

Sector: **Information Technology**
Sub-Industry: **Semiconductors**
Peer Group: **Semiconductors Communications IC**

Summary: The company develops embedded processors and related intellectual property for use in markets such as digital consumer, wired and wireless communications, and office automation.

Quantitative Evaluations

S&P Earnings & Dividend Rank : C

D	C	B-	B	B+	A-	A	A+
---	----------	----	---	----	----	---	----

S&P Fair Value Rank: NR

Fair Value Calc: NA

S&P Investability Quotient Percentile

62%

1 Lowest Highest 100
MIPS scored higher than 62% of all companies for which an S&P Report is available.

Volatility: High

Low	Average	High
-----	---------	-------------

Technical Evaluation: NEUTRAL
Since September, 2004, the technical indicators for MIPS have been NEUTRAL.

Relative Strength Rank: Strong

79

1 Lowest Highest 99



Investment Strategy

Key financial variables to consider in assessing the investment merits of an industrial company are the following:

Sales: What is the trend? Is future sales growth expected to be greater than the past 5-year and 9-year growth average? Accelerating sales growth ultimately provides the fuel behind earnings growth.

Net Margin: As a key measure of company profitability, a rising net margin assesses management capability to wring out more net income from incremental sales.

% LT Debt of Capitalization: A rising percentage implies greater financial risk, all else being equal. Rising debt leverage without a concomitant rise in Return on Equity should raise warning signals of potential cash flow problems. Percentages above 40%-50% should also be considered a warning.

% Return on Equity: A key performance measurement of capital efficiency assesses what investment returns management can earn on a company's existing capital base. A sustained percentage above 20% is considered above average.

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Year	5 Year	9 Year
Sales	22.50	-17.46	-13.54	NA
Net Income	94.70	NM	NM	NA

Ratio Analysis (Average)				
Net Margin	NM	NM	NM	NM
% LTD of Capitalization	0.00	0.00	0.00	0.88
% Return on Equity	NM	NM	4.30	NM

Revenues/Earnings Data Fiscal year ending Jun. 30

Revenues (Million \$)	2004	2003	2002	2001	2000	1999
1Q	10.41	9.44	12.50	21.06	18.95	12.26
2Q	10.69	10.38	11.98	21.24	21.49	14.99
3Q	12.60	9.48	12.74	27.84	26.96	37.35
4Q	14.19	9.79	10.55	17.62	22.44	17.78
Year	47.89	39.09	47.76	84.91	89.84	71.71

Earnings per Share (\$)	2004	2003	2002	2001	2000	1999
1Q	-0.14	-0.10	-0.02	0.14	0.13	0.09
2Q	0.01	-0.36	-0.09	0.14	0.17	0.11
3Q	0.03	-0.10	-0.04	0.21	0.29	0.27
4Q	0.06	-0.17	-0.08	0.05	0.13	0.12
Year	-0.04	-0.73	-0.24	0.49	0.68	0.58

Next earnings report expected: Mid October

Historical GAAP earnings are as reported.

Key Stock Statistics

52 Week Range	\$7.49 / 3.87	Beta	NA
Average Daily Volume	0.130 mil.	Trailing 12 Month EPS	-\$0.04
Market Capitalization	\$0.226 Bil.	12 Month P/E	NM
Institutional Holdings	64%	Current Yield	Nil
Shareholders of Record	4,373	Dividend Rate/Share	Nil

Value of \$10,000 Invested five yrs Ago : **\$1,841**

Please read the required disclosures and Reg. AC certification on the last page of this report.

This report was prepared by Standard & Poor's Quantitative Services.
Redistribution or reproduction is prohibited without written permission. Copyright ©2004.

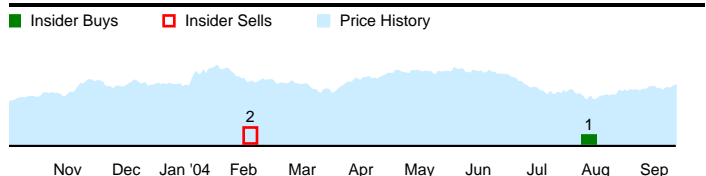
Earnings & Dividend (Quality) Rank: **C**

Standard & Poor's Fair Value Rank: **NR**

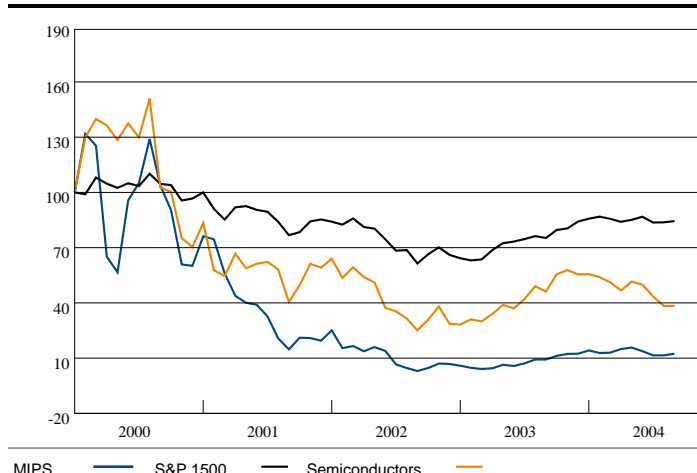
Wall Street Opinions/Average (Mean) Opinion: Buy

	No. of Ratings	% of Total	1 Mo. Prior	3 Mo. Prior
Buy	1	100	1	1
Buy/Hold	0	0	0	0
Hold	0	0	0	0
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	1	100	1	1

Insider Moves



Stock Performance



Dividend Data

No Dividend Data Available

	Company(%)	Industry(%)	S&P 1500(%)
YTD Return (% Annualized)	0.2%	-39.5%	0.4%
One Year Return	20.8%	-18.6%	10.5%
Three Year Return	-7.7%	-3.6%	4.5%
Five Year Return	-28.7%	-12.7%	-1.6%
Value of \$10,000 Invested 5 Years Ago	\$1,841	\$5,058	\$9,243

Company Financials Fiscal year ending Jun. 30

Per Share Data (\$)

Year Ended Jun. 30	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Tangible Book Value	2.11	2.11	2.85	3.61	2.40	1.09	NM	0.22	0.11	NA
Cash Flow	0.04	-0.63	-0.11	0.60	0.74	0.65	0.15	-0.93	-0.54	NA
Earnings	-0.04	-0.73	-0.24	0.49	0.68	0.58	0.01	-1.13	-0.77	NA
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	NA
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	NA
Prices:High	7.49	6.32	13.73	39.12	111.62	69.00	32.00	NA	NA	NA
Prices:Low	3.87	1.75	1.20	5.55	16.62	24.50	9.62	NA	NA	NA
P/E Ratio:High	NM	NM	NM	80	NM	NM	NM	NA	NA	NA
P/E Ratio:Low	NM	NM	NM	11	NM	NM	NM	NA	NA	NA

Income Statement Analysis (Million \$)

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Revenues	47.9	39.1	47.8	84.9	89.8	71.7	56.8	40.3	37.0	NA
Operating Income	6.77	-12.1	-5.95	30.2	45.3	37.8	8.04	-33.4	-19.4	NA
Depreciation	3.21	4.19	5.21	4.30	2.50	1.70	5.04	7.34	8.20	NA
Interest Expense	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.10	NA
Pretax Income	0.92	-26.7	-10.3	32.2	46.7	37.8	0.38	-40.8	-27.7	NA
Effective Tax Rate	NM	NM	NM	39%	42%	40%	NM	NM	NM	NA
Net Income	-1.53	-28.9	-9.39	19.8	27.1	22.7	0.38	-40.8	-27.7	NA

Balance Sheet & Other Financial Data (Million \$)

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Cash	78.3	83.8	90.7	117	84.4	49.9	0.05	NA	Nil	NA
Current Assets	99	92.2	112	131	102	53.3	0.91	3.16	2.57	NA
Total Assets	109	105	129	140	109	59.4	4.70	19.7	15.3	NA
Current Liabilities	17.0	14.1	13.1	17.7	17.0	18.3	5.44	11.6	11.1	NA
Long Term Debt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.33	NA
Common Equity	89.7	89.4	116	123	92.2	40.7	-0.75	8.07	3.85	NA
Total Capital	89.7	89.4	116	123	92.2	40.7	-0.75	8.07	4.18	NA
Capital Expenditures	2.59	1.37	4.50	5.65	4.13	4.07	2.11	9.91	7.26	NA
Cash Flow	1.68	-24.7	-4.18	24.1	29.6	24.4	5.42	-33.5	-19.5	NA
Current Ratio	5.8	6.6	8.5	7.4	6.0	2.9	0.2	0.3	0.2	NA
% Long Term Debt of Capitalization	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	7.9	NA
% Net Income of Revenues	NM	NM	NM	23.3	30.2	31.6	0.7	NM	NM	NA
% Return on Assets	NM	NM	NM	15.9	32.2	70.7	8.0	NM	NM	NA
% Return on Equity	NM	NM	NM	18.4	40.8	113.4	NM	NM	NM	NA

Data as orig. reptd; bef. results of disc opers/spec. items. Per share data adj. for stk. divs. as of ex-div date. NA-Not Available. NM-Not Meaningful. NR-Not Ranked.

Office: 1225 Charleston Road, Mountain View, CA, 94043-1353
Tel: 650-567-5000
Website: <http://www.mips.com>
Pres & CEO: J. E. Bourgoin
VP, Treas & CFO: K. C. Eichler

Dir: J. E. Bourgoin, K. E. Coleman, F. M. Gibbons, A. B. Holbrook, B. A. Horowitz, W. M. Kelly
VP, Secy & General Counsel: S. Creighton

VP & CTO: G. M. Uhler
Investor Contact: Bonnie Gardiner(650-567-7007)
Founded: 1992
Domicile: Delaware
Employees: 116

Sub-Industry Outlook

We have a neutral outlook on the Semiconductor Industry. Year to date through August 20, the S&P Semiconductors Index fell 28.7%, versus a 1.0% drop for the S&P 1500. Because the index is market capitalization-weighted, its return is greatly skewed by Intel Corp. (INTC: \$22), the world's largest chip company. A sell-off since early July has highlighted the volatility of semiconductor shares. We think this was sparked in part by inventory build-up in a few chip categories. We project that the inventory overhang will clear by the fall, as electronics goods sales enter a seasonally strong period. We expect industry fundamentals to display boom-year growth in 2004, and then to slow to a more modest pace in 2005, based on an economic rebound that we project, and on the need to replace tech equipment that was purchased in the 1999-2000 boom. We expect a cyclical industry slowdown to appear in the first half of 2006. Most stocks in the semiconductor area rely on stock-based compensation, which we view as eroding the quality of reported earnings. We anticipate that most chip stocks will perform in line with the S&P 1500 over the next 12 months.

We think that 2004 June quarter results and guidance for the September quarter indicate generally brisk business conditions for chipmakers. Wafer plant utilization rose to 93.4% in the March quarter, according to trade association data, suggesting a need to add capacity. We think the pricing environment for chips will be robust in 2004.

Over the next 12 months, we believe that chipmakers exposed to the DSP, analog, power management, and other chip categories that serve a broad range of end markets have the best

prospects. Over the next several years, we think that wireless telecom and datacom markets look the most attractive.

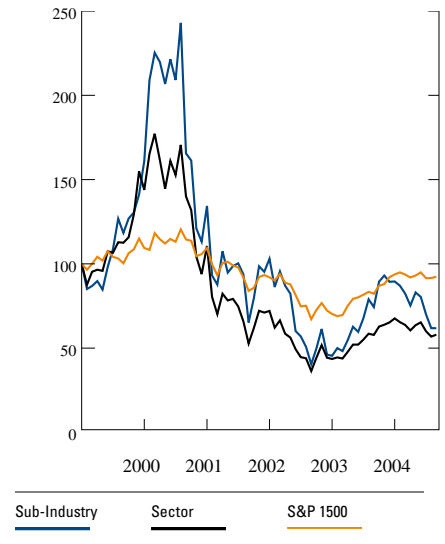
The chip industry has historically been subject to intense boom and bust cycles. From 1975 through 2000, annual sales growth averaged 16.1%, according to Semiconductor Industry Association data. As the industry matures, we believe cyclicality will continue, but see the long-term growth rate likely to decline toward about 10%. For 2004, we expect worldwide semiconductor revenues to surpass the 2000 cycle-high level of \$204.4 billion.

--Amrit Tewary

Stock Performance

GICS Sector: Information Technology
Sub-Industry: Semiconductors

Based on S&P 1500 Indexes
Month-end Price Performance as of 08/31/04



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Semiconductors Peer Group*: Semiconductors Communications IC

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price	P/E Ratio	12-Mo. Trailing EPS	30-Day Price Chg(%)	1 Year Price Chg(%)	Beta	Yield (%)	Quality Ranking	Ret. on Equity (%)	Pretax Margin (%)	LTD to Cap (%)
MIPS Technologies	MIPS	226	5.51	NM	-0.04	9%	24%	NA	Nil	C	NM	1.9	Nil
8x8 Inc	EGHT	138	3.20	NM	-0.11	65%	99%	NM	Nil	NR	NM	NM	Nil
ANADIGICS Inc	ANAD	117	3.62	NM	-1.57	-7%	-30%	NA	Nil	C	NM	NM	35.5
Atheros Communic	ATHR	437	9.32	15	0.64	22%	NA	NA	Nil	NR	NM	NM	NA
CEVA Inc	CEVA	153	8.30	NM	-0.54	24%	-9%	NA	Nil	NR	NM	NM	Nil
California Micro Devices	CAMD	163	7.62	21	0.37	32%	-2%	1.93	Nil	C	25.0	6.3	17.4
Dialog Semiconductor plc ADS	DLGS	151	3.43	NM	-0.58	0%	2%	NA	Nil	NR	NM	NM	Nil
Hi/fn Inc	HIFN	124	8.99	NM	-1.41	16%	11%	1.85	Nil	C	NM	NM	Nil
Metalink Ltd	MTLK	100	5.26	NM	-0.64	0%	1%	NA	Nil	NR	NM	NM	Nil
Microtune Inc	TUNE	261	5.11	NM	-0.40	-4%	90%	NA	Nil	NR	NM	NM	Nil
Mindspeed Technologies	MSPD	293	2.92	NM	-1.04	-11%	-46%	NA	Nil	NR	NM	NM	Nil
PLX Technology	PLXT	192	7.34	NM	0.02	10%	6%	NA	Nil	NR	NM	NM	Nil
SRS Labs	SRSL	75	5.31	NM	0.05	-1%	-4%	1.63	Nil	B-	1.7	7.6	Nil
TranSwitch Corp	TXCC	121	1.28	NM	-0.34	-6%	-51%	NA	Nil	C	NM	NM	71.1
Zarlink Semiconductor	ZL	383	3.01	NM	-0.22	-1%	-27%	NM	Nil	B	NM	NM	0.1

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

S&P Analyst Research Notes and other Company News**July 26, 2004**

NEW YORK (Standard & Poor's)--Jul 22, 2004, MIPS Technologies Inc., announced 4Q EPS \$0.06 vs. loss of \$0.17 and annual loss per share of \$0.04 vs. loss of \$0.73.

April 22, 2004

NEW YORK (Standard & Poor's)--Apr 21, 2004, MIPS Technologies Inc., announced 3Q EPS \$0.03 vs. loss of \$0.10 and 9 mos. loss per share of \$0.10 vs. loss of \$0.56.

January 22, 2004

NEW YORK (Standard & Poor's)--Jan 21, 2004, MIPS Technologies Inc., announced 2Q EPS \$0.01 vs. loss of \$0.36 and 6 mos. loss per share of \$0.13 vs. loss of \$0.46.

December 9, 2003

UP 0.28 to 5.93... Genesis Microchip takes a license for MIP32 4KEc core for use in its digital TV applications.

October 17, 2003

NEW YORK (Standard & Poor's)--Oct 16, 2003, MIPS Technologies Inc., announced 1Q loss per share of \$0.14 vs. loss of \$0.10.

July 30, 2003

NEW YORK (Standard & Poor's)--Jul 24, 2003, MIPS Technologies Inc., announced 4Q loss per share of \$0.17 vs. loss of \$0.08 and annual loss per share of \$0.73 vs. loss of \$0.24.

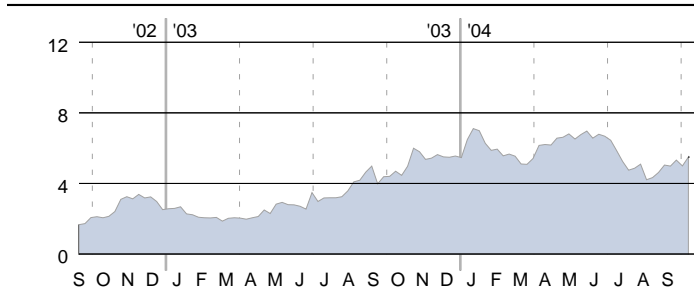
April 17, 2003

NEW YORK (Standard & Poor's)--Apr 16, 2003, MIPS Technologies Inc., announced 3Q loss per share of \$0.10 vs. loss of \$0.04 and 9 mos. loss per share of \$0.56 vs. loss of \$0.16. Results for the 2003 9 mos. include nonrecurring charges of \$8M. Results for the 2002 9 mos. include nonrecurring charges of \$2.2M.

Wall Street Consensus

Analysts' Recommendations

Stock Prices



Analysts' Opinion

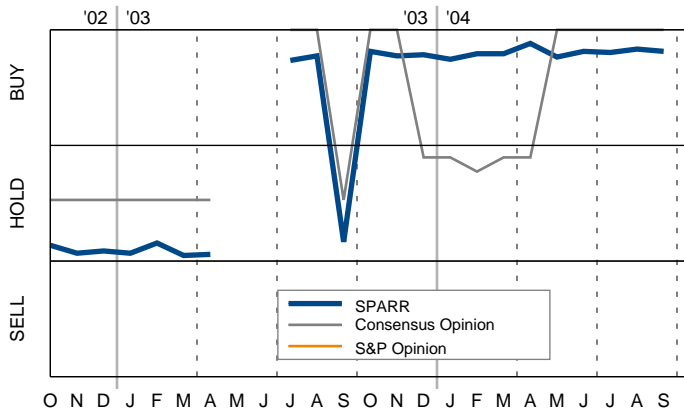
	No. of Ratings	% of Total	1 Mo. Prior	3 Mo. Prior
Buy	1	100	1	1
Buy/Hold	0	0	0	0
Hold	0	0	0	0
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	1	100	1	1

S&P-Adjusted Consensus Opinion: BUY

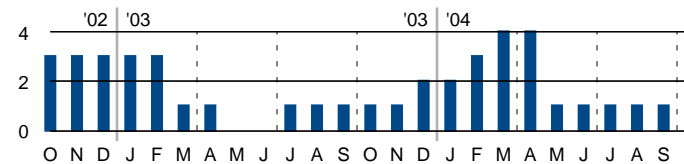
In order to reduce the bullish tendency of analysts, Standard & Poor's Quantitative Services Group created the S&P Average Relative Ranking, or SPARR. This system assigns a ranking based on a stock's consensus score relative to all issues for which consensus estimates are available.

Companies Offering Coverage

Analysts' Opinions

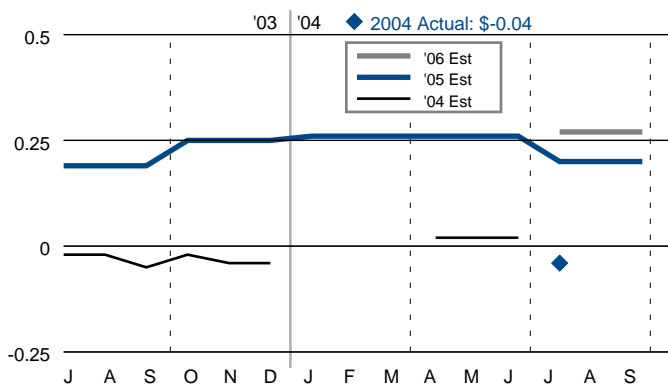


Number of Analysts Following Stock



Analysts' Earnings Estimate

Annual Earnings Per Share



Current Analysts' Consensus Estimates

Fiscal years	Avg.	High	Low	S&P Est.	No. of Est.	Est. P/E Ratio	Est. S&P 500 P/E Ratio
2005	0.20	0.20	0.20	-	1	27.5	15.3
2006	0.27	0.27	0.27	-	1	20.4	-
1Q'05	0.04	0.04	0.04		1		
1Q'04	-0.14	Actual					

A company's earnings outlook plays a major part in any investment decision. S&P organizes the earnings estimates of over 2,300 Wall Street analysts, and provides you with their consensus earnings over the next two years. The graph to the left shows you how these estimates have trended over the past 15 months.

Glossary

S&P Earnings & Dividend (Quality) Rank – Growth and stability of earnings and dividends are deemed key elements in establishing S&P's earnings and dividend rankings for common stocks, which are designed to capsule the nature of this record in a single symbol. It should be noted that, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Lower
A	High	B-	Below Average
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank – Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stock with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

Fair Value Calculation – The current price at which a stock should sell today as calculated by S&P's computers using our quantitative model based on the company's earnings, growth potential, return on equity relative to the S&P 500 and its industry group, price to book ratio history, current yield relative to the S&P 500, and other factors.

Investability Quotient (IQ) – The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long-term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

**Standard & Poor's IQ Rationale:
MIPS Technologies**

	Raw Score	Max Value
Proprietary S&P Measures	0	115
Technical Indicators	8	40
Liquidity/Volatility Measures	13	20
Quantitative Measures	73	75
IQ Total	94	250

Volatility – Rates the volatility of the stock's price over the past year.

Technical Evaluation – In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank – Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS) – An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 62 Industries, and 132 Sub-Industries.

Required Disclosures

All of the views expressed in this research report reflect Standard & Poor's Quantitative Services' research models regarding the above issuer and securities. No part of Standard & Poor's Quantitative Services compensation was, is or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

This report was prepared by Standard & Poor's Quantitative Services ("SPQS"). SPQS is affiliated with various entities that may perform non-investment banking services for this company. Each such affiliate operates independently from each other.

Additional information is available upon request.

Disclaimer

This material is based upon information that we consider to be reliable, but neither SPQS nor its affiliates warrant its completeness or accuracy, and it should not be relied upon as such. Assumptions, opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not indicative of future results.

This material is not intended as an offer or solicitation for the purchase or sale of any security or other financial instrument. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors. This material does not take into account your particular investment objectives, financial situations or needs and is not intended as a recommendation of particular securities, financial instruments or strategies to you. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.