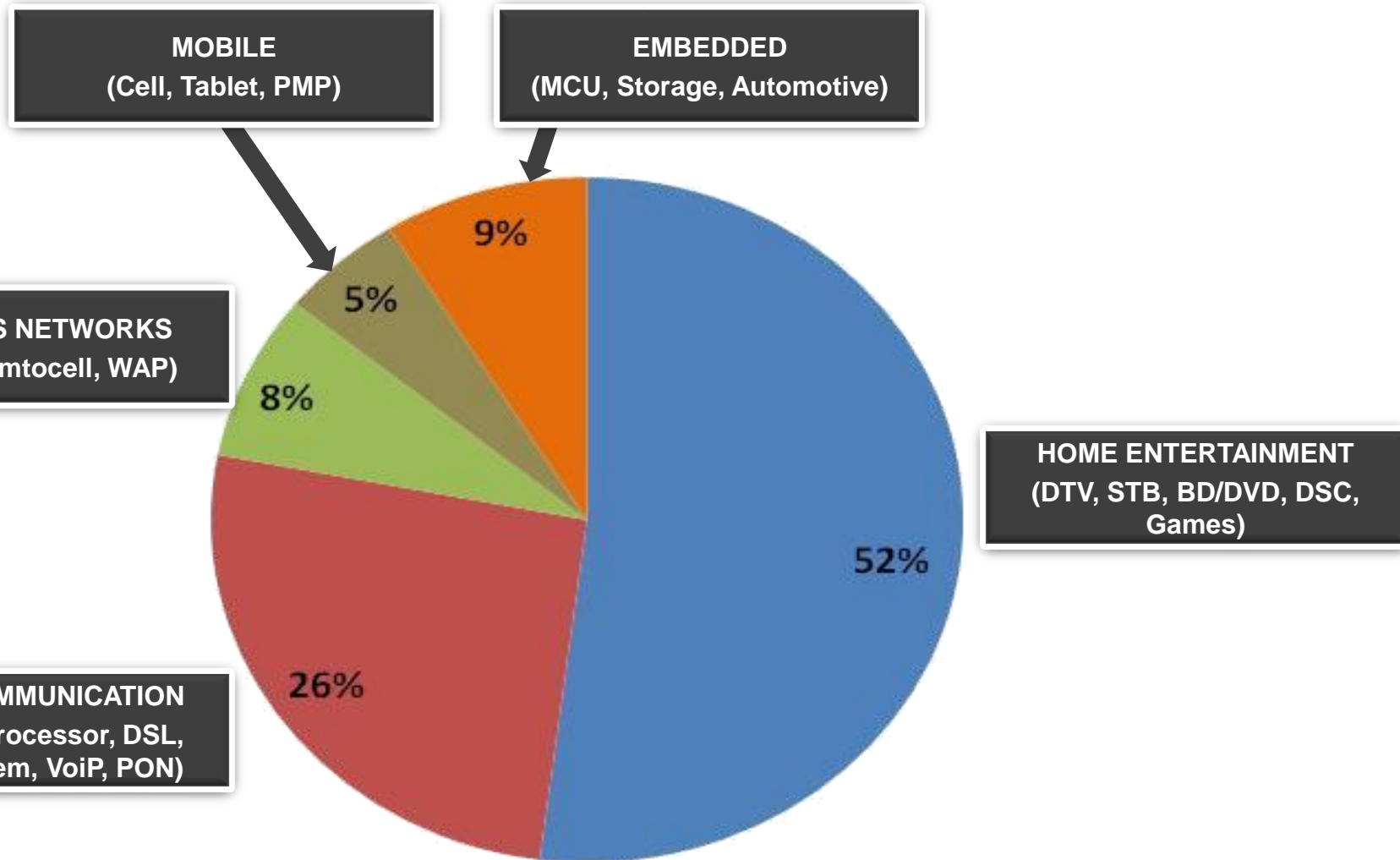
Mobile

Wired/  
Wireless  
Networking

# CY11 Royalty Revenue by Segment



# CY11 Royalty Volume by Segment



# Why MIPS? Why Now?

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

**Debt-free; over \$110 million cash in bank as of 12/31/11**

**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—first Android 4.0 tablets are MIPS!  
1GHz+ mobile implementations; millions of smartphones  
and tablets shipped to-date**



At the core of the user experience®

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