



ATHEROS COMMUNICATIONS, INC.



Unleashing Markets for Growth

WIRELESS FUTURE. UNLEASHED NOW.

NOVEMBER 8, 2007





Safe Harbor Statement

Some of the information in this presentation contains projections or other forward-looking statements regarding future events or the future financial performance of Atheros Communications, Inc. These statements involve risks and uncertainties, and actual events or results may differ materially. Among the important factors which could cause actual results to differ materially from those in the forward-looking statements are general economic and market conditions; the extent to which the markets for WLAN, Bluetooth and Ethernet semiconductors and other semiconductor products will grow; our ability to execute our business strategy; our ability to manage our growth and diversification into new markets; our ability to forecast accurately revenues from sales of our products and costs of production; the effects of competition in the marketplace; our ability to retain and attract employees; market acceptance of our existing and new products, including our XSPAN, ROCm, Ethernet and Bluetooth products; our ability to develop new products and technologies for WLAN, Bluetooth, Ethernet and other wireless communications markets that are successful in these markets; and other factors detailed in our filings with the Securities and Exchange Commission, including our recent filings on Forms 10-K, 10-Q and 8-K.



ATHEROS COMMUNICATIONS, INC.



Unleashing Markets for Growth: CEO Overview

WIRELESS FUTURE. UNLEASHED NOW.

CRAIG BARRATT
PRESIDENT AND CEO
NOVEMBER 8, 2007





Atheros Nearly 10-Year History

Founded in 1998

- Dr. Teresa Meng, Professor of Electrical Engineering, Stanford University
- Dr. John Hennessey, President of Stanford University
- Established Atheros in the then nascent, now large, growing Wi-Fi chip market

Now, a profitable fabless semiconductor company driving highly integrated communications platforms

- Technology & cost leader
- Leveraging our core competency of building communications solutions in standard digital CMOS

Delivering on our promise to build a diversified communications IC semiconductor company

- Dramatic expansion of TAM with the addition of ROCm (mobile), Ethernet and Bluetooth products

Convergence of Factors Enabled Atheros Beginnings with Disruptive Innovation



Consumer Demand for Low-Cost Communications

**802.11 ensures interop
of open system**

**Telecom becomes
data comm**

Technology Advance
Signal Processing algorithms
achieve maturity,
enabling OFDM
through wireless media

**DISRUPTIVE
INNOVATION**

Regulatory
1997 opening of
unlicensed 5GHz UNII
and allows free use
of bandwidth

**Low data rates
passed by 802.11**

**Atheros
implements
5GHz RF
circuits using
low-cost
digital CMOS!**

**Bandwidth no
longer scarce**

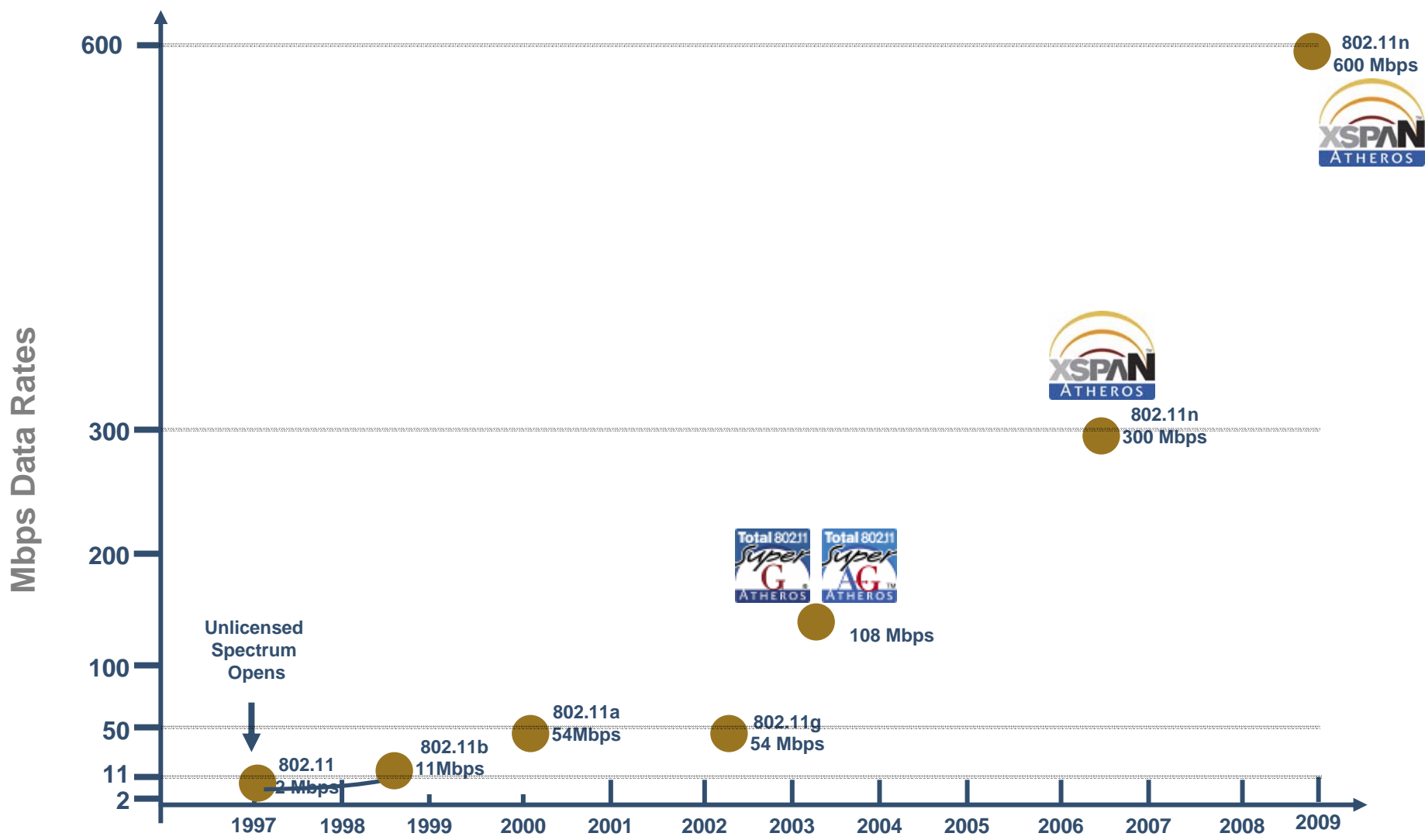


Innovation is not confined to “technology” and takes different forms as the company and its markets mature

INNOVATION AREAS	1 Wi-Fi Start-Up	2 Established Public Wi-Fi Company	3 Expanded Communications Platforms Company
Application	X	Single-chip cell phone, video transmission over Wi-Fi, single-chip Voice over Wi-Fi	Infrastructure to client, retail to carrier, innovation around video transmit, wireless as network backbone
Architectural	Analog + digital on single chip	Multiple data streams over multiple radios - MIMO	More refinement around march to the antenna
Design approaches + implementation	Adaptability to market as it changes	Speed + execution as differentiators in 11n development	Creating efficiencies across multiple platforms
Development methodology	Model driven	Multi-geo teams, more partnerships	Independent development across multiple geos, partnerships evolve
Packaging	X	Multiple partners, innovate around partner capabilities	Shared antenna across technologies
Technology platform	CMOS RF, 5GHz	802.11n+	Wi-Fi + Bluetooth + Ethernet +
Supply chain management	X	Multi-fab sourcing	Scaled process technology to facilitate integration of multiple chips



Performance Innovation in 802.11





Atheros' TAM Expansion Leverages Disruption



PHS/
PAS

- **Atheros Innovation is Being Leveraged into Adjacent Markets**
 - Bluetooth – Innovations in power management and low cost
 - Ethernet – Innovations in power management and low cost
 - Mobile WLAN – Innovations in power management and low cost
 - PHS/PAS – Innovations in cellular integration and low cost

- **Supply Chain Innovations**
 - Standard digital CMOS enables multi-fab sourcing approach
 - Scaled process technology to facilitate integration of multiple chips

- **2008 is a Year of Market Expansion for Atheros**
 - Investments from the past three years to provide greater dividends in 2008
 - Exciting product cycles for Atheros drive revenue growth



Atheros Expanding Into New Markets

Market Size

PCs

Desktop, Notebook & Mini/PMPC

0-250m Units

Networking

Gateways, APs, Routers and A/V

250-500m Units

Consumer

Cellular, Gaming, PMP & Cameras

>1B Units

Expansion Of Atheros Technologies



Bluetooth®
GIGABIT AND FAST ETHERNET

Bluetooth®
GIGABIT AND FAST ETHERNET

Bluetooth®
GIGABIT AND FAST ETHERNET

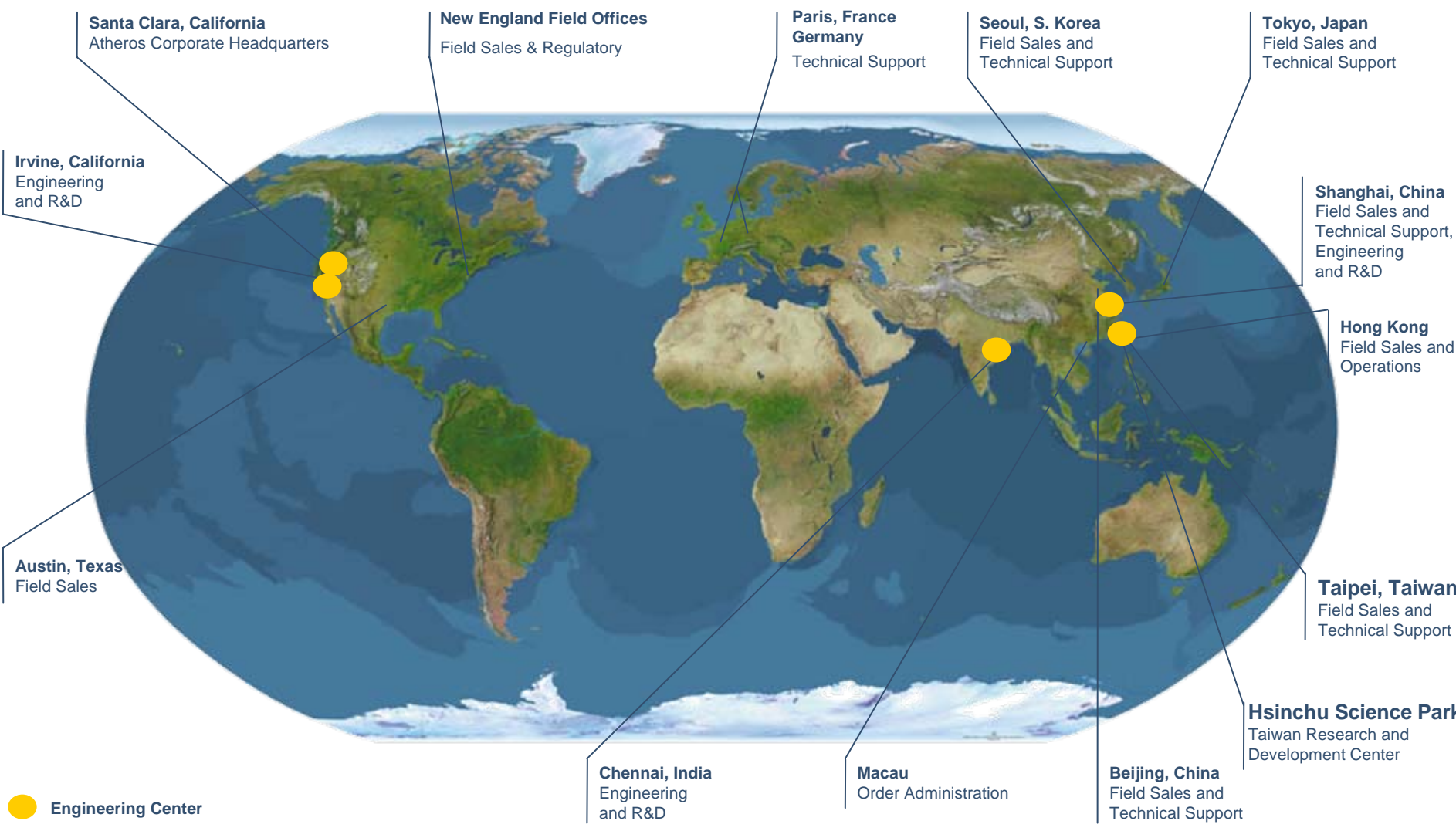


Leverage Key OEM Customers





Atheros Worldwide Presence – 762 Employees





Atheros' Business Units Customer & Segment Focused

**Craig Barratt
CEO**



**WNBU
Ben Naskar**

- Home Networking
- PC & Enterprise Networking
- Broadband



**MoBiU
Sam Endy**

- Mobile WLAN
- Bluetooth
- VoIP handsets



**APBU
Jason Zheng**

- Ethernet PHY & LOM
- Ethernet Switching
- PAS/PHS
- Emerging

Sales

Core Eng

Operations

CTO / Admin / Finance / Corporate Mktg



2007 Analyst Day Agenda

Wireless Networking Business Unit Overview	Ben Naskar, VP & GM WNBU
Mobile Business Unit Overview	Dr. Sam Endy, VP & GM MoBiU
Asia Pacific Business Unit Overview	Dr. Jason Zheng, VP & GM
Innovation at Atheros	Bill McFarland, CTO
Financial Overview	Jack Lazar, VP & CFO

Wrap Up and Q&A



ATHEROS COMMUNICATIONS, INC.



Unleashing Markets for Growth: Wireless Networking Business Unit

WIRELESS FUTURE. UNLEASHED NOW.

BEN NASKAR

VICE PRESIDENT AND GM, WIRELESS NETWORKING BUSINESS UNIT

NOVEMBER 8, 2007



Wireless Networking Business Goals

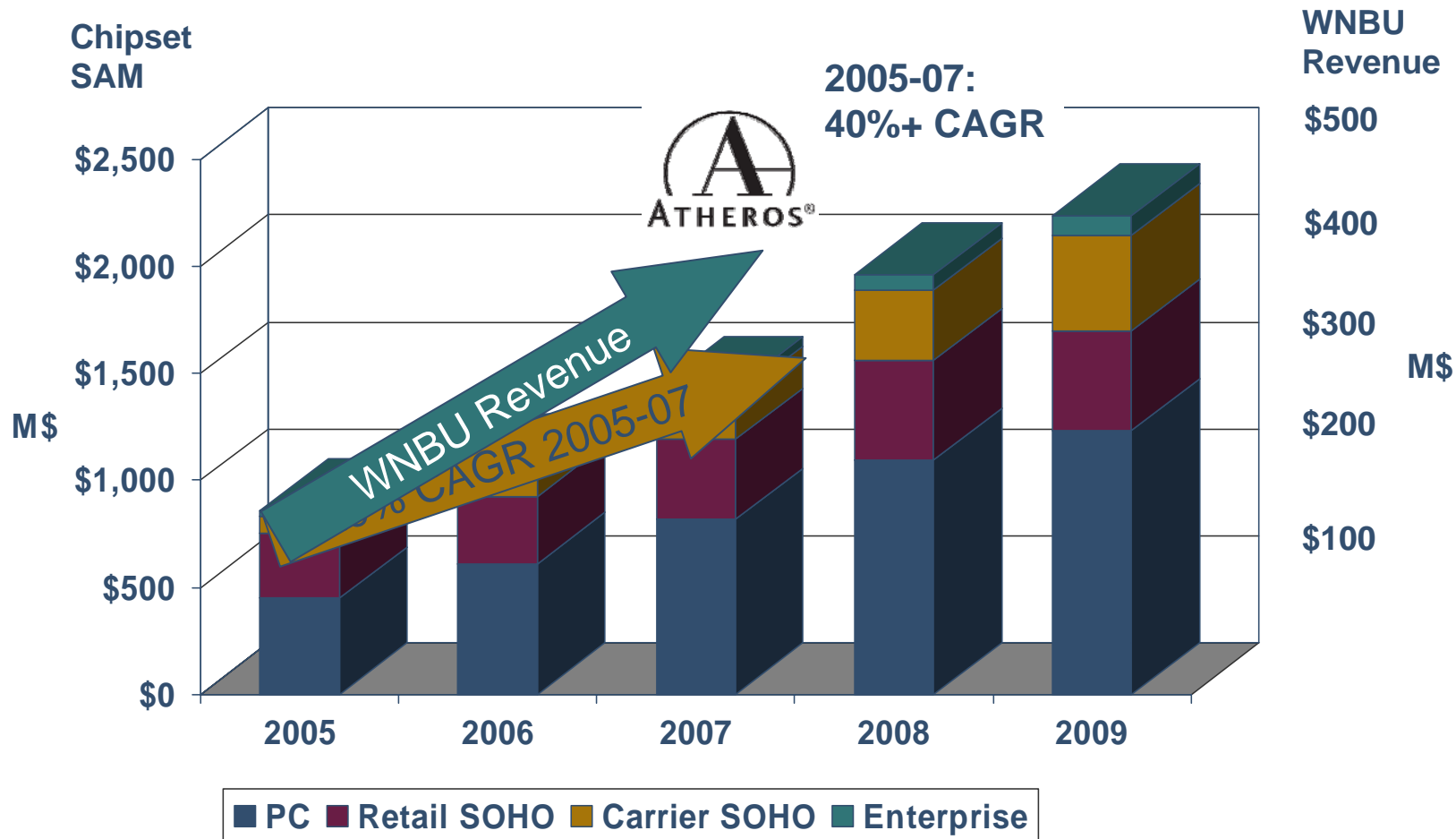
- **Leadership Position in all Core Market Segments**
 - **Networking**
 - **Retail, Carrier & Enterprise**
 - **PC**

- **Expand Atheros “Share of BOM”**
 - **Ethernet**
 - **Bluetooth**





Gaining Share in Large & Growing Markets



Sources: In-Stat, May 2007
Dell'Oro Group, July 2007



A World Class Customer Base

NETWORKING

Retail



D-Link

LINKSYS

NETGEAR

BELKIN

BUFFALO

TP-LINK

Carrier



2WIRE



Sagem

SIEMENS

THOMSON

ZyXEL

Enterprise



ARUBA



NORTEL



TROPOS

3COM

PC



acer



ASUS

FUJITSU **FUJITSU COMPUTERS**
SIEMENS



lenovo

NEC

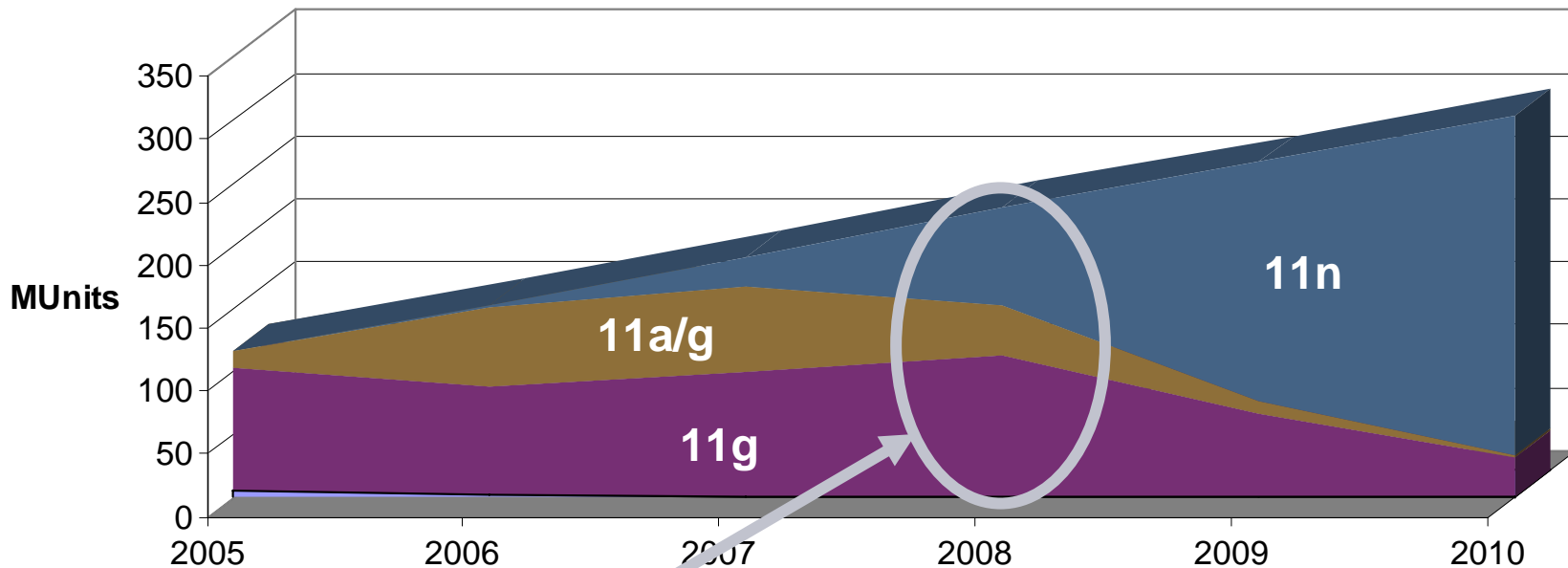
SONY

TOSHIBA



Technology Drive: 11g & 11n Growth Engines

Worldwide WLAN Market - Networking & PC



- 11g remains high volume through 2010
- Inflection Point: 11n begins replacing 11ag in 2008
 - 11n as volume leader in 2009

Source: InStat, Dell'Oro Group, 2007

The Most Competitive 11g Portfolio

- Single Chip CMOS
- Integrated RF Front End (PA & Switch)
- Fewest External Components
- Cost-optimized Reference Designs



AR2317/18
Single Chip AP



AR2425
Single Chip
PCIe Client



AR2417
Single Chip
PCI/Emb. AP



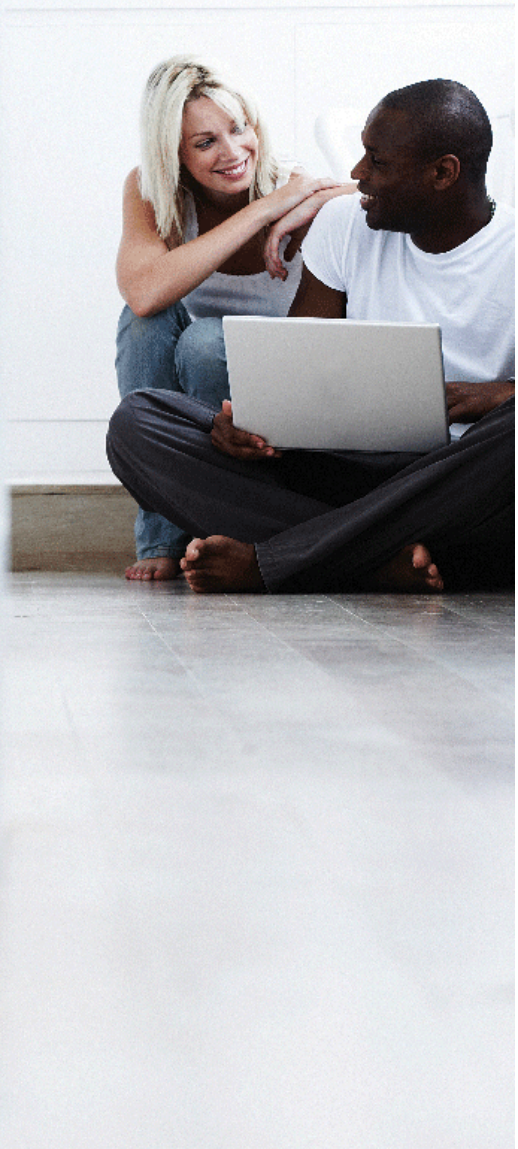


XSPAN™ The Most Widely Adopted 11n Technology

N.

It's no longer
Next.

It's
Now.



Over 10 million
XSPAN
chipsets
shipped



Expanding Performance. Expanding Possibilities.

XSPAN in Retail/SOHO Networking: Powering the best 11n products in the market



D-Link DIR-655



Apple Airport Extreme



Belkin N1 Wireless Router



D-Link DIR-625/-615



Linksys
Wireless-N Gigabit Gaming Router



Belkin N1 Vision
Wireless Router



Siemens
SE366 WLAN Gigaset



SMC Barricade
11n Router



Corega CG-WLBARGN



TRENDnet
Wireless N
Gigabit Router

XSPAN in Retail/SOHO Networking: Driving 11n to mainstream



Atheros provides the most complete, competitive portfolio

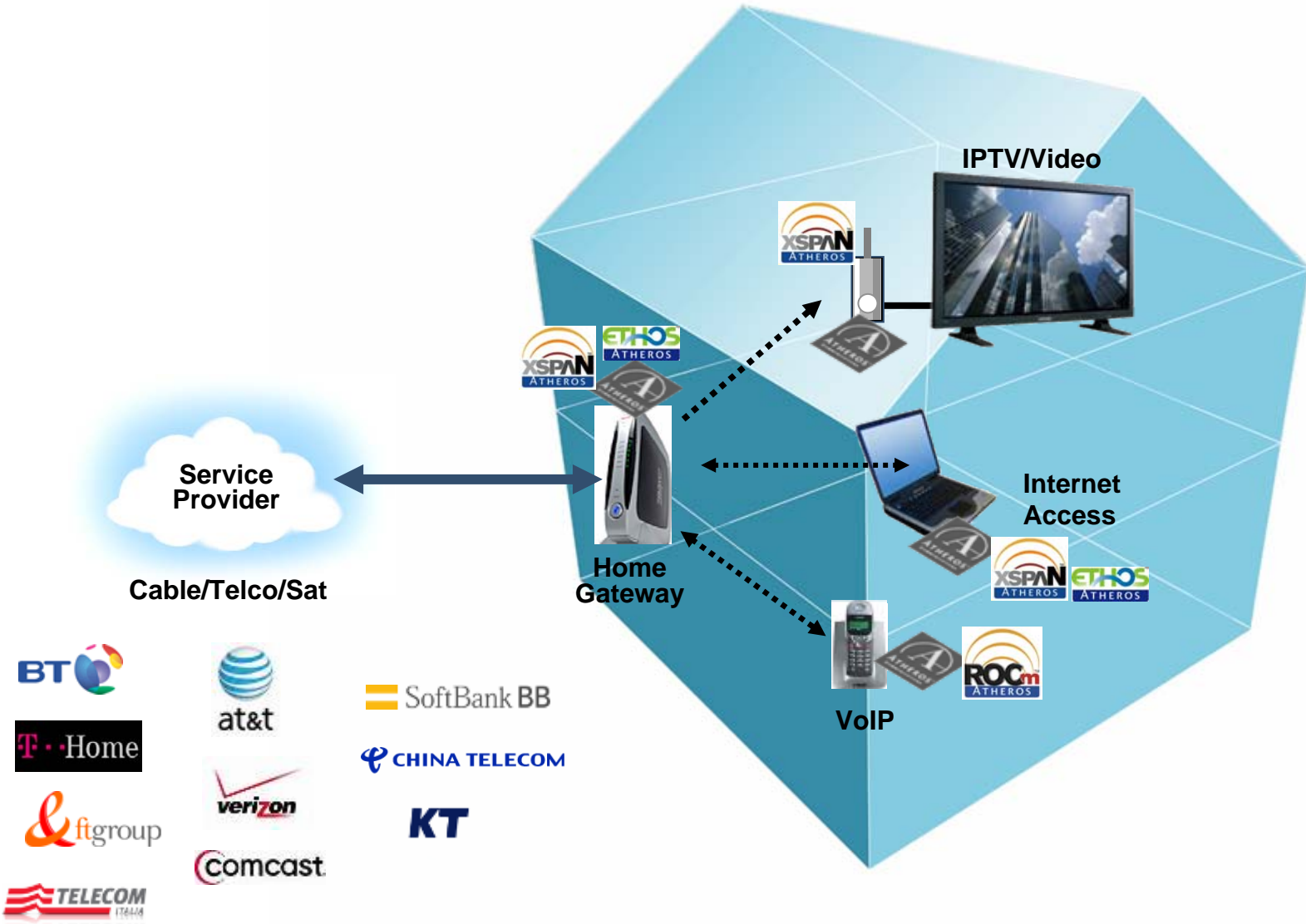
- Integration** The industry's first & most integrated Router SOC
- Performance** >200 Mbps actual user throughput
Proven in Wi-Fi Alliance 11n test bed
- Design options** Single- and dual-band
3x3 to 1x2 MIMO designs
PCI/Cardbus, PCIe, and USB adapter solutions
- Cost effective** Atheros-class integration and complete silicon solution...
Wi-Fi, Atheros Wireless Network Processor
and ETHOS Ethernet...

all from a single, trusted source





XSPAN in Carrier Networking: Enabling the Wireless Triple Play





Atheros is Seizing the Carrier Market Opportunity

Building the 'ecosystem'

- Partner for success with DSL & PON platforms
 - Infineon/TI, Conexant, Ikanos, PMC
- Working with Carriers and their OEM customers
 - Europe, Asia, North America, Japan
- Home Networking technology Partners
 - MOCA, HPNA, PLC



Atheros provides high performance & value connectivity

- Preferred by carriers and OEMs
- Efficient 11g solutions for basic gateways
- 11n performance enabling video multi-play gateways
- Expanding value with addition of Ethernet



Building best-in-class technology combinations

Atheros Design Trumps Again... with Single-Chip 11n

WIRELESS FUTURE UNLEASHED NOW



*The world's most integrated, most compact 11n solution...
designed for PCIe*

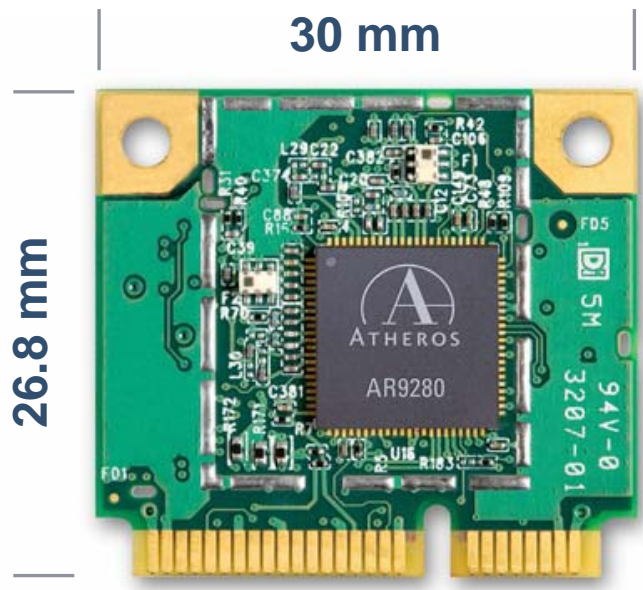


SAMPLING NOW!





Hitting the PC Market Sweet Spot... With Performance and Price



Up to 10x Throughput, More than Twice the Range



AR9280 and AR9281- Delivering Optimal Balance of Price and Performance



HB92 Reference design



XB92 Reference design

- Single-chip MAC/BB/RF with MIMO configurations:
 - 2x2 802.11a/g/n
 - 1x2 802.11g/n
- Max PHY rate of 300Mbps, >200 Mbps actual throughput
- Smallest footprint, most cost-effective package
 - 10mm x 10mm QFN package
- Half mini-card form factor for compact, ultra-mobile notebooks
- Contains up to 50% fewer RBOM components vs. competing 11n solution

**Significantly reduces cost & size, allowing PC OEMs to add
802.11n Wi-Fi to a wider range of notebook product lines**

Atheros' Trend of Industry-Leading RBOM Integration

Previous Gen. 11n



Atheros PCIe Mini-Card
2 x 3, Dual Band
125 Components

Previous Gen. 11g



Atheros PCIe Mini-Card
Single-chip 11g (Ext. PA)
105 Components

Lowest RBOM

- Si Integration
- Architecture
- Ext. Components
- PCB

Single-Chip 11n



Atheros Half Mini-Card
2 x 2, Dual Band
110 Components

11g



Atheros Half Mini-Card
Single-chip 11g (Int. PA)
77 Components

Focused on Growth in PC Networking

- First to market with single-chip 11n
 - Sampling now, Production ramping in Q108
- Most complete & compelling PC WLAN line-up
 - Best-in-class 802.11g & 11n single-chips
 - Broad OS/Platform support: Windows, MAC, Linux
- Global, multi-source supply chain
 - Secure, reliable, responsive
- Delivering more connectivity value to customers
 - Ethernet, Bluetooth



AR2425 (11g)



AR9280 (11n)



Atheros Wireless Networking Advantage

- **LEADERSHIP & GROWTH** in core market segments
 - Networking & PC
 - Increasing share of BOM with Ethernet & Bluetooth
- **STRONG PORTFOLIO** of 11g and 11n technology
 - The most integrated 11n – driving to mainstream
 - Capturing high volume 11g markets
- **FOCUSED and COMMITTED** to deliver:
 - Most efficient, integrated solutions
 - Highest WLAN performance
 - Complete RJ45-to-air solutions
 - Partnerships to provide systems platforms
 - Full customer support and service

Turning average users into **N**thusiasts.

It's time to liberate the masses with 802.11n. Introducing the XSPAN single-chip solution for PC's. Priced so every user can move beyond 11a/g... and become an **N**thusiast.



Expanding Performance. Expanding Possibilities.



ATHEROS COMMUNICATIONS, INC.



Unleashing Markets for Growth: Mobile Wireless Business Unit (MoBiU)

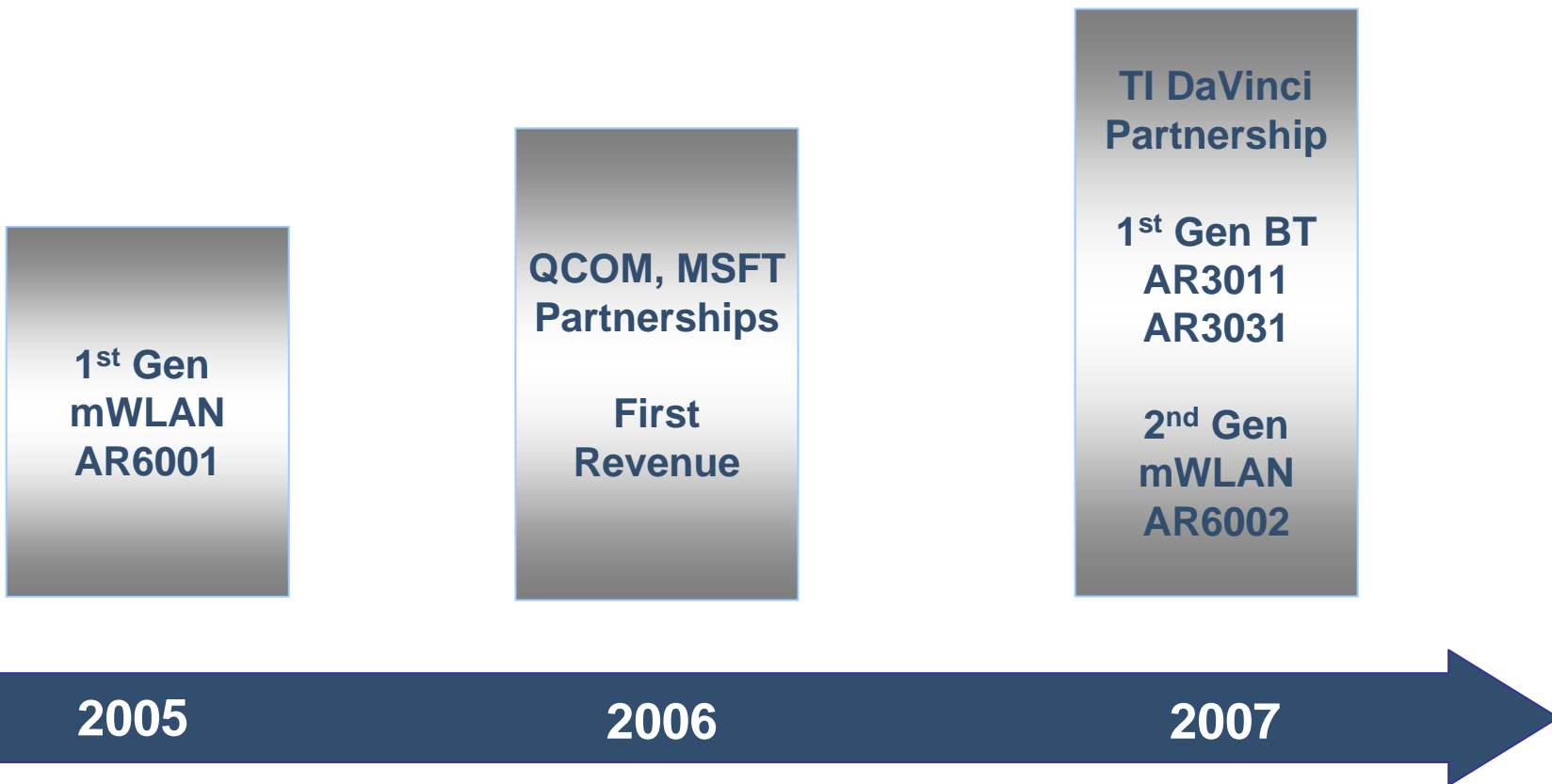
WIRELESS FUTURE. UNLEASHED NOW.

DR. SAM ENDY
VICE PRESIDENT AND GENERAL MANAGER, MoBiU
NOVEMBER 8, 2007





MoBiU Milestones



Over 20 handset design wins – with products already on the market



Our Target Markets



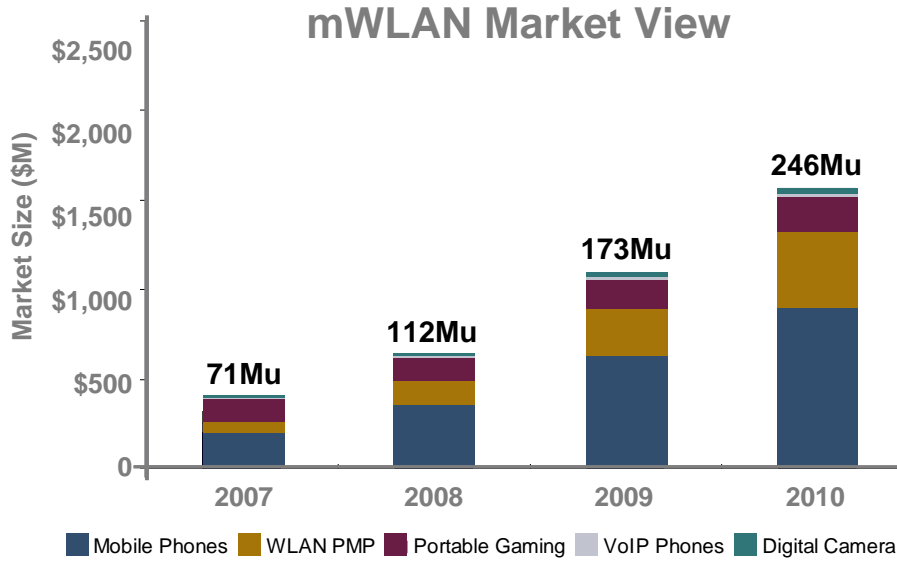
- Mobile WLAN
- Bluetooth

Stay tuned for announcements

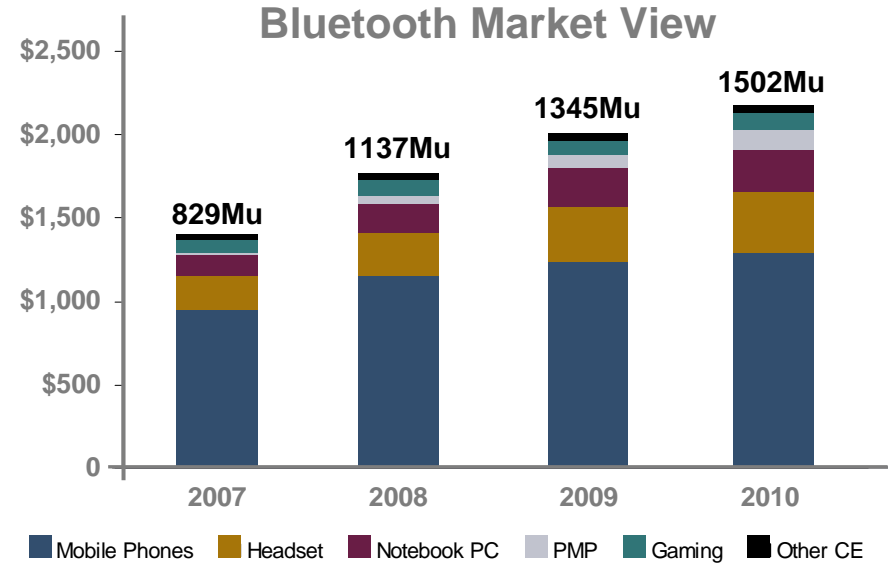


MoBiU Market Opportunity

From \$1.9B in 2007 to \$3.8B in 2010, 26% CAGR



Source: In-Stat, 2007



Source: IMS, 2006





MoBiU Strategy for Connectivity

Atheros

Battery Life

Ease of Implementation

Cost & Performance

OEM/ODM

Consumer

Ubiquity

Simplicity

Customer experience



246 Mu of mWLAN by 2010
1.5 Bu of Bluetooth by 2010





MoBiU Product Strategy

Develop best of breed connectivity solutions

- mWLAN, Bluetooth and others
- Optimized for power, size and cost

Partner to provide complete turnkey solutions

- Qualcomm, Microsoft, TI DaVinci and others TBA

Differentiate by providing

- The best customer experience
- Most mature software with comprehensive feature set

Our mWLAN Products Today

AR6001

- 1st generation
- Shipping in multiple devices
- More to come in the coming months



Sony



LG



NEC



FSC



i-Mate



Eye-Fi

AR6002

- 2nd generation
- Lowest power consumption
- Best throughput and range
- Already garnering design wins



AR6001
BGA 10x10 mm



AR6002
BGA 7x7 mm

AR6002 will Catalyze Wi-Fi Adoption

Breakthrough low power

- Virtually ZERO in standby
- 70% less power in active mode

Best-in-class mobile WLAN design

- Highest on-chip integration – MAC/BB/RF/PA/LNA
- Superior Bluetooth and Cellular coexistence
- Atheros-class WLAN throughput

Easy Wi-Fi integration – fast time to market

- Pre-integrated, pre-tested, pre-qualified





“Atheros Cuts the Juice”

*“... about ten years ago, I heard from BT proponents that **Wi-Fi in handsets would never go anywhere because the chipsets involved... consumed too much power...**”.*

*“Which brings us to now...to the brand new **AR6002 WLAN single-chip Wi-Fi component** from Atheros...(it) consumes... about a third of the power previously required, while delivering about 30% better performance. Standby power is basically zero.”*

“Power might in fact be the last frontier, and we are closer than ever now to this challenge falling and Wi-Fi becoming universal.”

Craig Mathias for Network World - 11/01/2007

Our Bluetooth v2.1+EDR Products

AR3011

- 1st generation PC solution
- Low-cost, highly integrated
 - ⇒ No external flash
- Suitable for embedded designs and external adapters



AR3031

- 1st generation mono headset solution
- Low-cost, flexible solution
- Industry-leading low power consumption





SUMMARY

Dramatically expanded Atheros' addressable market

- From \$1.9B in 2007 to \$3.8B by 2010

Market leading mobile connectivity solutions

- Best-in-class in power, size and cost mWLAN and BT

Growing portfolio of top tier customers

- Tier 1 cellular and portable consumer OEMs

***Mobile Connectivity:
The fastest growing market in Atheros***



ATHEROS COMMUNICATIONS, INC.



Unleashing Markets for Growth: Asia Pacific Business Overview

WIRELESS FUTURE. UNLEASHED NOW.

DR. JASON ZHENG
VICE PRESIDENT AND GM OF ASIA PACIFIC BUSINESS UNIT
NOVEMBER 8, 2007



Asia Pacific Expanding Opportunities

Growing, tremendous Asia purchasing power

- Large end-consumer population
- Getting richer fast

Close proximity to customers and markets

- High concentration of ODMs and OEMs supplying worldwide market

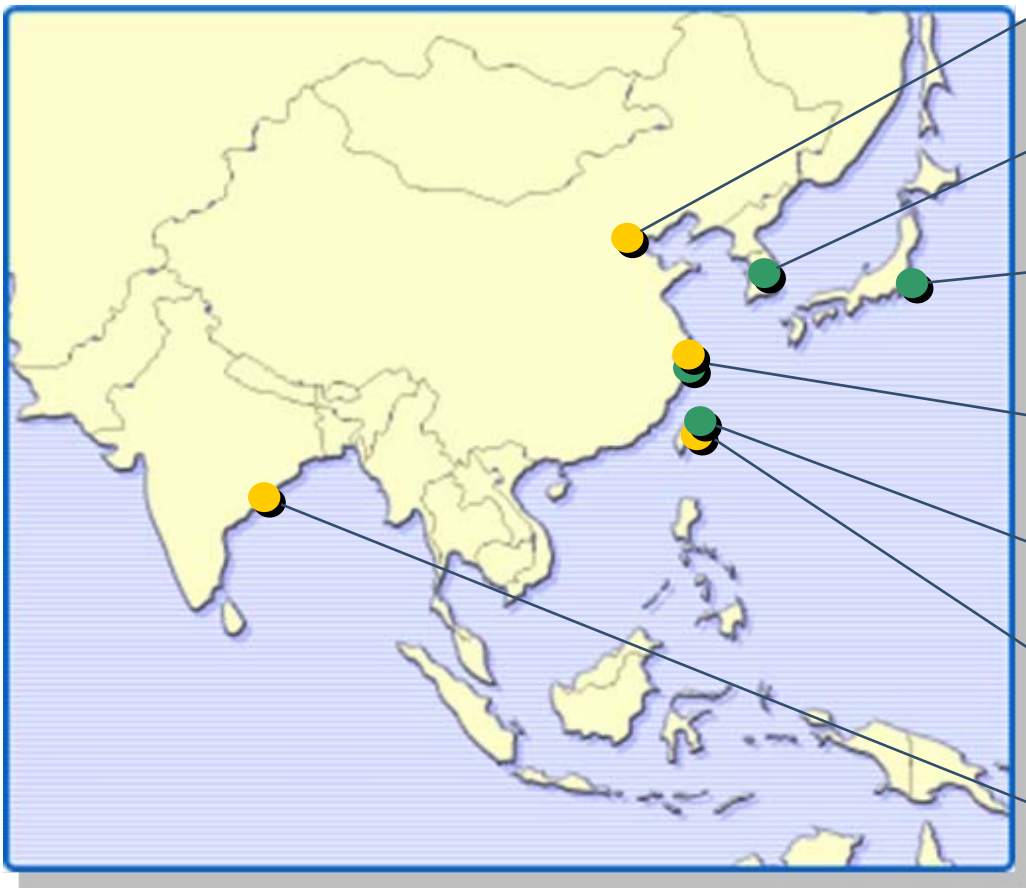
Lower-cost and highly-skilled R&D talent

- Greater China and India graduate 950,000 engineers and scientists each year
- Improving productivity





Atheros Asia Presence



Beijing, China
Engineering and R&D

Seoul, S. Korea
Field Sales and Technical Support

Tokyo, Japan
Field Sales and Technical Support

Shanghai, China
Engineering and R&D
Field Sales and Technical Support

Taipei, Taiwan
Field Sales and Technical Support

Hsinchu, Taiwan
Engineering and R&D

Chennai, India
Engineering and R&D

APAC R&D
> 320

APAC Sales & FAEs
> 70



APAC BU focus

Build and expand development centers

- Serve the entire company's product development needs
- Strengthen local customer support

Incubate new technology ideas

- Have good leverage in APAC region

Operate Asia-based revenue-generating BUs

PAS Business

First product diversification outside of WLAN

- Initial product launch in Q1 of 2005
- Approximately \$50M in revenue to date
- Attractive ROI



Shipping to multiple customers

PAS technology leveraged across Atheros mobile products including low-power and audio technologies



Introducing ETHOS



The precision of Atheros design, wired. It's the new ethos in Ethernet.



Ethernet. Atheros Engineered.



Ethernet Business Unit



Fast Ethernet
PHYs & Controllers



Gigabit Ethernet
PHYs & Controllers



Fast Ethernet
SOHO Switches



Gigabit Ethernet
SOHO Switches

ETHOS™ family of products – Ethernet. Atheros Engineered.

Great engineering team

- Core competency to produce the world's smallest designs
- Rapid product introduction - 4 new product introductions in 2007
- World-class execution with proven track record

Unique market position

- Smallest and lowest-cost Gigabit Ethernet products
- Low-power Gigabit Ethernet solutions

Large, fast growing business



Ethernet Market Opportunity

CURRENT

FUTURE

Target Markets

PC



Desktop PCs,
Notebook PCs,
Motherboards

**Home
Networking**



Wireless AP Routers,
Carrier Gateways,
Set-Top Boxes

SMB Switch



Smart & Unmanaged
Switches

**Enterprise
Switch**



Modular and
Stackable Switches

Silicon
Solution

**10/100 & GbE
PHYs & Controllers**

**5/8-port
10/100 & GbE
switches**

**5/8-port and
16/24-port
10/100 & GbE switches**

**High-port density
GbE PHYs**



Introducing AR8121 – Industry's Smallest Gigabit Ethernet Controller

Industry's smallest footprint and lowest pin-count GbE solution

- Less than half the size of competitive devices

Lowest RBOM on the market

- Offer additional cost savings

Low power operations

- Active power < 700mW in 1000BASE-T

Advanced features

- Wake-on-LAN and sophisticated power savings

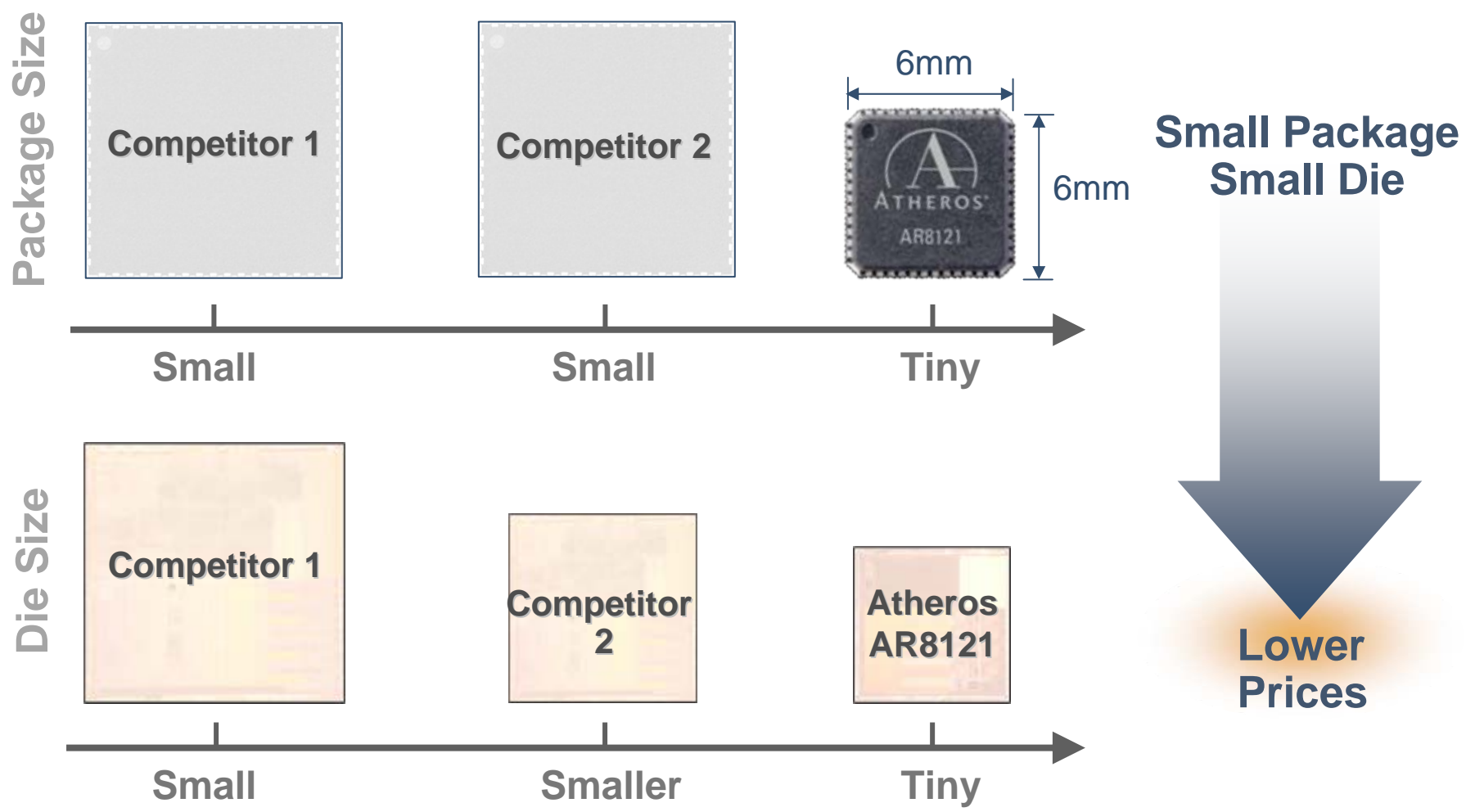
Pin-compatible Gigabit Ethernet and 10/100 LAN-on-Motherboard (LOM) solutions for PC segment

- Single PCB design with upgrade option from 10/100 to Gigabit

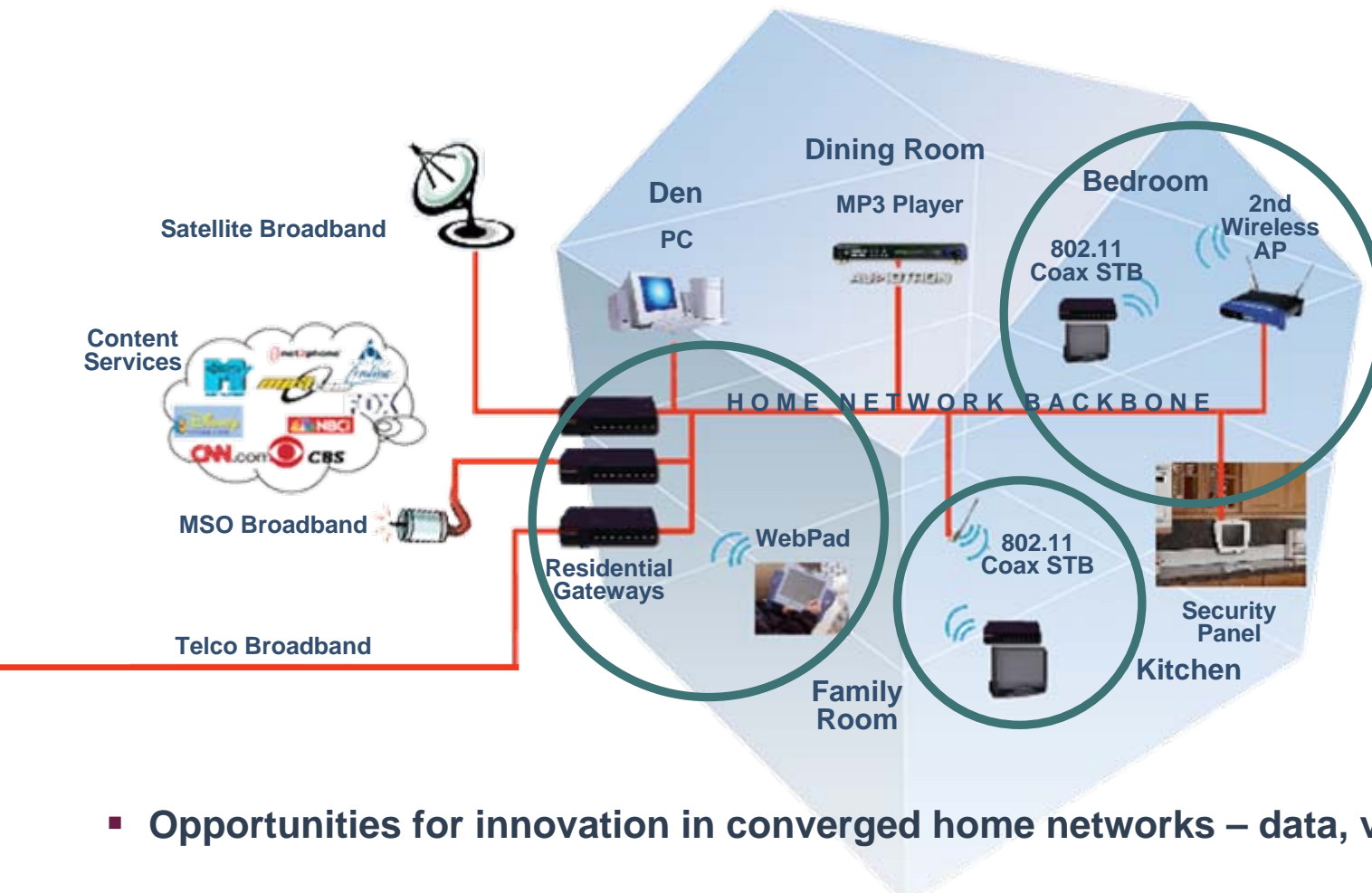




Smallest Gigabit Ethernet Controller



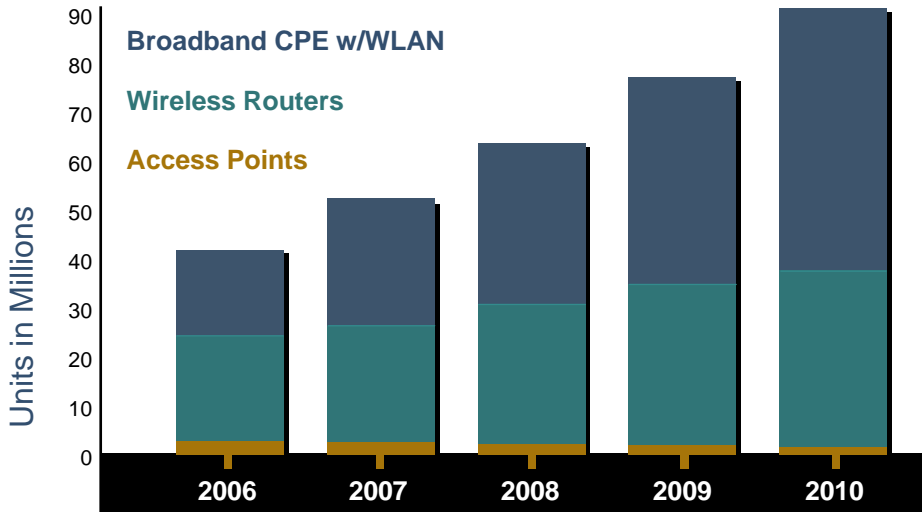
Home Networking Market Opportunity



- Opportunities for innovation in converged home networks – data, voice, and video
- Predictable network performance required for IPTV and managed services
- Ethernet switches address QoS, bandwidth control and security requirements

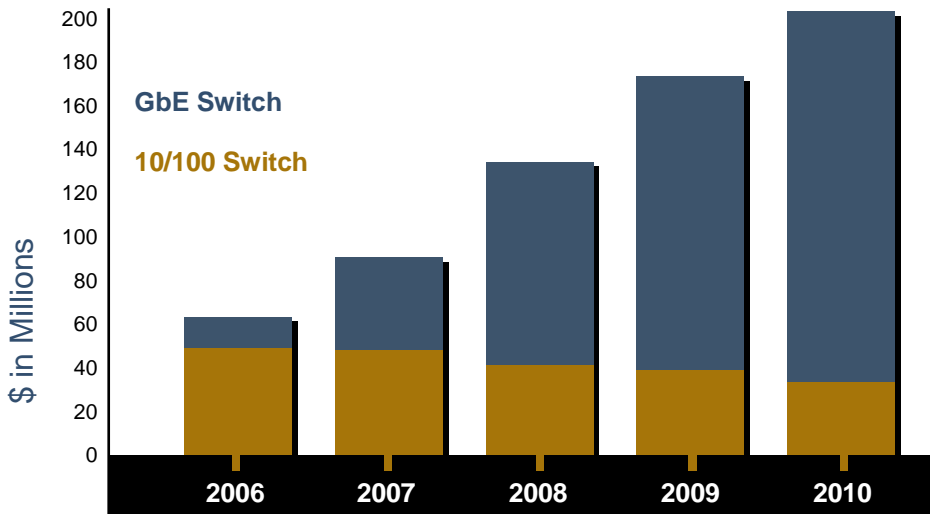


Large Home Networking Ethernet TAM



91 MU of SOHO Wireless LAN devices will be shipped in 2010

Source: Dell'Oro 2007



\$202M Ethernet switch TAM for SOHO Wireless AP routers and carrier gateways in 2010

Source: Dell'Oro and Atheros

Introducing AR8316 – 6-port Gigabit Ethernet Switch



Gigabit Ethernet is required to unleash the performance of 11n

6-port GbE switch with 5 GbE PHYs integrated on-chip

- Advanced carrier-class features

Industry's lowest cost structure

- Drives market transition from 10/100 to Gigabit Ethernet

GbE switch commands premium ASP

- Drives ETHOS™ revenue growth



Smallest 6-port Gigabit Ethernet Switch

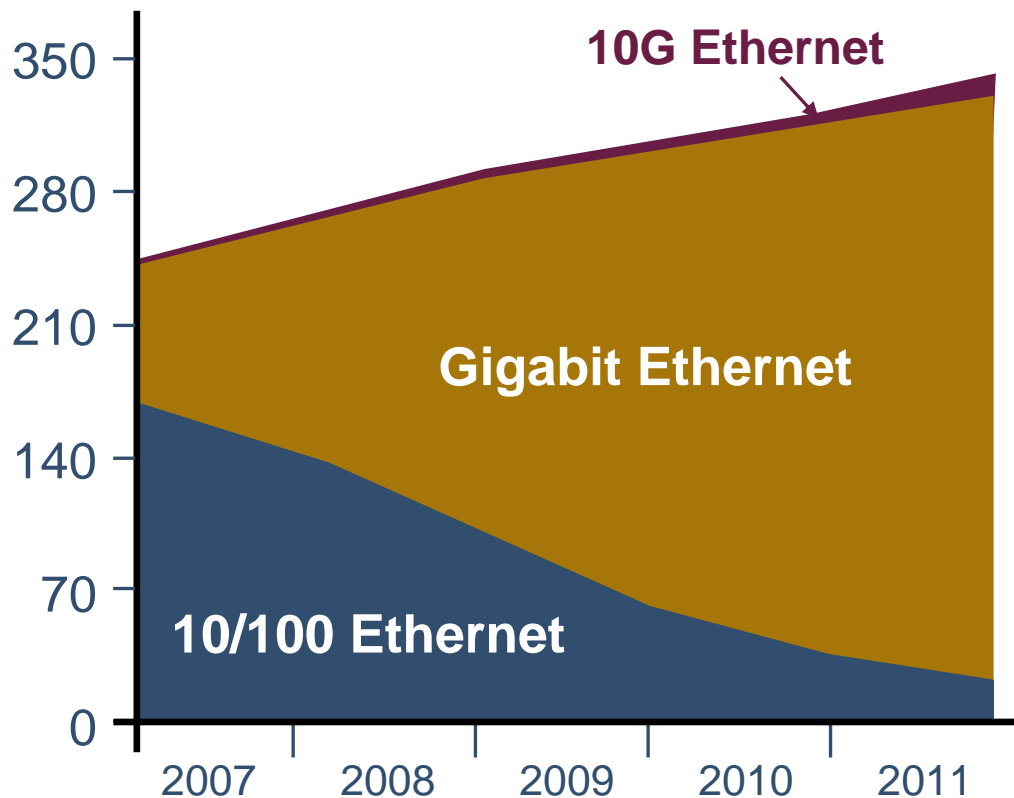
	Atheros AR8316	Competitor 1	Competitor 2
6-port Gigabit Ethernet switch (Relative Die Size Comparison)			
Die Size (Same Process)	—	100% Larger Die Area	80% Larger Die Area
Package	176 LQFP (20x20)	40% Larger Package	30% Larger Package

Smaller Die, Lower Power, and Lower Cost



10/100 to Gigabit Ethernet Transition

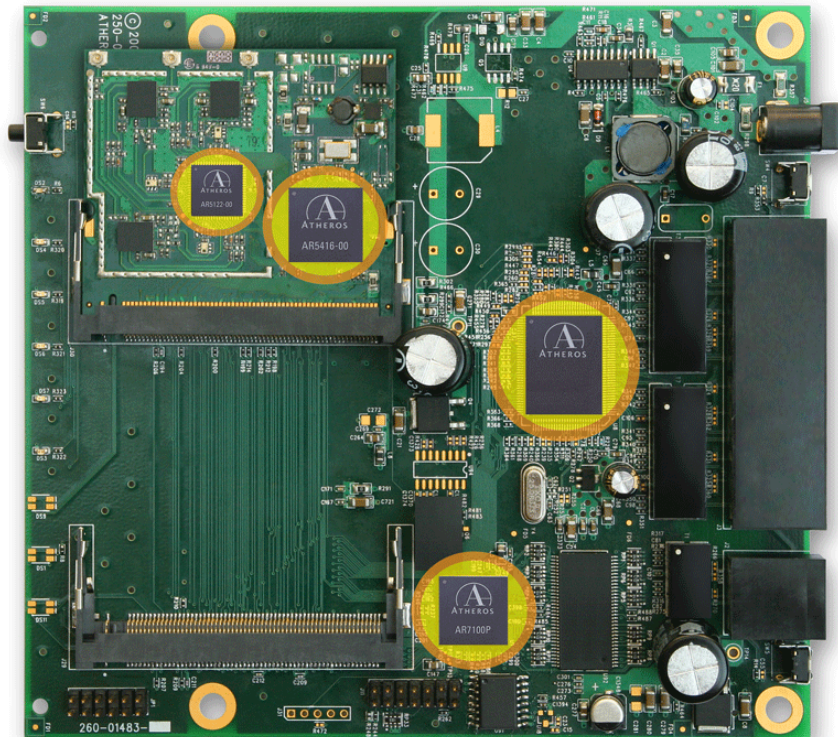
Ethernet Switch Port Shipments (M)



Source: Dell'Oro, 2007

GbE Switch Port  **Higher ASP \$**

Atheros Offers Total Solution – RJ45 to Air



XSPAN 11n chipset



AR7100 – Atheros family of wireless network processors

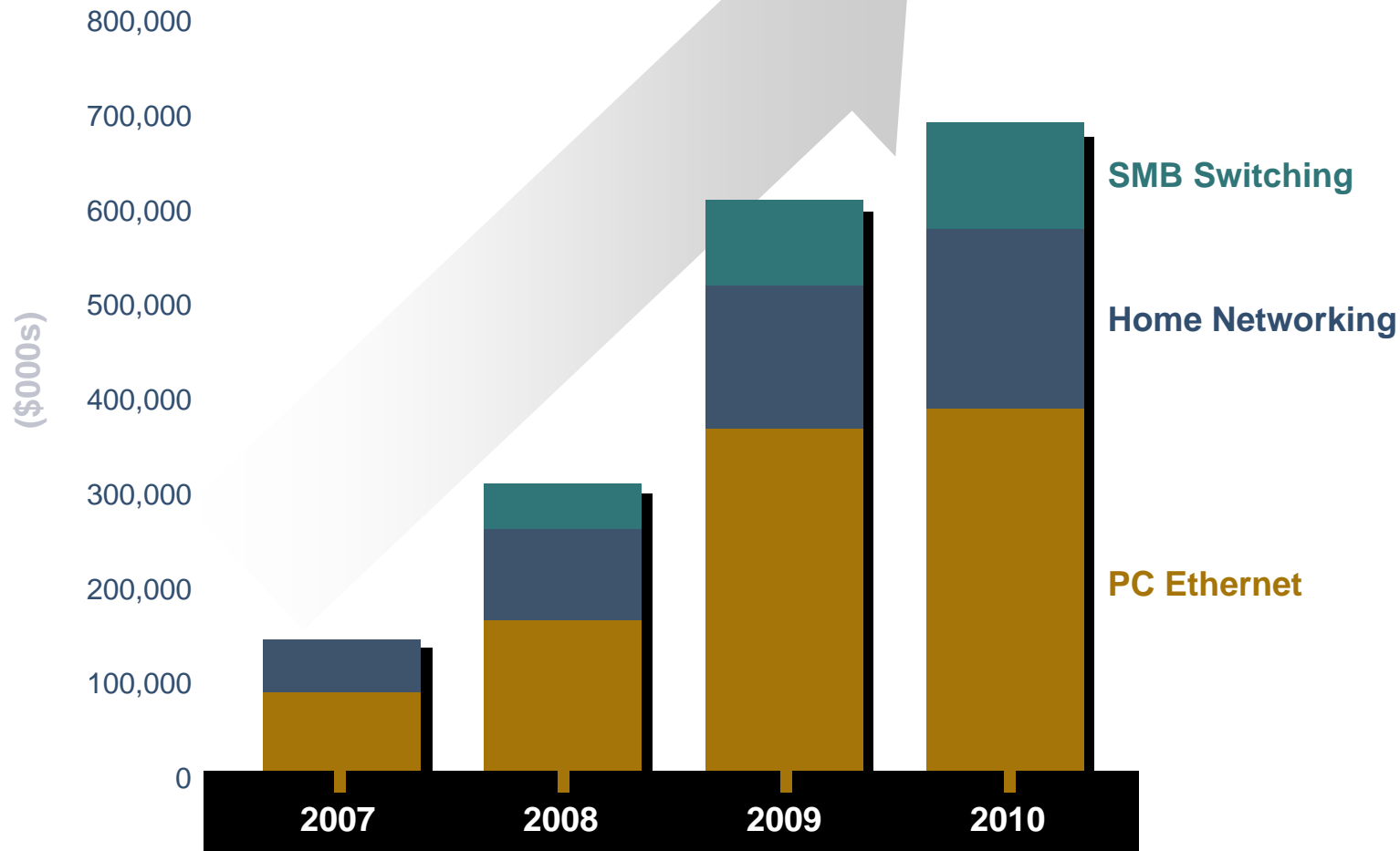


**Ethos: AR8316
6-Port Gigabit Ethernet Switch**

Complete 11n AP/Router Reference Board



EBU Opportunity for Growth 4x in 3 Years



Big SAM Opportunity **Fast Growing Business**



Ethernet Business Unit Summary

Great synergy and leverage with existing WLAN business

- Solutions, customers, and channels

Core competency to deliver industry's lowest-cost Ethernet solutions

- Sustainable competitive advantage

Rapid product introduction

- Strong engineering execution of complex and integrated solutions

Large business opportunity

- Fast-growing business for Atheros



APBU Summary

APAC development centers are expanding rapidly

- Providing great support and service to all product groups.

APAC incubators enable diversification cost effectively

Asia engineering presence is helping us to generate more new customers and revenues

Gigabit Ethernet NIC and Switch will be strong revenue drivers for 2008 and beyond



ATHEROS COMMUNICATIONS, INC.



Unleashing Markets for Growth: Atheros Innovation

WIRELESS FUTURE. UNLEASHED NOW.

BILL MCFARLAND
CHIEF TECHNOLOGY OFFICER
NOVEMBER 8, 2007



Promises about “The Future” Are Like Pie in the Sky



**No pie in the sky...
Atheros specializes in APPLIED INNOVATION**



Innovation at Atheros

Applied Innovation:

Superior design coupled with ***market-based pragmatism*** to provide ***competitive advantage*** for our customers

Innovation in ***execution...***

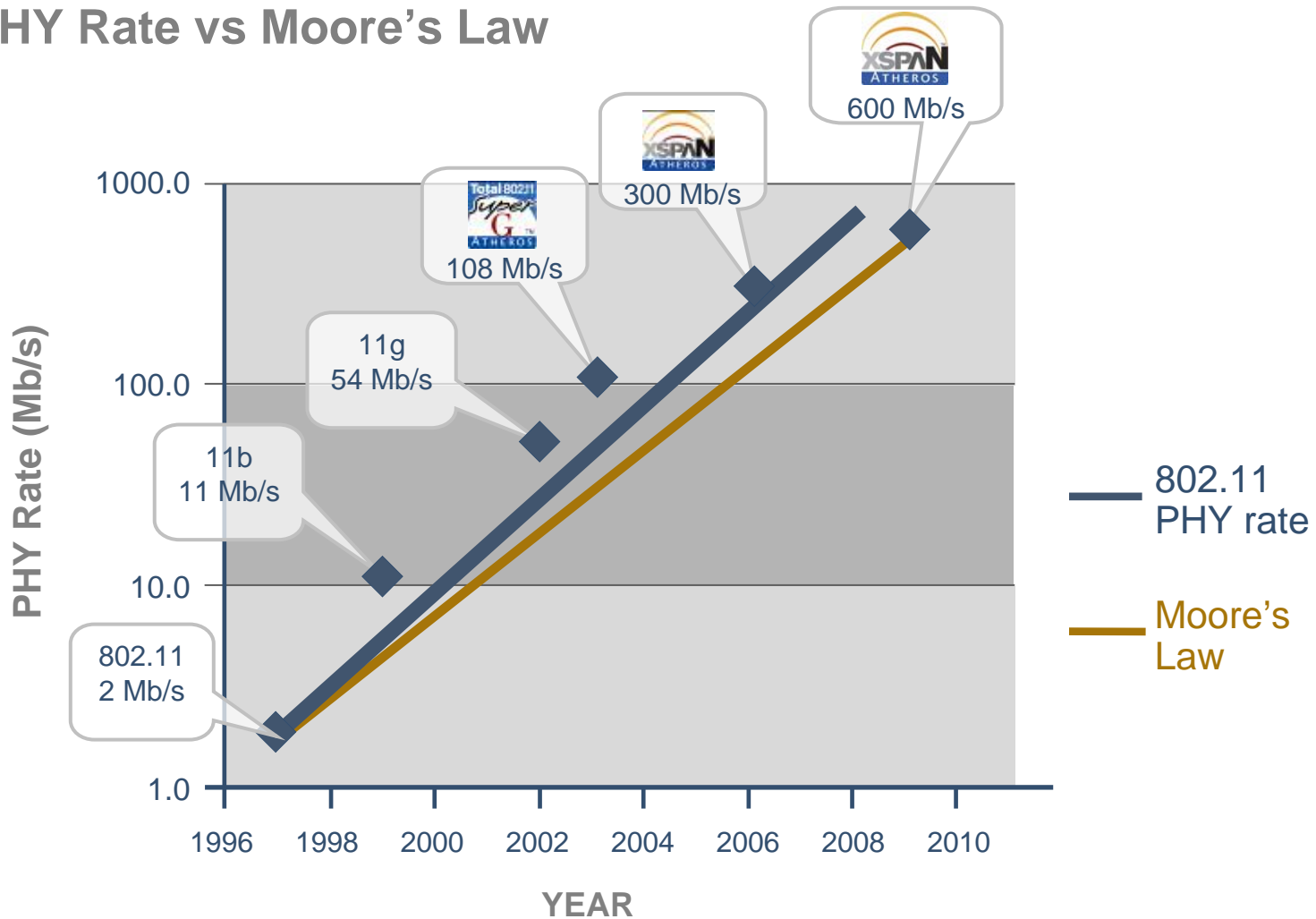
Innovation in ***design...***

Innovation in ***product capabilities.***



WLAN Innovation Trajectory vs. Moore's Law

802.11 PHY Rate vs Moore's Law





Innovation in Execution

Customers provided with complete SW source code

- #1 supplier to enterprise AP companies

Software for our chips is available as open source

- Working with new companies in the most innovative products

Extensive fab multi-sourcing (4 fabs with more coming)

- Flexible, reliable supply, competitive wafer pricing

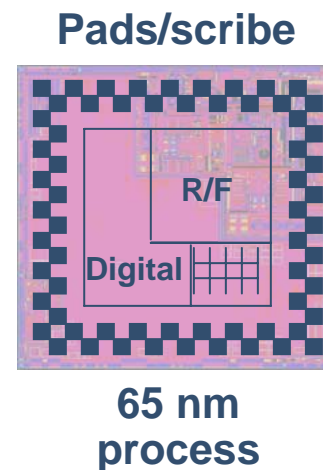
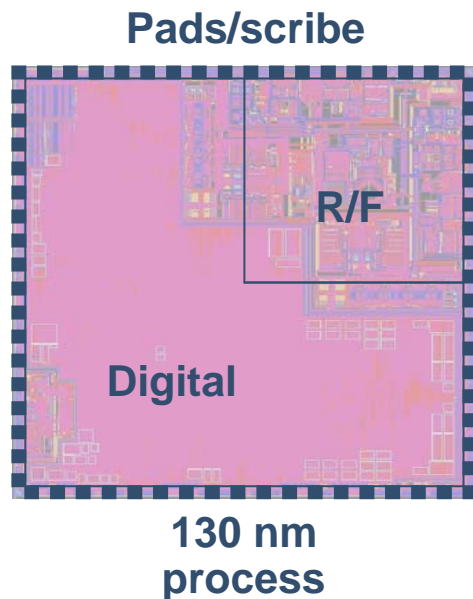
Appropriate process technology selection

- Lowest cost products, low development expenses



Process Technology and Product Cost

**Digital scales best, analog modestly,
pads and scribe not at all.**



**“Pad limited”
die may result
in wasted
die area**



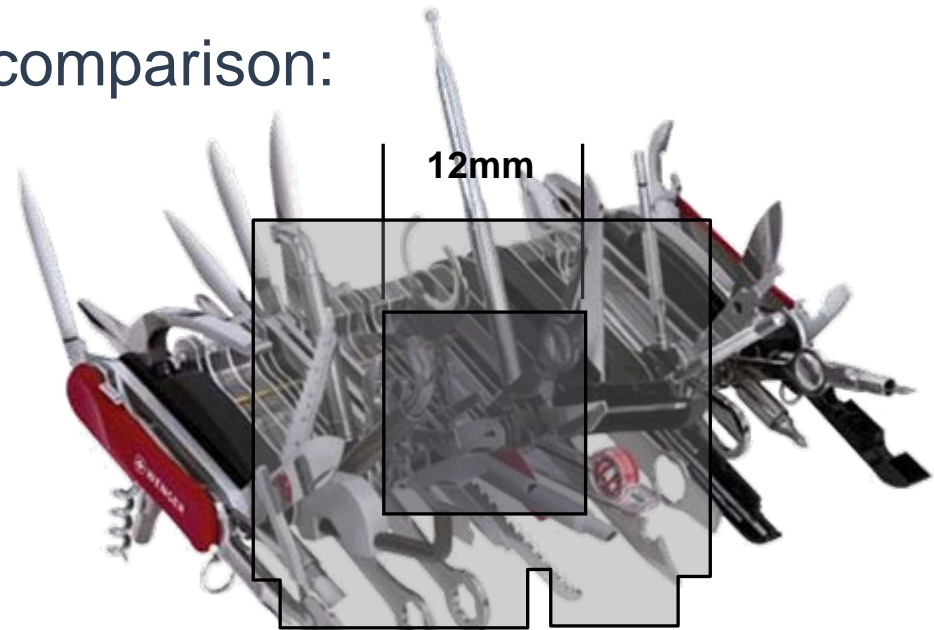
***Large number of 130nm wafer suppliers results in
attractive wafer pricing, reliable multi-source supply***

Development Expense

- Lower development costs enable more specialized solutions
- 802.11n single-chip size comparison:



Atheros 130nm
QFN Package
 $10 \times 10 = 100 \text{ mm}^2$



Competitor 65nm
BGA Package
 $12 \times 12 = 144 \text{ mm}^2$

The Swiss army knife trap

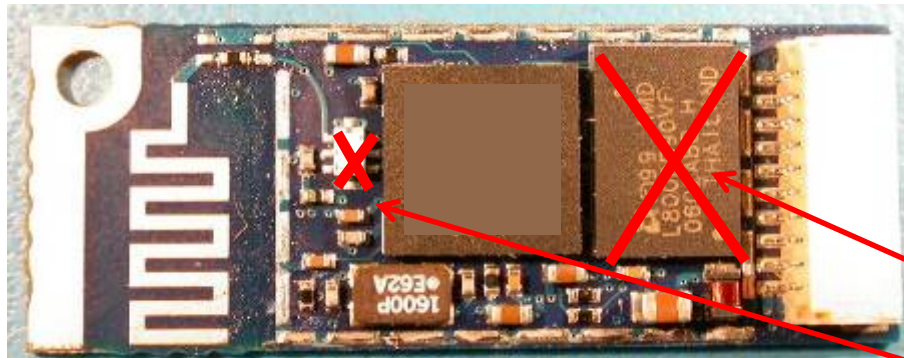


Innovation in Design

- High levels of integration
 - Lower manufacturing costs, higher reliability
- Internally developed custom digital logic libraries
 - Lower power consumption, and higher circuit densities
- Uniquely efficient architecture and design
 - Significant die cost advantages
- Power efficiency at every step
 - Protocols, software, analog circuits, digital circuits

It's all about the design

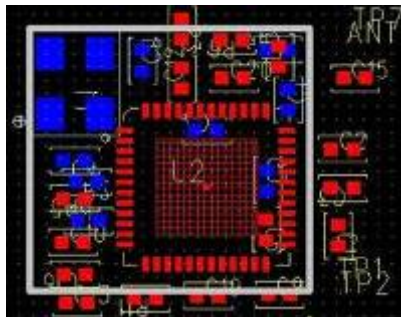
Integration Levels – Example: Bluetooth



Competitor's Embedded PC Solution

Atheros enables a **lower cost** overall solution

- \$0.70 Flash device removed
- \$0.25 External Balun not required
- \$0.05 Lower cost 2 layer PCB
- Total RBOM reduction of 63%



Atheros Embedded PC Solution

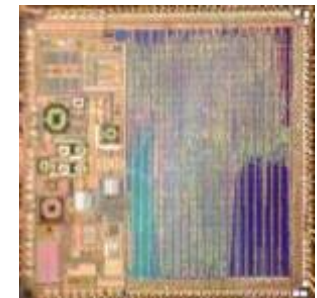
Atheros enables a 52% **smaller size** overall solution

Efficient Design – Example: Bluetooth Die Size

	Atheros AR3031	Competition HCI-ROM
Package	5x5 mm QFN (25 mm ²)	6x6mm BGA (36 mm ²)
Normalized Die Area	1	1.33
Technology	0.13μm CMOS	0.13μm CMOS



Atheros Die



Competitor's Die



Power Efficiency – Example: AR6002

Atheros has the lowest active power consumption

Product	Atheros AR6002 (130nm)	Competitor (90nm)	Ratio
Rx Power Consumption	135 mW	333 mW	2.5x
Tx Power Consumption (+15 dBm output)	400 mW	560 mW	1.4x
Throughput (SDIO)	> 20 Mbps	> 10 Mbps	0.5x

Atheros has the most power efficient protocols

- PMP demo shows potential for reducing WLAN power by factor of 5

With the AR6002, power consumption is no longer limiting factor for most applications

- Considering just WLAN part, typical cell phone battery would provide
 - **>100 hours VoIP talk time, or**
 - **200 Giga Bytes of data transfer**



Innovation in Product Capabilities

Synergistic combinations of functions

- Bluetooth and WLAN

Flexibility in interconnection topology

- Multi-hop meshing



Synergistic Combinations

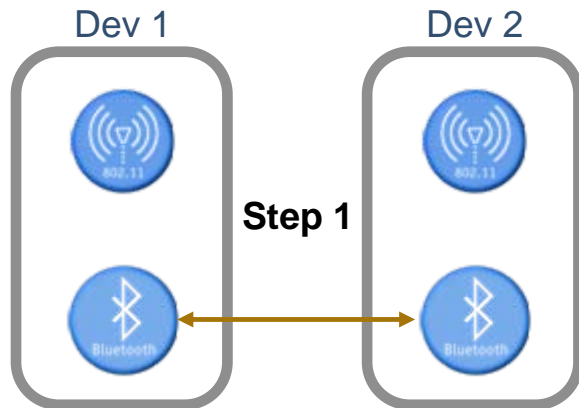
- It's not just about putting more than one function on a chip!
- **It's about technologies working tightly together:**

Intelligent meshing over Wi-Fi, Bluetooth, and Ethernet in multiply connected environments

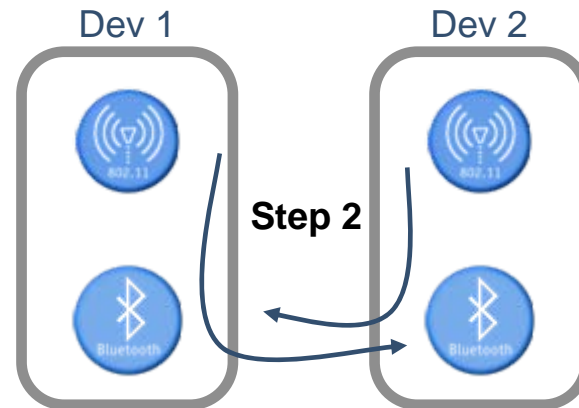
BT/WLAN *cooperation*, not just coexistence

Mixing different protocol and PHY layers –
e.g. setup link with Bluetooth, but carry data over Wi-Fi

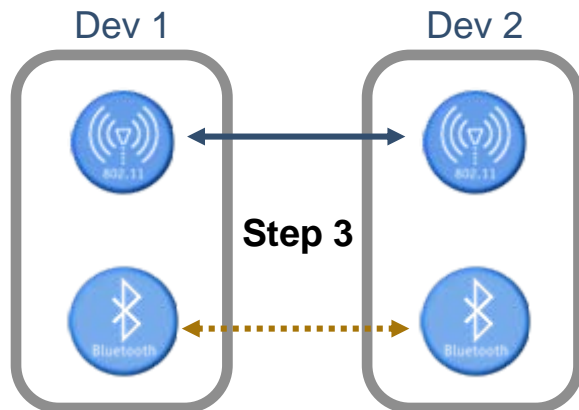
Bluetooth and WLAN in Synergy



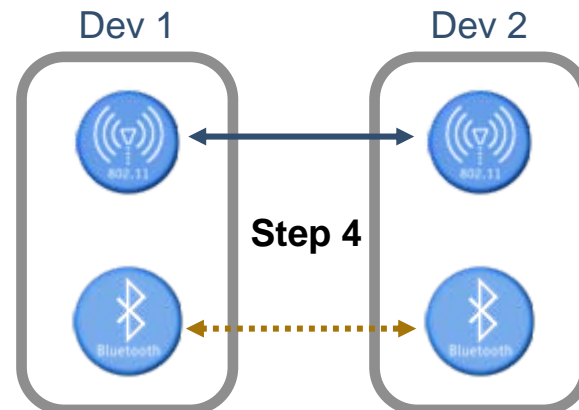
Establish link over BT



Exchange WLAN info over BT

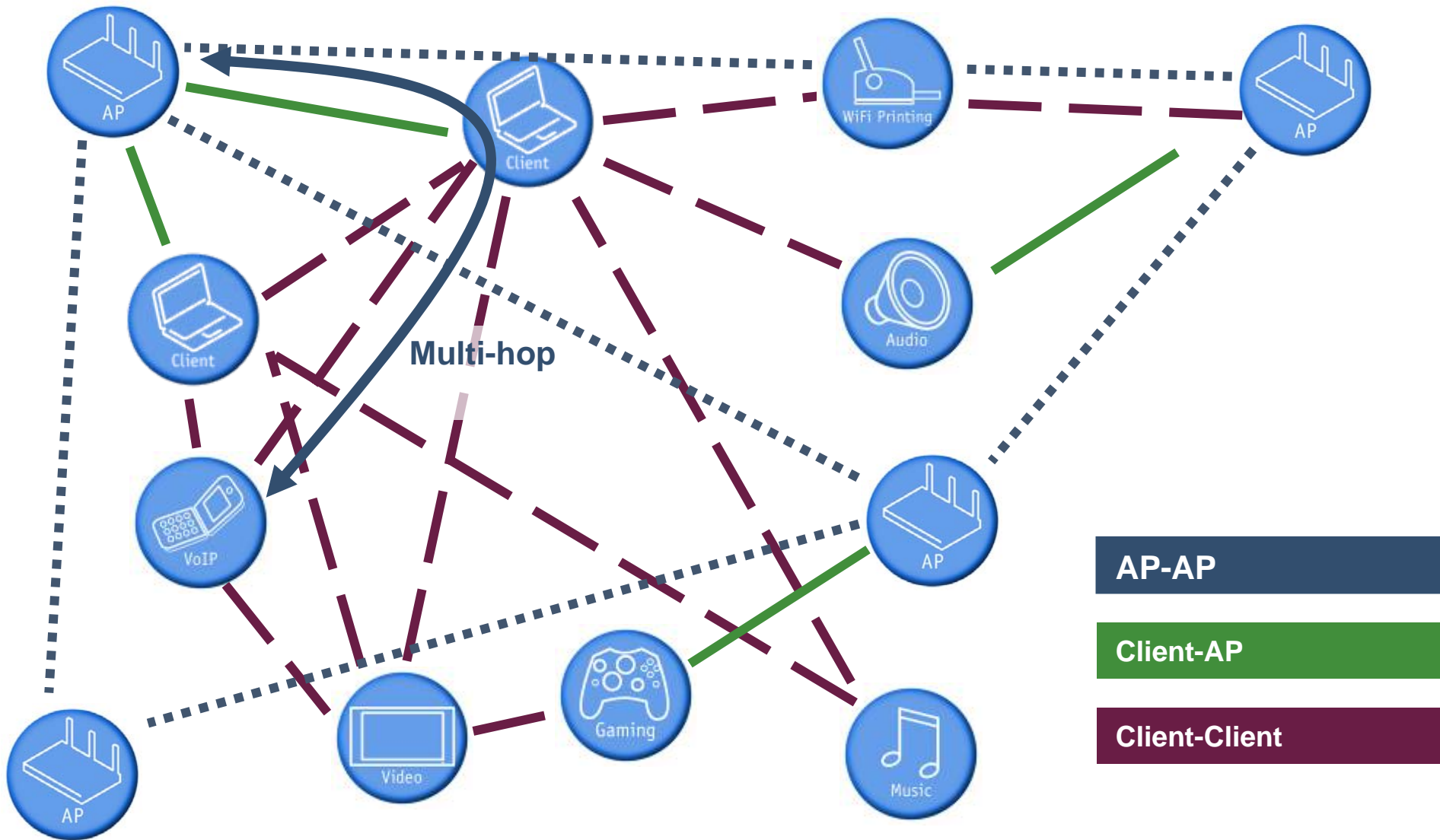


**Establish WLAN connection
Maintain BT control link**



**Transmit high-speed data over WLAN
BT used for power save**

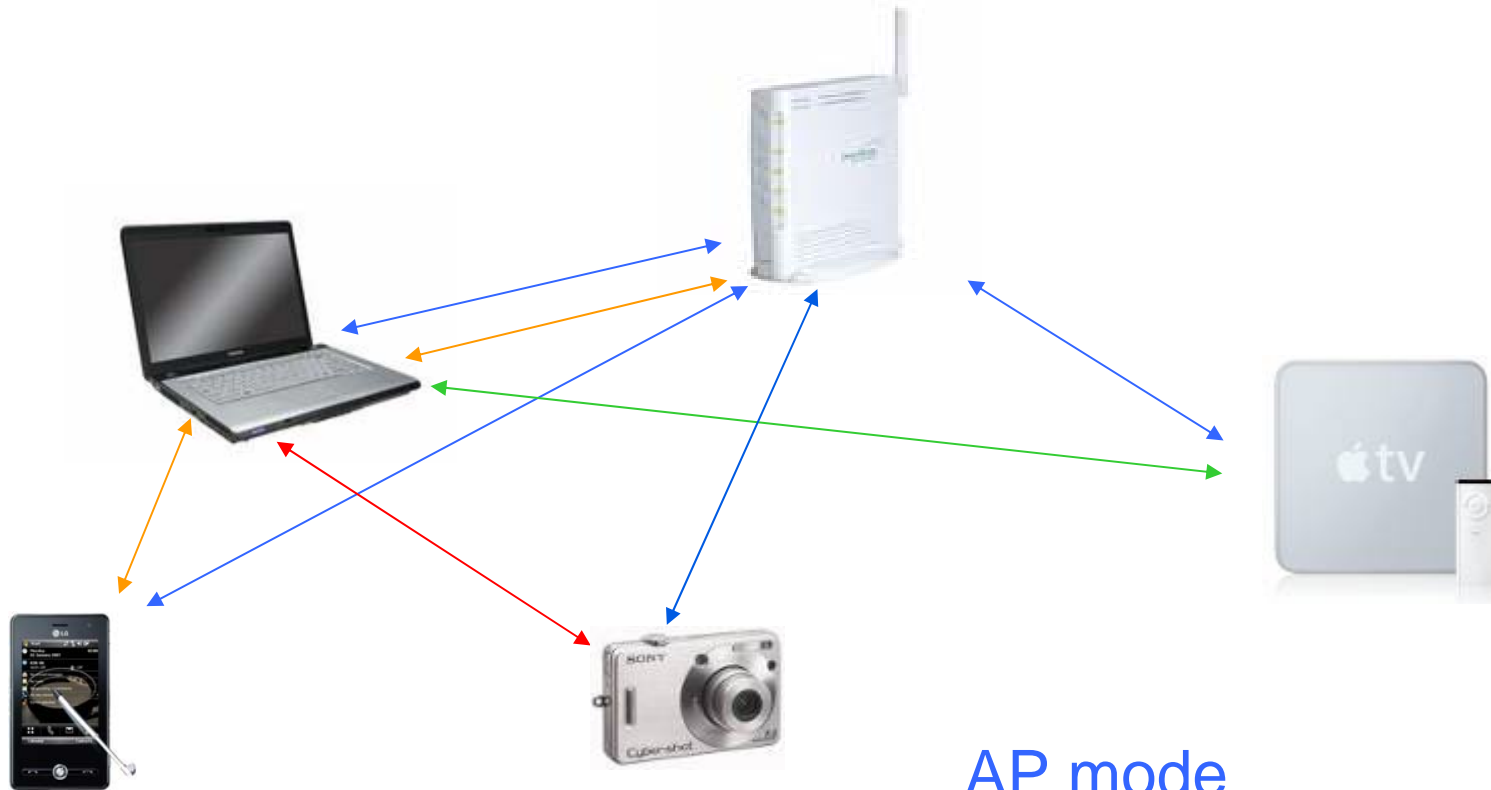
Meshing



- AP-AP
- Client-AP
- Client-Client



Why You Need Meshing



- AP mode
- Efficient network connection
- Cable Replacement
- Range extension

Applied Innovation

Atheros' innovation provides our customers with *best-in-class*

- Price
- Power
- Size
- Functionality

Innovation. Atheros engineered.





ATHEROS COMMUNICATIONS, INC.



Unleashing Markets for Growth: Financial & Corporate Development Overview

WIRELESS FUTURE. UNLEASHED NOW.

JACK LAZAR
VICE PRESIDENT & CHIEF FINANCIAL OFFICER
NOVEMBER 8, 2007



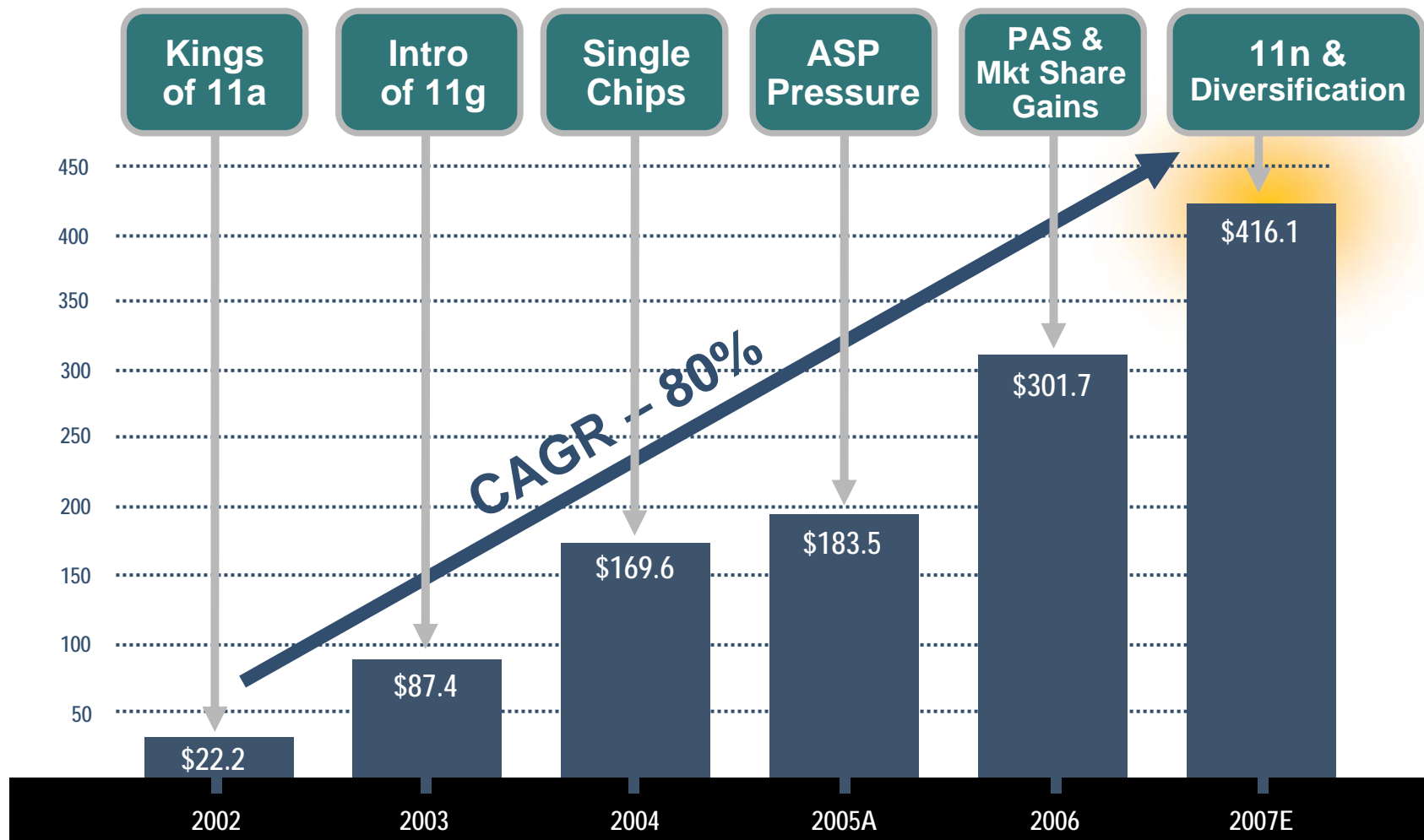


Atheros Financial Overview

- Building a world class communications semiconductor systems company
- Addressing large markets that we believe are elastic based on product features and cost
- Demonstrating revenue growth with expanding operating margins
- Delivering consistent growth and profitability while investing heavily in new markets
- Accumulating a world class customer base to be leveraged over the upcoming years.

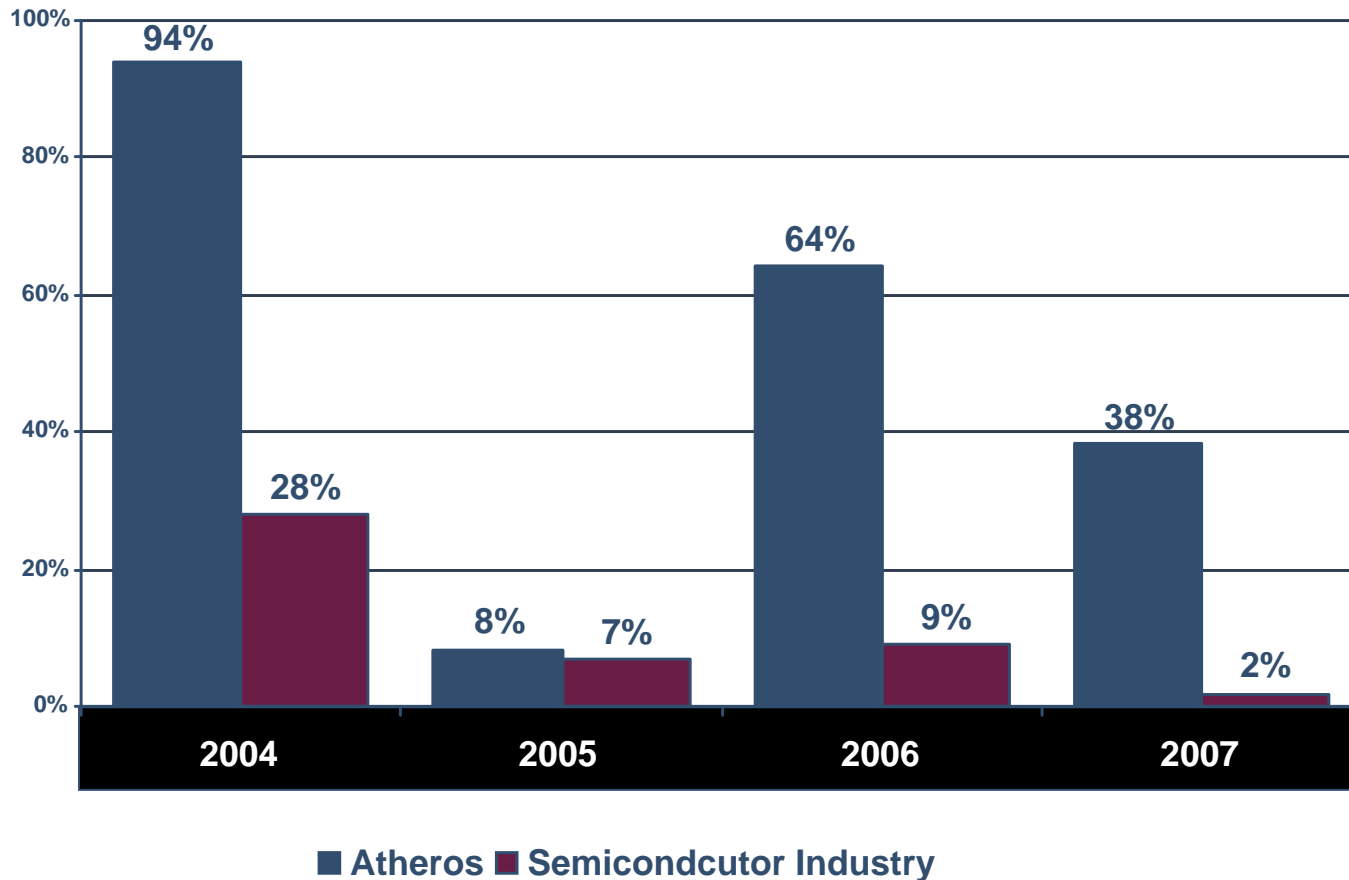


Dramatic Revenue Growth Over 6 Years



2007 revenue is 9 months actual plus Q4 midpoint of guidance

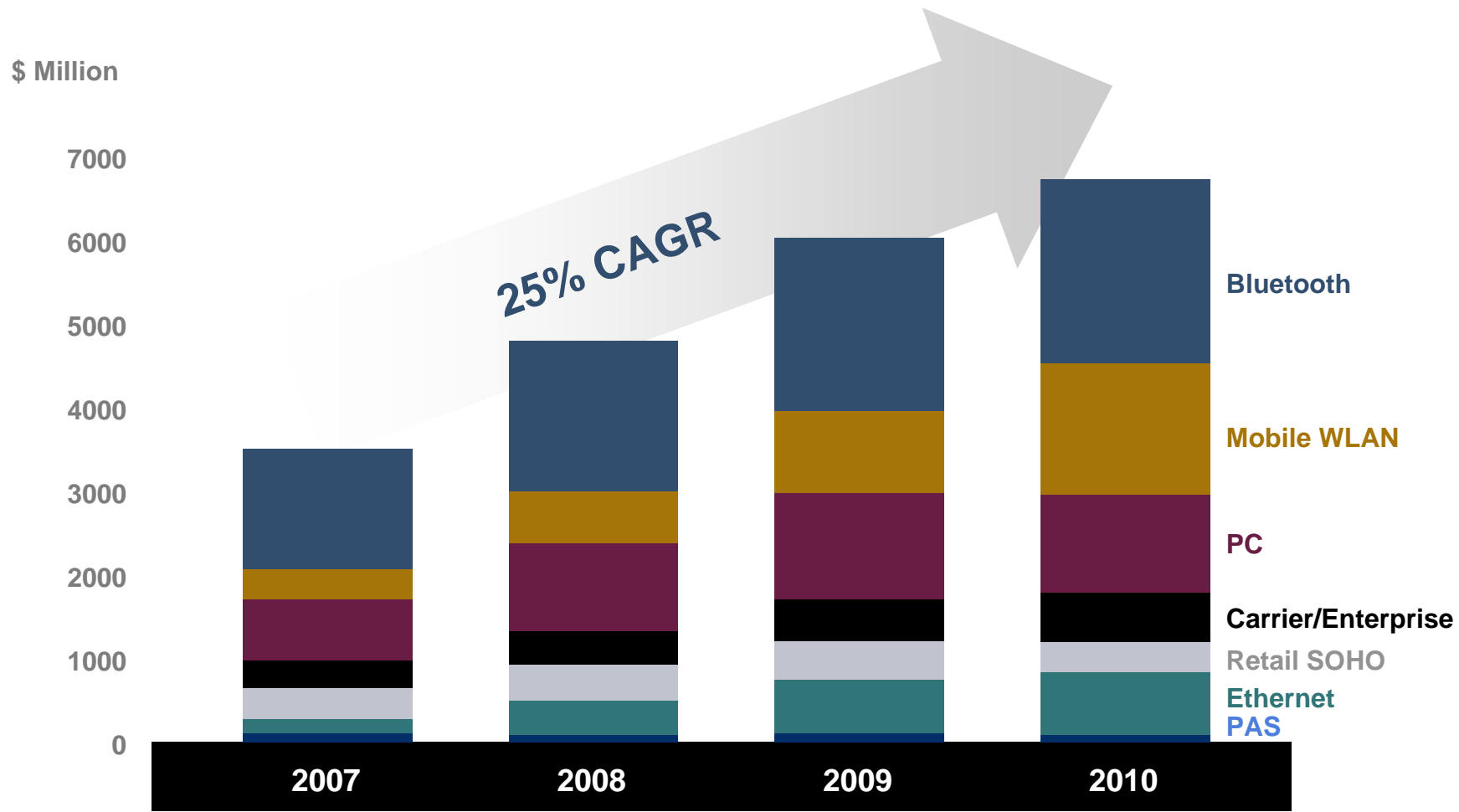
Atheros Consistently Outperforms the Industry Revenue Growth – 2004 - 2007



Source: Semiconductor Industry Data and 2007 estimate from SIA.
Atheros 2007 estimate based on first call average.



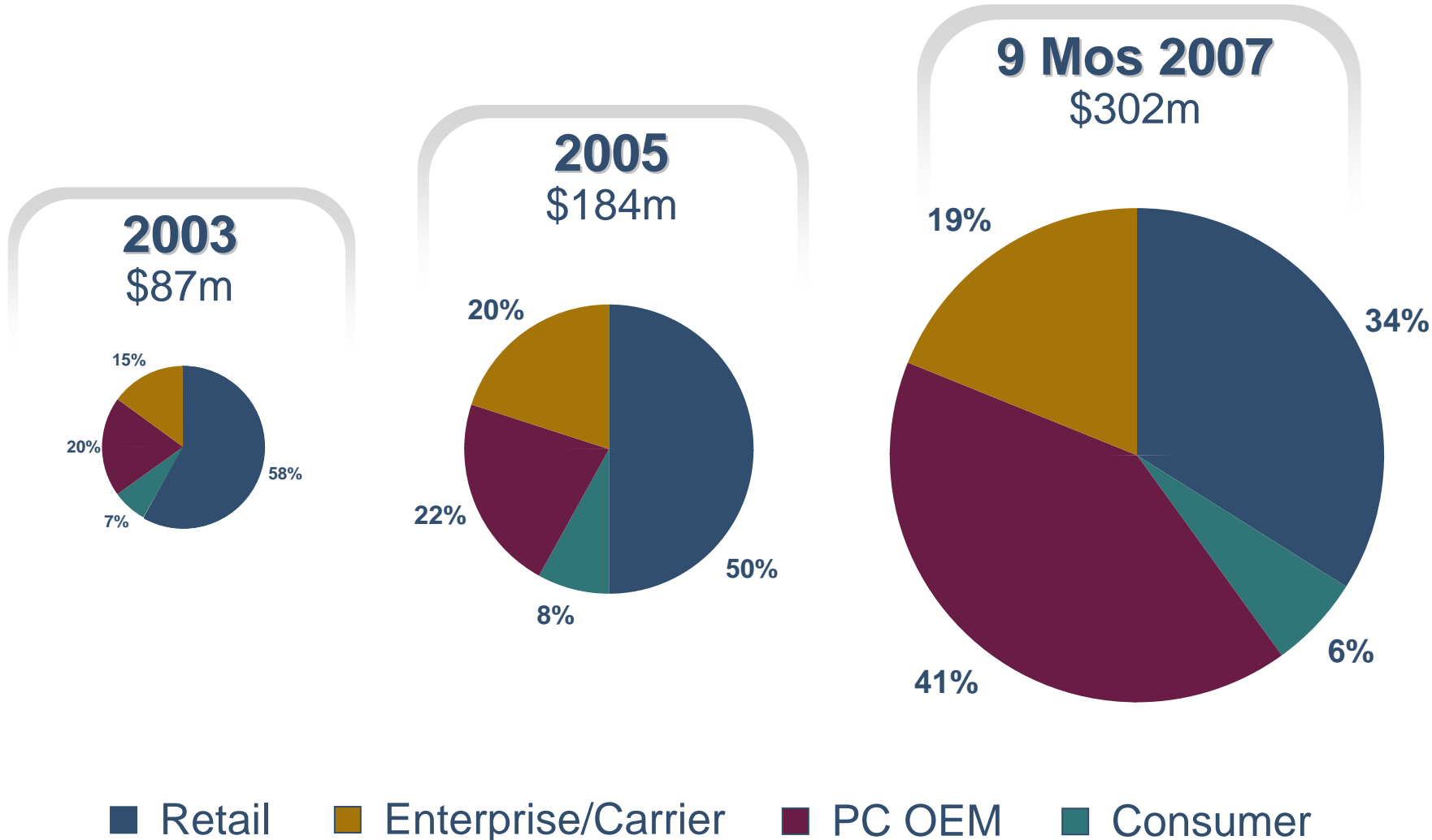
Dramatically Expanding Atheros' TAM



Source: Bluetooth - IMS, 2006; Mobile LAN and PC – In-Stat, 2007; Carrier/Enterprise, Retail SOHO and Ethernet – Dell’Oro, 2007; PAS – Forward Concepts, 2007 Handset and Chip Report and Atheros

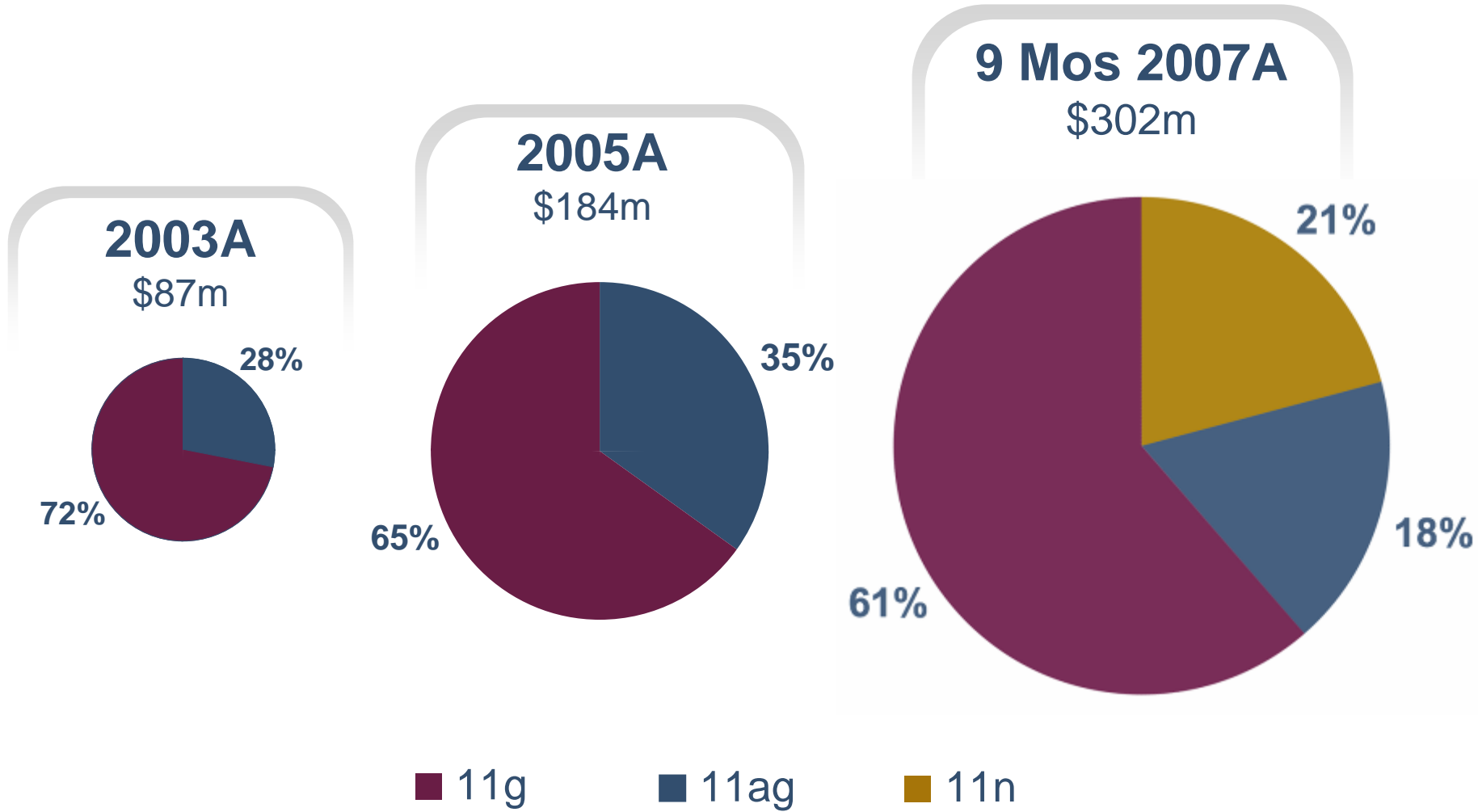


Channel Diversification Has Also Been Key



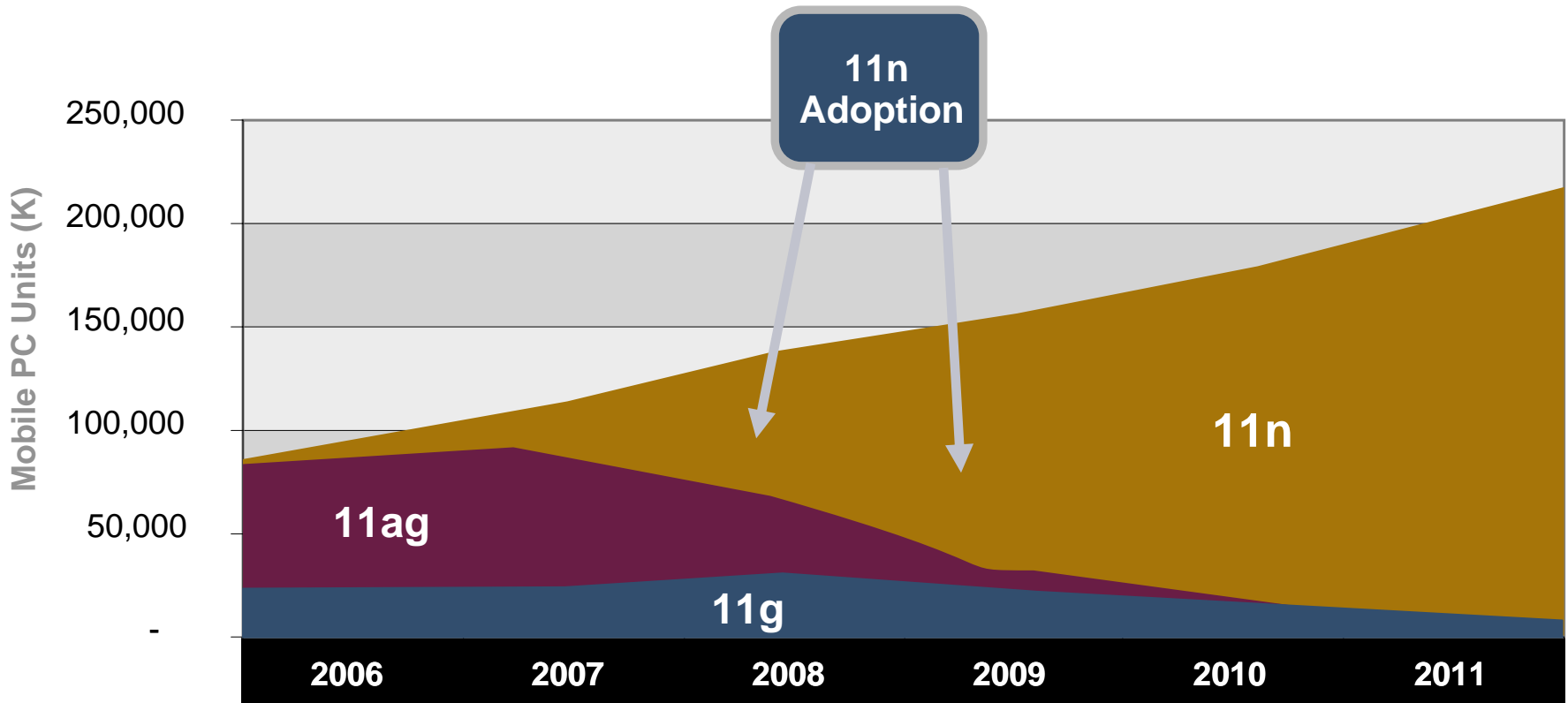


Changes in Technologies Drive Revenue Growth





Leveraging Technology Changes: WLAN Notebook PC Market 11n Adoption



Source: In-Stat, 2007

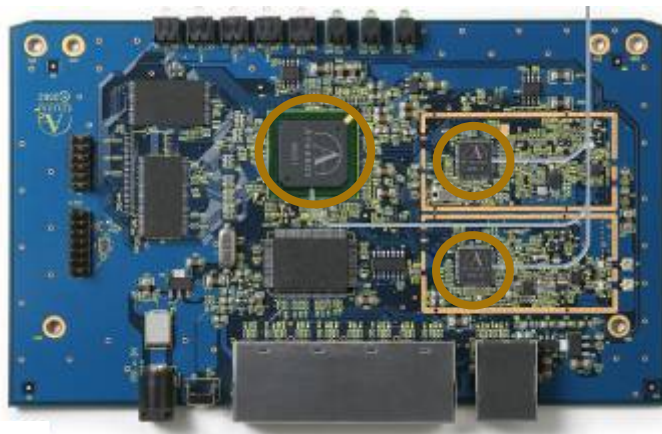
Atheros' Focuses on Optimizing Products for Elastic Markets

Focusing on Compact Designs Enables:

- Integration and supply chain efficiencies drives profitability
 - Increased gross margins over time
 - Increased contribution margin dollars

AR5002 Three-Chip 11g Solution

11g Router 2003



Atheros Silicon	~ \$25
Revenue	~ \$2 million

AR5007 Single-Chip 11g Solution +
AR8216 10/100 Ethernet Switch

11g Router 2007



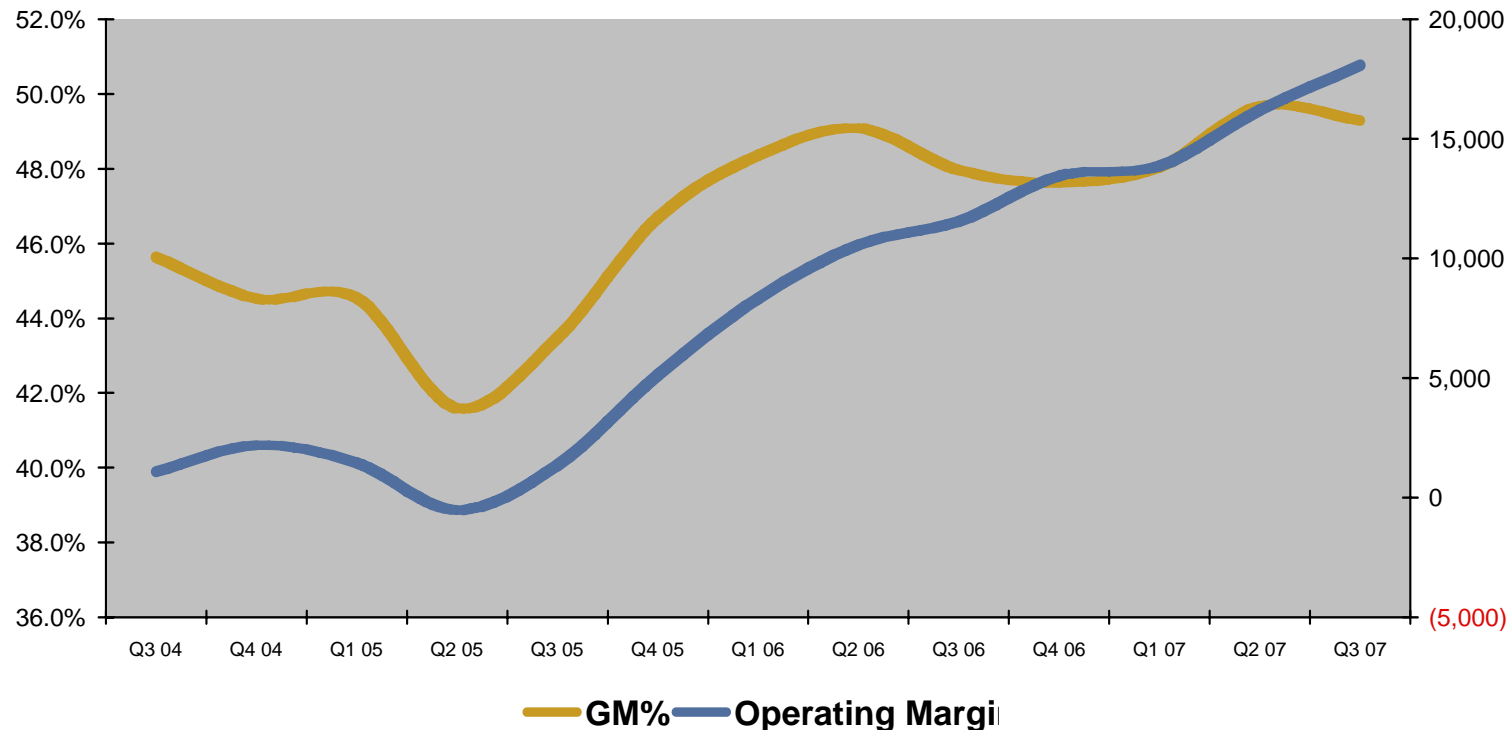
Atheros Silicon	~ \$6
Revenue	~ \$40 million



Disciplined Growth Leads to Profitability

Atheros' business model is providing increased operating leverage

Operating profit growth has outpaced GM% expansion in 2007

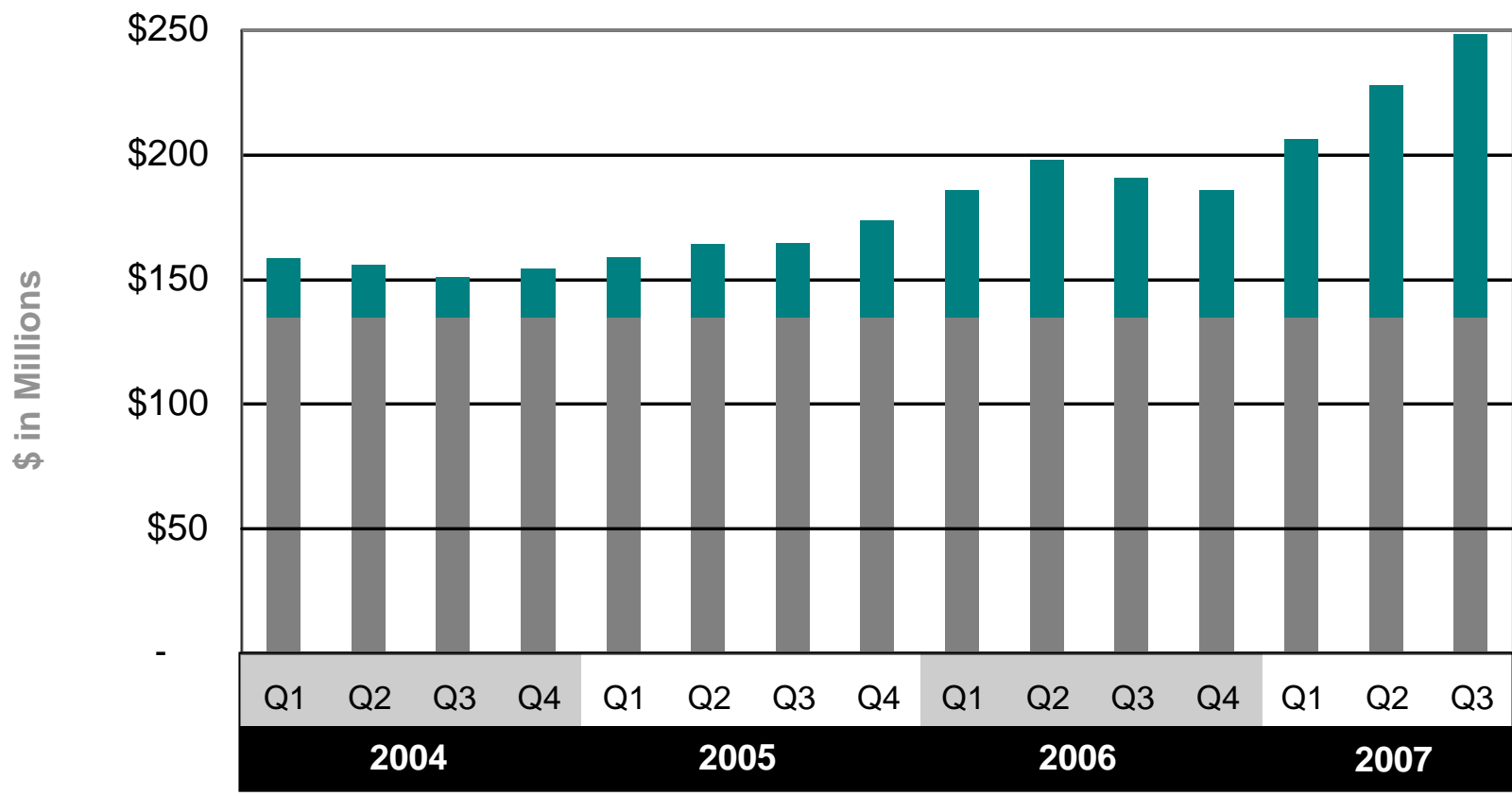


The Business Model Works

Excludes non-cash FAS123R charges and acquisition related charges



Strong Cash Flow Metrics



■ IPO Proceeds ■ Generated Post IPO



Target Operating Model

	Q3 2007	Target Model	Revised Target Model
Revenue	100.0%	100.0%	100.0%
Gross Margin	49.3%	43 - 45%	45 - 47%
R&D	20.0%	15 - 17%	16 - 18%
SG&A	12.3%	10 - 12%	10 - 12%
Operating Profit	17.0%	16 - 18%	17 - 19%

Excludes non-cash FAS123R charges and acquisition related charges



Why the Atheros Model Works

- **Disciplined Design Approach Enables the Use of Process Proven Standard Digital CMOS**
 - Cost effective designs can be focused on market niches
 - Reduces the cost of development to enter markets
 - Proven in Wireless LAN and pushing into a variety of new markets
- **Addressing Large, Highly Elastic Markets**
 - Willing to take technology risk with limited market risk
 - Reduces the risk of failure in entering new markets
- **Leveraging Design Centers Throughout the World**
 - Half of Atheros employees are outside of the United States
 - Chip development occurs around the world



Corporate Development

Atheros will build, buy or partner where it makes sense

Market

- Size – *“Is it a big market to Atheros?”*
- Growth – *“Is it a high growth market?”*
- Competition – *“Can Atheros compete?”*

Customers

- Offensive – *“Does it leverage existing or new customers?”*
- Defensive – *“Does it defend our existing market share?”*
- Unique value proposition – *“Can Atheros do something different?”*

Technology

- Wireless on CMOS – *“Can we leverage our CMOS expertise?”*
- Integration – *“Can we leverage our integration expertise?”*
- Cost – *“Can we leverage our ability to squeeze-out costs?”*

Platform

- Richer – *“How does it strengthen our platform offering?”*
- Integration – *“Is integration of functions into a platform compelling?”*

Corporate Development



- **ZyDAS (8/06) – R&D & Product line expansion**
 - Strong engineering team
 - Academic culture
 - Strategically important location (Taiwan)



- **Attansic (12/06) – Diversification**
 - Acquired 10/100/1000 Ethernet technology
 - Critical to Driving the expansion of 11n
 - World class mixed-signal engineering
 - Strategically important location (Shanghai)



Atheros Financial Summary

- **Demonstrating consistent disciplined revenue growth**
- **Leveraging strong design capabilities**
 - Compact and targeted designs result in higher gross margins
 - Technology leadership in proven process technologies
- **Addressing a rapidly increasing Served Available Market**
- **2008 Revenue Growth Drivers are Significant**
 - Widespread Adoption of 11n technology
 - Increasing Adoption of Mobile Wireless LAN solutions
 - Increased Portfolio of Ethernet Products
 - Introduction of Bluetooth Solutions
- **A Unique Combination of TAM Expansion and Product Cycles with a Demonstrated Track Record of Operating Profit Expansion**





ATHEROS COMMUNICATIONS, INC.



The Atheros Advantage

WIRELESS FUTURE. UNLEASHED NOW.

CRAIG BARRATT
PRESIDENT AND CEO
NOVEMBER 8, 2007





Atheros Advantage

■ INNOVATION

- History of innovative products available today
- Industry's first single-chip 11n
- Highest performance and lowest cost Ethernet LOM and GbE switch
- Sampling first Bluetooth headset products

■ GROWING PORTFOLIO

- Rapid TAM expansion

■ FOCUS and COMMITMENT

- Partnerships to provide systems platforms
- Execution engine
- Customer focus
- Proven financial performance

■ Result: GROWTH & LEADERSHIP



ATHEROS COMMUNICATIONS, INC.



Q & A

WIRELESS FUTURE. UNLEASHED NOW.



