



EMBARGOED until 7.00am BST 24 July 2008

CAMBRIDGE, UK, 24 July 2008—Due to an inadvertent disclosure of our Q2 2008 headline numbers, ARM Holdings plc [(LSE: ARM); (NASDAQ: ARMH)] announces its expected preliminary unaudited financial results for the second quarter and half year ended 30 June 2008. The full set of results will be released on 30 July 2008.

A conference call will be held today at 08:00 BST to discuss this announcement. The dial-in number for the conference call is +44 1452 541 077, Reference ID: 57633449. A play back of the conference call will be available on the ARM IR website at www.arm.com/ir.

Highlights (US GAAP unless otherwise stated)

- Q2 revenues at \$128.1m, £65.0m
 - Normalised operating margin at 31.5% (US GAAP 18.3%)
 - Normalised PBT at £21.1m (US GAAP £12.6m)
 - Normalised EPS at 1.17p (US GAAP 0.71p)
 - Strong orders increase group backlog above previous quarter's record level
- Reiterating FY 2008 guidance
- Processor Division (PD): Strong licensing platform driving royalty momentum
 - Licensing revenues down sequentially and year-on-year
 - H2 licensing uplift expected due to strong opportunity pipeline
 - Architecture license signed for current and future ARM technology with strategic OEM
 - Royalty revenue up 27% year-on-year
- Physical IP Division (PIPD): Second quarter of sequential growth for both licensing and royalty revenues
 - Total revenue at \$22.3m, up 5% year-on-year
 - Licensing revenues increased 7% sequentially to \$12.6m
 - Royalty revenue up 33% year-on-year
- Business model yields increasing cash returns
 - Record generation of cash in the quarter at £26.5m
 - £30.7m returned to shareholders in Q2 2008, £15.3m by dividend and £15.4m by share buybacks
 - Net cash of £50.6m at the end of Q2
 - 2008 interim dividend announced at 0.88p per share, up 10% year-on-year

Outlook

We enter the second half of 2008 with a broad product portfolio for licensing into an increasingly diverse customer base; an opportunity pipeline expected to deliver near-term license revenue and good royalty momentum across the business.

We therefore reiterate the guidance for FY 2008 given in both February and April; assuming no further deterioration in the trading environment, we continue to expect to increase dollar revenues in FY 2008 by at least the growth rate achieved in FY 2007.

Commenting on the results, Warren East, Chief Executive Officer, said:

“ARM has made good progress in the first half of 2008 in challenging market conditions, further extending the group's backlog which was already at record levels. We see continued strong demand for ARM's technology including long-term commitments for our processor and physical IP technology by industry leaders.

Prospects for PD licensing in H2 2008 are promising notwithstanding the uncertain current trading environment. We have a broad product portfolio that our customers are designing into applications from mobile computers to microcontrollers. We are encouraged by our second successive quarter of sequential growth in PIPD as we build momentum in that business.

Growth of more than 25% year-on-year in underlying royalty revenues for both PD and PIPD provides further evidence of the increasing use of ARM's technology in a rapidly broadening range of consumer electronics products.

Whilst investing in future technology innovation, we continue to exercise financial restraint, reducing overall operating costs and headcount, thereby increasing margins sequentially; generating record levels of cash within the quarter; and increasing the interim dividend.”

Q2 2008 – Revenue Analysis

	Revenue (\$m)***			Revenue (£m)		
	Q2 2008	Q2 2007	% Change	Q2 2008	Q2 2007	% Change
PD						
Licensing	30.2	45.3	-33%	15.3	23.2	-34%
Royalties	51.0	40.1	27%	26.0	20.2	29%
Total PD	81.2	85.4	-5%	41.3	43.4	-5%
PIPD						
Licensing	12.6	14.0	-10%	6.4	7.1	-10%
Royalties ¹	9.7	7.3	33%	4.9	3.6	36%
Total PIPD	22.3	21.3	5%	11.3	10.7	5%
Development Systems	16.2	14.1	15%	8.2	7.1	15%
Services	8.4	8.4		4.2	4.3	-2%
Total Revenue	128.1	129.2	-1%	65.0	65.5	-1%

¹ Includes catch-up royalties in Q2 2008 of \$1.1m (£0.6m) and in Q2 2007 of \$0.6m (£0.3m).

H1 2008 – Revenue Analysis

	Revenue (\$m)***			Revenue (£m)		
	H1 2008	H1 2007	% Change	H1 2008	H1 2007	% Change
PD						
Licensing	66.6	82.7	-20%	33.5	42.6	-21%
Royalties	105.8	85.1	24%	53.9	43.2	25%
Total PD	172.4	167.8	3%	87.4	85.8	2%
PIPD						
Licensing	24.4	31.0	-21%	12.3	15.7	-22%
Royalties ¹	18.8	15.6	20%	9.6	7.9	21%
Total PIPD	43.2	46.6	-7%	21.9	23.6	-7%
Development Systems	30.3	27.7	9%	15.3	14.1	9%
Services	16.5	16.3	1%	8.3	8.5	-2%
Total Revenue	262.4	258.4	2%	132.9	132.0	1%

¹ Includes catch-up royalties in H1 2008 of \$2.1m (£1.1m) and in H1 2007 of \$2.1m (£1.1m).

Q2 2008 – Financial Summary

£M	US GAAP Normalised*			US GAAP	
	Q2 2008	Q2 2007	% Change	Q2 2008	Q2 2007
Revenue	65.0	65.5	-1%	65.0	65.5
Income before income tax	21.1	22.5	-6%	12.6	12.0
Operating margin	31.5%	32.0%		18.3%	16.0%
Earnings per share (pence)	1.17	1.18	-1%	0.71	0.64
Net cash generation**	26.5	10.0			
Effective fx rate (\$/£)	1.97	1.97			

H1 2008 – Financial Summary

£M	US GAAP Normalised*			US GAAP	
	H1 2008	H1 2007	% Change	H1 2008	H1 2007
Revenue	132.9	132.0	1%	132.9	132.0
Income before income tax	42.5	44.1	-4%	24.8	24.7
Operating margin	31.0%	31.1%		17.7%	16.5%
Earnings per share (pence)	2.33	2.32	1%	1.39	1.34
Net cash generation**	40.2	25.5			
Effective fx rate (\$/£)	1.97	1.96			

- * Normalised figures are based on US GAAP, adjusted for acquisition-related, share-based remuneration and restructuring charges.
- ** Before dividends and share buybacks, net cash flows from share option exercises and acquisition consideration.
- *** Dollar revenues are based on the group's actual dollar invoicing, where applicable, and using the rate of exchange applicable on the date of the transaction for invoicing in currencies other than dollars. Approximately 95% of invoicing is in dollars.

CONTACTS:

Fiona Laffan/Pavla Shaw
Brunswick
+44 (0)207 404 5959

Tim Score/Ian Thornton
ARM Holdings plc
+44 (0)1628 427800