

Growing your Venture

CSR

Push every boundary.™

Centre for Entrepreneurial Learning
Cambridge, Feb 11, 2014

Joep van Beurden CEO CSR plc.



CSR's founding team 1999

CSR

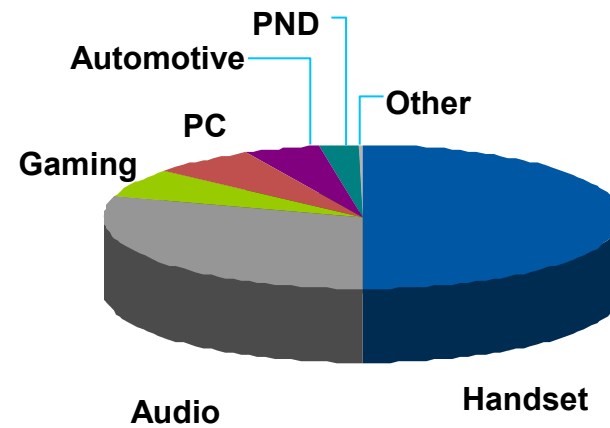
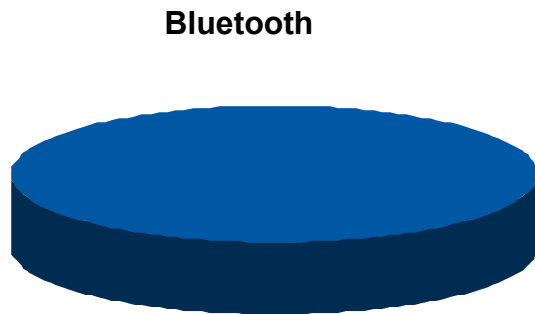


Agenda

- ***CSR part two: building on Bluetooth***
- Platforms vs. components
- What's next?
- Q&A

CSR in 2008

100% = US\$695m



The Vision

Transform the business

- CSR as a diversified provider of differentiated platforms across multiple growth markets

Create a position of strength

- Create a position of scale with the majority of revenue in segments where we have a #1 or #2 position and we have financial resources and customer relationships to deliver our strategy
- Broaden CSR's underlying technical capabilities

Generate sustainable profitable long-term growth

- Outgrow the market in with platforms generating higher margin businesses

CSR technology portfolio post SiRF

2008

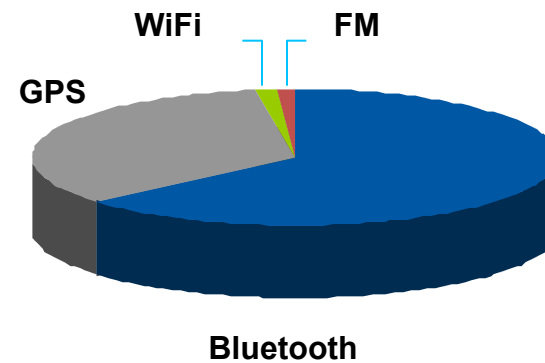
100% = US\$695m

Bluetooth



2010

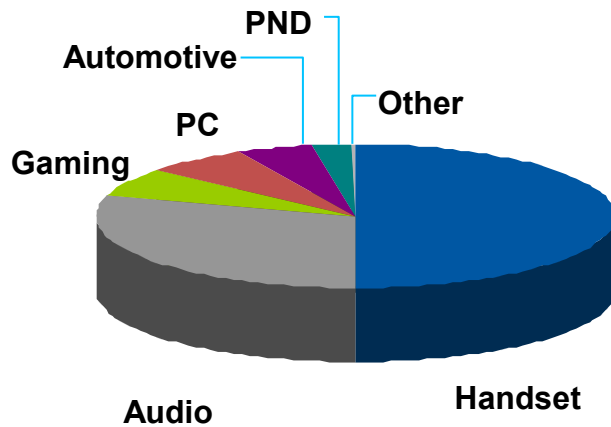
100% = US\$801m



CSR end markets post SiRF

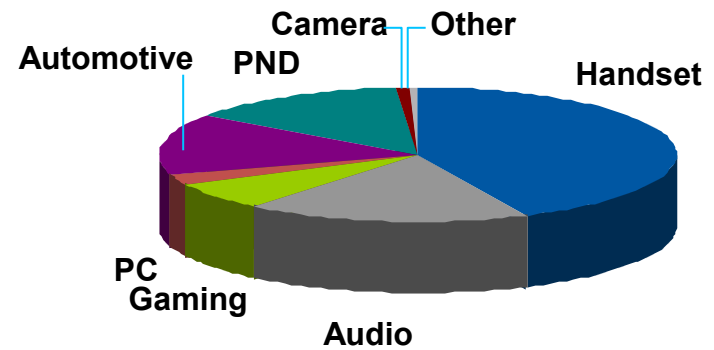
2008

100% = US\$695m



2010

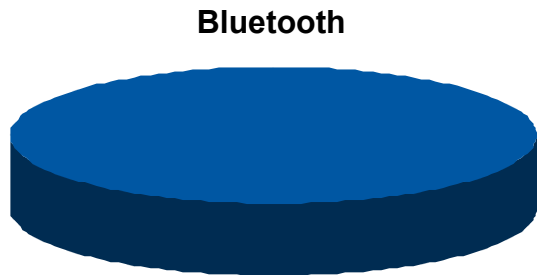
100% = US\$801m



CSR technology portfolio post Zoran

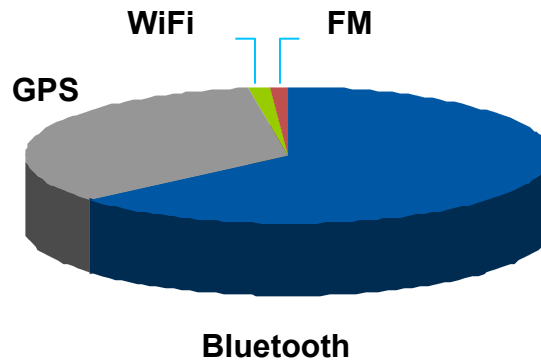
2008

100% = US\$695m



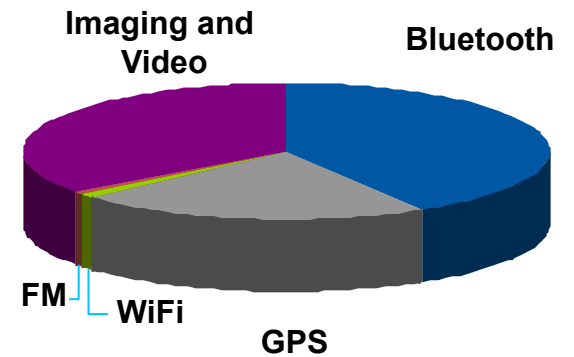
2010

100% = US\$801m



2012

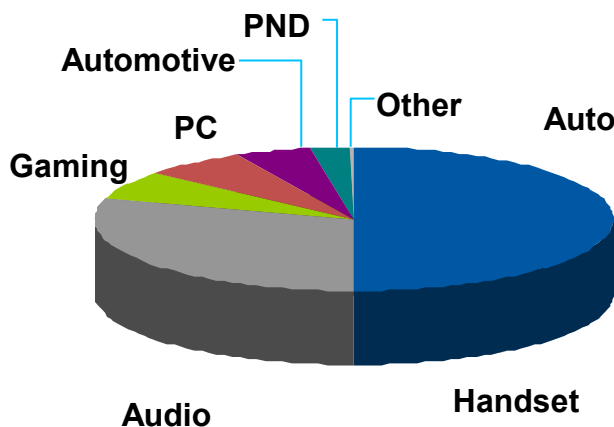
100% = US\$1020m



CSR end markets post Zoran

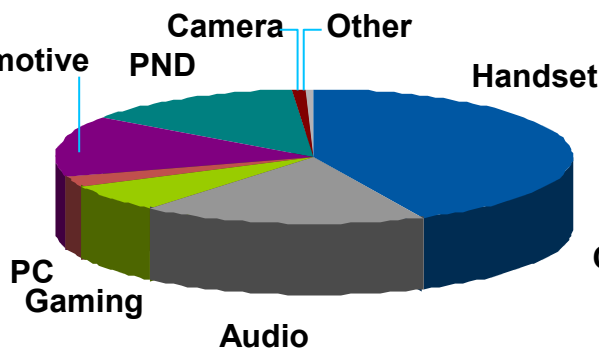
2008

100% = US\$695m



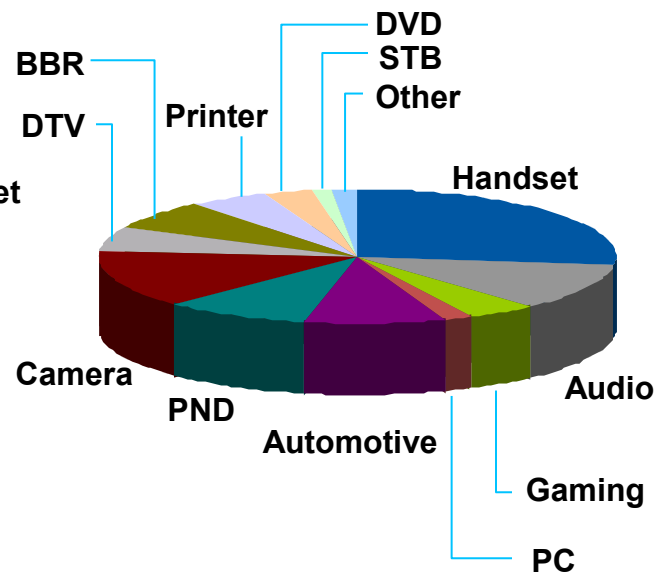
2010

100% = US\$801m



2012 analyst consensus

100% = US\$996m

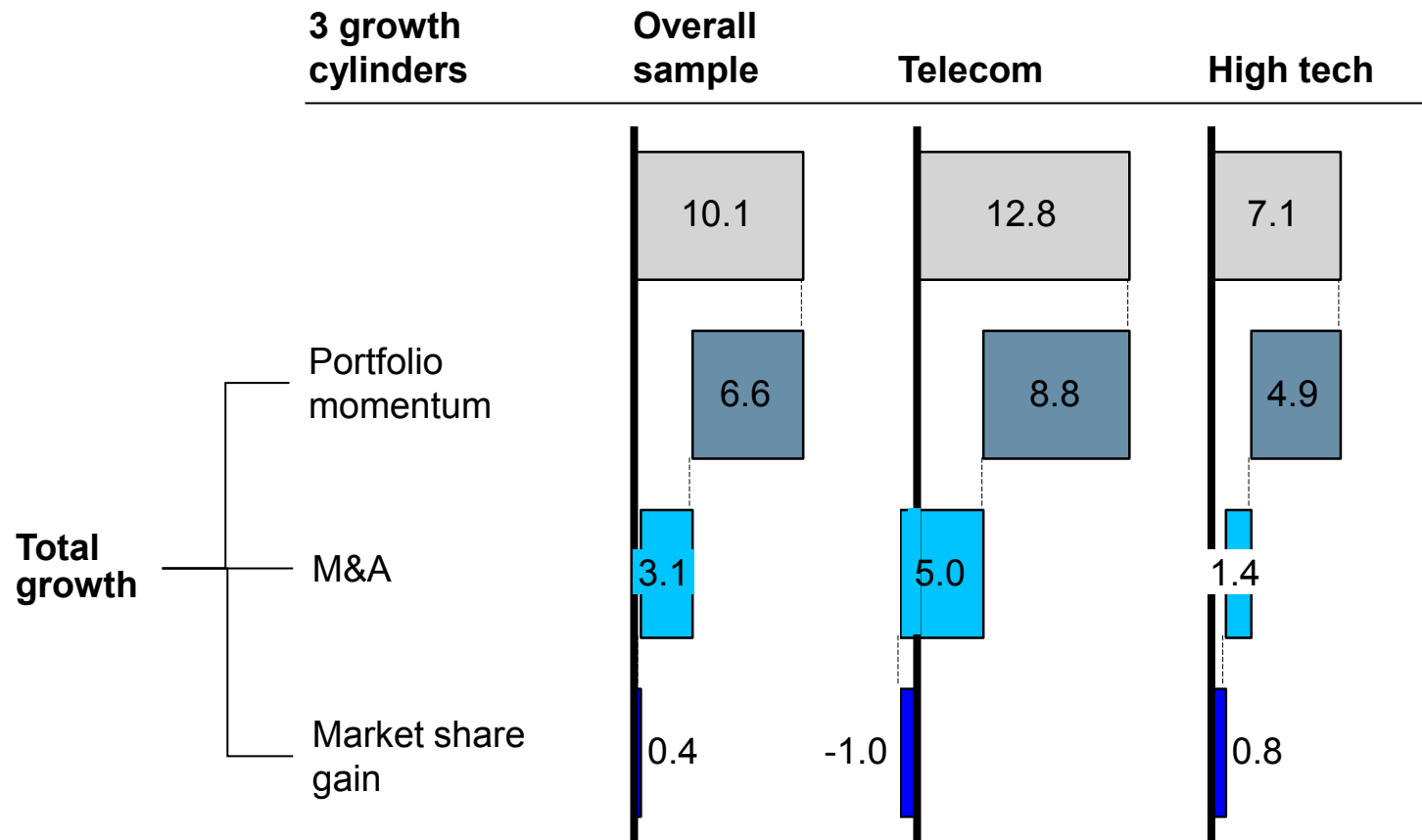


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Growth is mostly driven by portfolio momentum and M&A

Revenue growth decomposition¹, percent, 1999–2005



¹ Based on a proprietary database of ~400 large companies, using revenue growth from 1999–2005

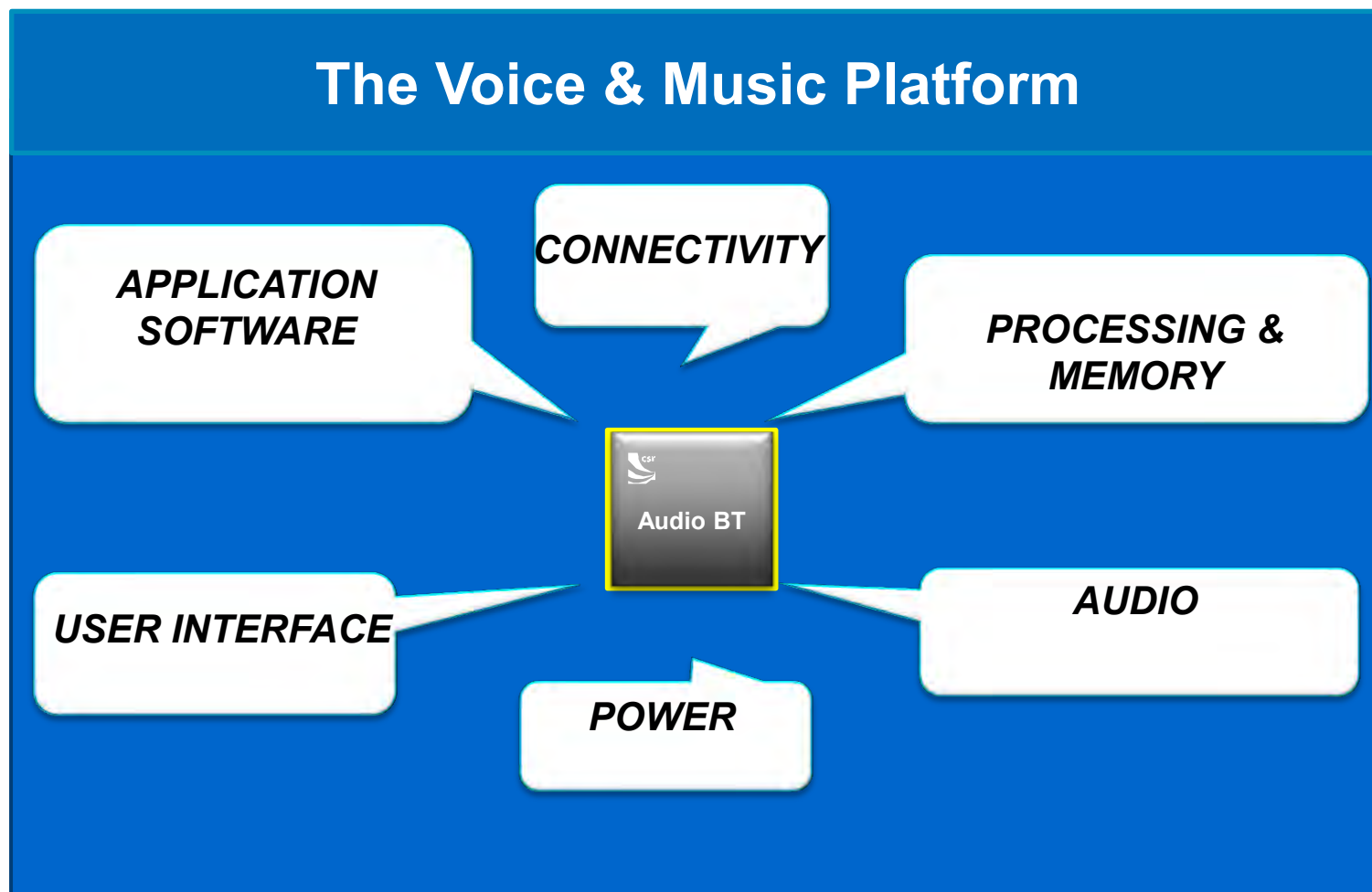
SOURCE: McKinsey

CSR is leader in wireless audio

- Wireless headset is the biggest selling wearable
 - 50+ million units a year
 - 500+ million cumulative shipped
- CSR leadership built upon
 - Bluetooth implementation
 - Interoperability
 - Platform offering



Example: Voice & Music



CSR 8670 – the leading stereo music and voice platform

- **Compelling features**

- Configurable audio processing – DSP
- Hi-Fi audio CODEC and multiple mics
- Capacitive touch sensor
- BT 4.0 & advanced dev tool suite

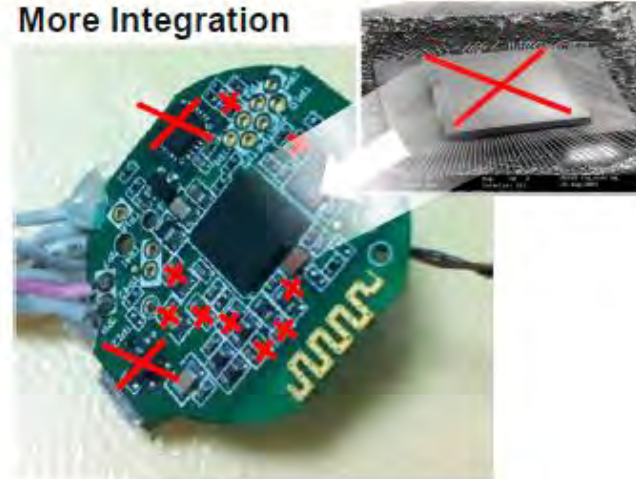
- **Exciting market**

- Stereo headsets, speaker docks and wireless speakers
- Bluetooth end product listings grew from 111 in 2010 to 235 YTD 2011

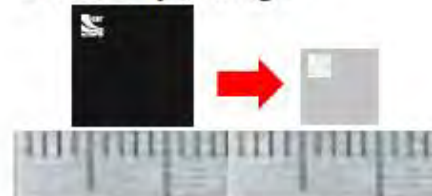
- **Highest level of integration in class**

- Multiple chips into one
- CSP technology

More Integration



Smaller package



How did this translate two years later?

Core: Voice & Music
CSR

Revenues Q3 2013 \$76.1m

- 44% increase compared to Q3 2012 (\$53.0m)
- 72% increase LTM to \$296.7m (Q3 2012: \$173.0m)

Platform progression

- VibeHub and VibePlayer Wi-Fi audio products making good progress
- Expect to see first Wi-Fi products in H1 2014

Design win momentum

- SIG stereo product registrations with CSR product in Q3 2013 of c. 340 (Q3 2012: c. 280)
- Total aptX® licensee count around 220

Quarter	Revenue (\$m)
Q312	\$53.0m
Q313	\$76.1m

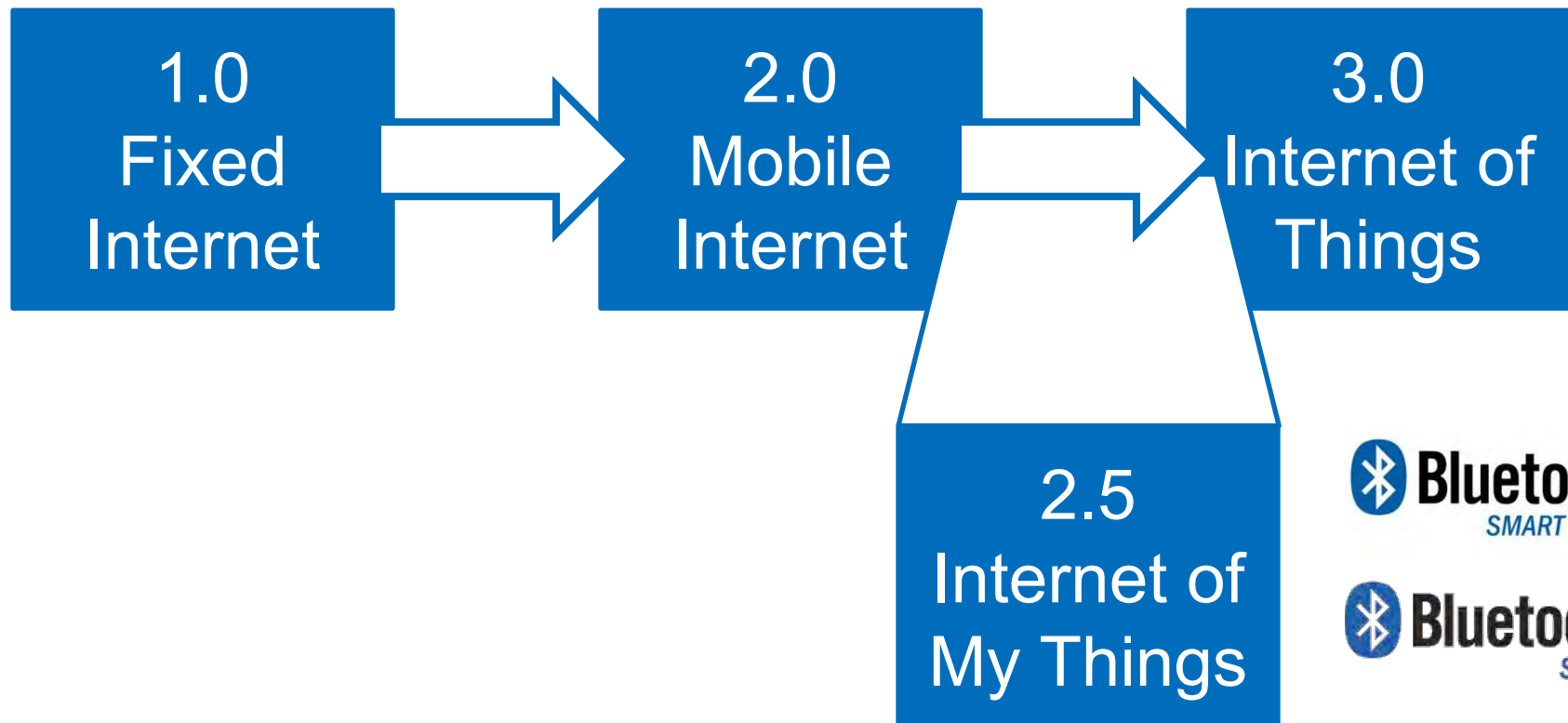
Period	Revenue (\$m)
Q312 LTM	\$173.0m
Q313 LTM	\$296.7m

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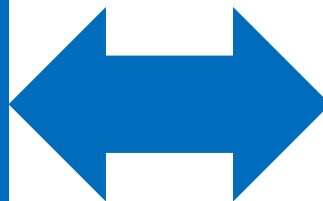
Leveraging today's gateways for IMT

CSR



Bluetooth Smart is the standard for IMT

1 Billion+ today



Billions in the future?



Sports & fitness

Healthcare

Entertainment

Office accessories

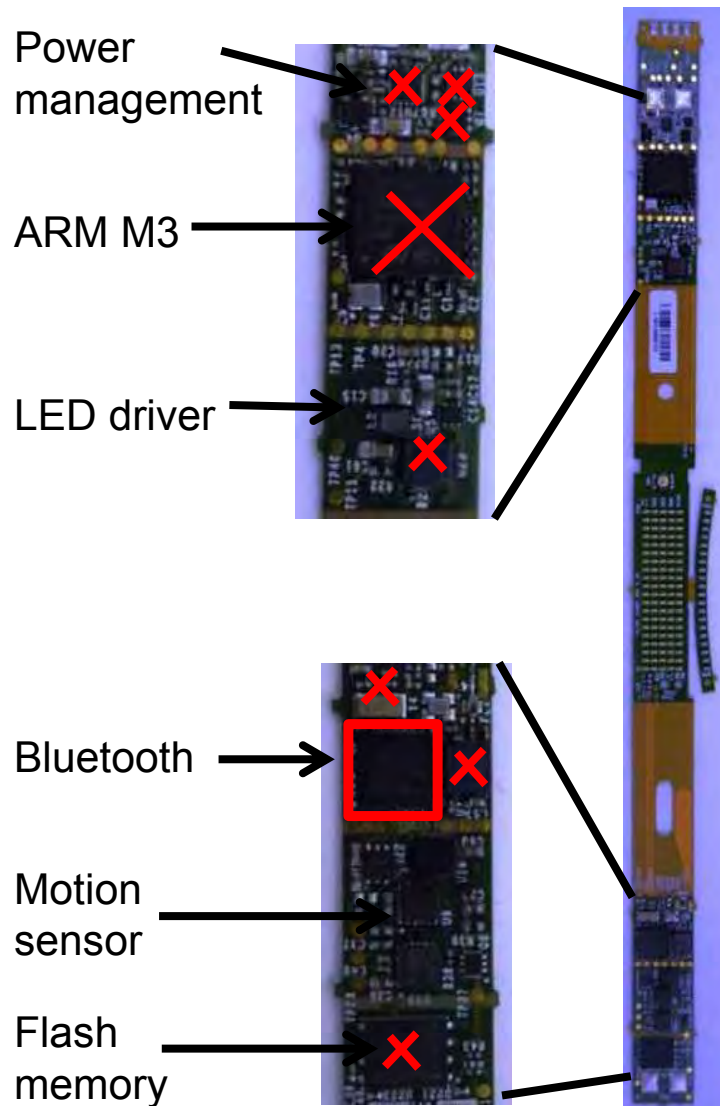
Automotive

Watch/wrist wearable

Proximity Beacon



A future platform solution?



- Bluetooth Smart roadmap
 - Great point for differentiation in the short term
 - Ideal integration center in the future

- Consistent with our success in audio – integrating:
 - Radio
 - Processor
 - Power management and charging
 - DSP
 - Touch
 - Memory
 - Mixed Signal
 - Advanced packaging

CSR Bluetooth Smart Platform Strategy optimal for IMT



Bluetooth Pedigree

- More than a decade of Bluetooth heritage
- Third generation Bluetooth Smart already taped out

Platform strategy

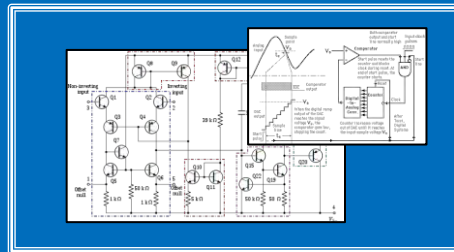
- Similar to CSR V&M strategy
- Compelling platform enables differentiation
- Enables short time to market

Complements CSR growth areas

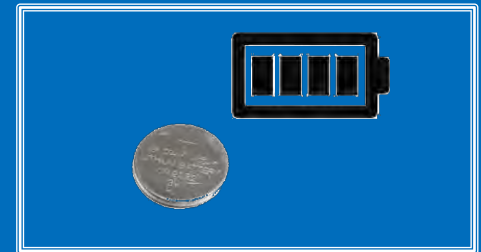
- Auto Bluetooth Smart
- Synergy with Indoor location

CSR Bluetooth Platform

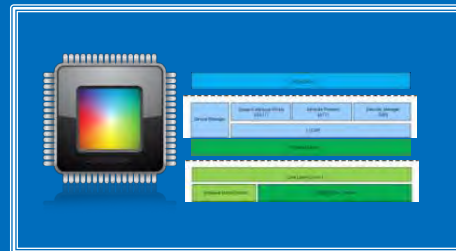
Real-world interfaces



Power efficient



Software & Application



System costs



Key points

1. Any venture will need to adjust in sync with its environment...
...while staying focussed on its key strengths
2. Growth is best achieved through portfolio momentum and M&A
3. The market move from mobility to connectivity presents a great opportunity for as it plays to CSRs strength *and* portfolio

