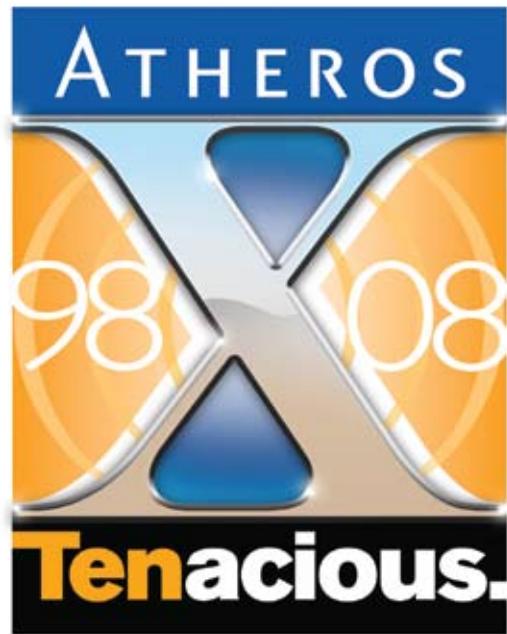


NINETEEN NINETY-EIGHT ▶



▶ **TWO-THOUSAND AND EIGHT**

ATHEROS



► The First Decade: 1998 to 2008

In May 1998, more than 40 established and start-up companies in the U.S. alone were vying for a share of the then nascent and promising wireless LAN market. Dr. Teresa Meng, a professor of Electrical Engineering at Stanford and leading expert in digital signal processing and radio frequency technology, jumped into the fray, founding Atheros, along with co-founder, the then provost and now president of Stanford, Dr. John Hennessy.

Dr. Meng brought an entirely new view to WLAN technology. When she could find no one to back her ideas of applying digital signal processing to compensate for limitations of CMOS (complementary metal oxide semiconductor), a cost-effective technique not previously used for radio technologies, Teresa created Atheros. While others competed for their share of the 802.11b WLAN market, Dr. Meng and her small Atheros team created the world's first 802.11a chipset, leveraging the broader bandwidth of the relatively interference-free 5 GHz spectrum, which had become open for public access in 1997.

And, as they say, the rest is history. In Meng's pursuit of low-cost consumer access to public spectrum through Wi-Fi, she revolutionized the industry with the implementation of RF CMOS and the development of Atheros' disruptive integration capability. With these technical assets, Atheros has transitioned from pioneering 802.11a, to becoming the leading supplier of 802.11g solutions, to providing the most widely adopted, new generation, WLAN technology, XSPAN® for 802.11n.

Atheros pioneered and still leads in chip and system-level integration

While growing its Wi-Fi leadership position in the computing and networking markets, Atheros has also expanded its portfolio of communications solutions with the addition of Mobile WLAN, Bluetooth, Ethernet, GPS and PAS cellular technologies to better serve its blue-chip, worldwide customer base of PC OEMs, SOHO, carrier gateway and enterprise networking equipment vendors, and mobile consumer electronics manufacturers. In turn, Atheros has become a leading supplier of communications semiconductor solutions with revenue of \$416 million in 2007.

In May 2008, Atheros reached its 10-year milestone.

The 40-plus competitors who began this history with us are now just that, history. The landscape has changed, and our playing field is comprised of semiconductor giants such as Intel, Broadcom and Marvell. The drive to innovate which helped us make the cut, will remain as a constant and recurring marker in our corporate DNA. We will dream, deliberate, test, challenge, and apply the intensity and sweat necessary to create the best solutions for real-world, market-based opportunities... bar-none.

And we feel comfortable saying that. You see, after a decade we have realized that we are more than just ten. We are Tenacious.



3
AR5001X three-chip 2.4/5GHz WLAN Solution



2
AR5002X two-chip 2.4/5GHz WLAN Solution



1
AR5006XS single-chip 2.4/5GHz WLAN Solution



Chronology

Disruptive Innovation Got Us to Ten.

1998-2000:

Dr. Meng and her team embark on the development of the most cost-effective, high performance wireless LAN solutions and bring their first product to market in 2001.

Atheros shows its first public demonstration of 802.11a high-speed, wireless networking at Network+Interop.

Atheros announces a breakthrough in radio architecture with the industry's first two-chip, all-CMOS, end-to-end solution for 802.11a 5 GHz WLANs.



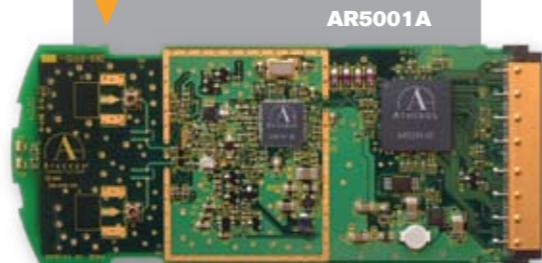
2001:

Atheros' 5 GHz WLAN on CMOS disrupts it all.

Atheros launches its AR5000 chipset for 802.11a, which features the world's first, complete 5 GHz radio-on-a-chip, also the first such radio chip to use digital CMOS exclusively. Unlike its competitors which offer a maximum PHY rate of 11 Mbps with 802.11b, the AR5000 delivers PHY rates up to 54 Mbps. The cost-advantages of CMOS enable Atheros to offer its customers highly advantageous pricing over process technologies such as Silicon Germanium (SiGe), Silicon Bipolar (Si BJT), or Gallium Arsenide (GaAs) previously used in Wi-Fi chips.

The AR5000 wins first place in PC Magazine's "Innovation in Infrastructure" competition and Andrew Seybold's Outlook 4Mobility Award for outstanding wireless innovation and leadership.

Atheros becomes the first to earn Microsoft Designed for Windows XP® certification for 5 GHz WLAN products.



AR5001A



AR5001AP

2002:

Atheros delivers the industry's first dual-band Wi-Fi.

Atheros introduces the world's first, dual-band 802.11a/b/g chip solution. With Atheros' Smart Select™ technology, the AR5001X automatically chooses the optimal radio frequency on which to operate in any network. The design is the first to receive Cisco Compatible Extensions approval and obtain Wi-Fi interoperability certification testing.

"This first certification of a combo 802.11a/b-based product is a major milestone for the WLAN industry;"

said Craig Mathias, principal, wireless advisory firm, Farpoint Group.



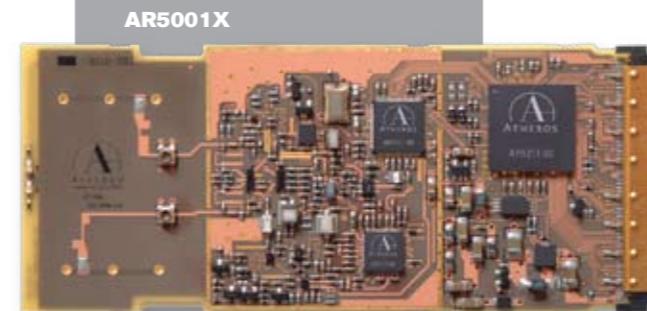
Atheros' AR5001X 802.11a/b/g solution wins Grand Prize Best of Show at N+I Las Vegas from CMP Media.

"It is truly the best-of-the-best debuted at NetWorld + Interop 2002 Las Vegas!"

Ron Anderson, Lab Director for Network Computing and head of the 2002 Best of Interop team of judges.

Founder Teresa Meng is named winner of the CIO 20/20 Vision Award.

Atheros receives the Outstanding Financial Performance for a Private Company Award from the Fabless Semiconductor Association.



AR5001X

2003:

Atheros breaks the performance barrier.

Atheros enables unprecedented Wi-Fi performance, with its Atheros Super G® and Super AG® technologies in the AR5002 chip family. They deliver 108 Mbps maximum PHY rates, twice the maximum performance previously available. The Super G/AG technology features packet bursting, frame aggregation and dynamic 40 MHz operation, also known as channel bonding, which is controversial at the time, but is now a fundamental technology in the new 802.11n specification.

The AR5004 chip family features Atheros eXtended Range® technology, which offers twice the signal range of standard WLAN networks while reducing power consumption.



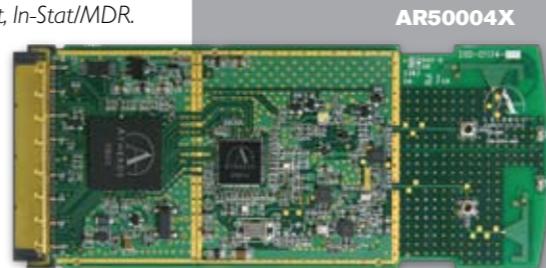


2004:

“Atheros is supporting all the standards, covering all the international tuning ranges, setting new benchmarks for performance and range, and making WLAN both foolproof and future proof!” *Allen Noguee, Senior Analyst, In-Stat/MDR.*

10 leading enterprise networking vendors are using Atheros' dual-band solutions.

Atheros ships its 10-millionth chip less than two years after the launch of its first products.



“Achieving 10 million chip shipments in such a short time is very significant and further validates the high demand for Atheros' advanced, single-band and multi-band WLAN solutions.”

Russ Craig, Research Director, Semiconductors, Aberdeen Group.

Atheros launches the AR5004 family, its 4th-gen chipsets featuring breakthroughs in performance, range, power consumption and network manageability.

Atheros products receive the industry's first Wi-Fi certification for 802.11g.

Atheros is first to earn Microsoft Designed for Windows XP certification with its universal 802.11a/b/g solution.

Atheros names Dr. Craig Barratt president and CEO.



Atheros integration delivers the industry's first single-chip solutions.

Atheros launches the world's first single-chip, 802.11g solution, the AR5006AP-GS, which features a portfolio of advanced performance technologies including Super G, eXtended Range, QoS and enhanced security. The single-chip technology gives customers the benefits of significantly reduced cost and design footprint.

Atheros integration achieves another innovation with the introduction of the world's first single-chip, 802.11a/b/g solution, which also features Atheros' advanced performance technologies including Super AG, eXtended Range, and state-of-the-art WLAN security with 802.11i.

Atheros Super G and Super AG technologies gain widespread acceptance in the U.S., Japanese, Korean and European retail markets, with more than 25 leading vendors featuring the brand on their networking and PC products.

Atheros ships its 20-millionth chip and receives the Fast 50's top ranking.

Atheros is ranked as Silicon Valley's fastest growing private company by the Silicon Valley / San Jose Business Journal.

Atheros launches the AR5005VA, the first standards-compliant WLAN MIMO chipset that is optimized for multimedia applications.

Atheros introduces the first USB 2.0 WLAN chipset solutions, the AR5005UG and AR5005UX, featuring Super G and Super AG technology.

Atheros completes its Initial Public Offering on the NASDAQ under trading symbol "ATHR".

AR5006AP-GS



AR5006GS





2005:

The company's integration innovations continue to gain momentum.

The AR5006EX and AR5006EG, the industry's first single-chip solutions for PCI Express™, are launched. Both solutions fit on a single-sided MiniCard or ExpressCard design.

Atheros' AR5006X single-chip 802.11a/b/g solution is named Innovation of the Year and Atheros is named Small/Medium Company of the Year, both EETimes ACE Awards.

The world's most highly integrated, single-chip 802.11g access point solution, including the wireless network processor, MAC, baseband and all radio functions up to the antenna, are integrated into a single-chip.

Expansion of Atheros communications portfolio begins.

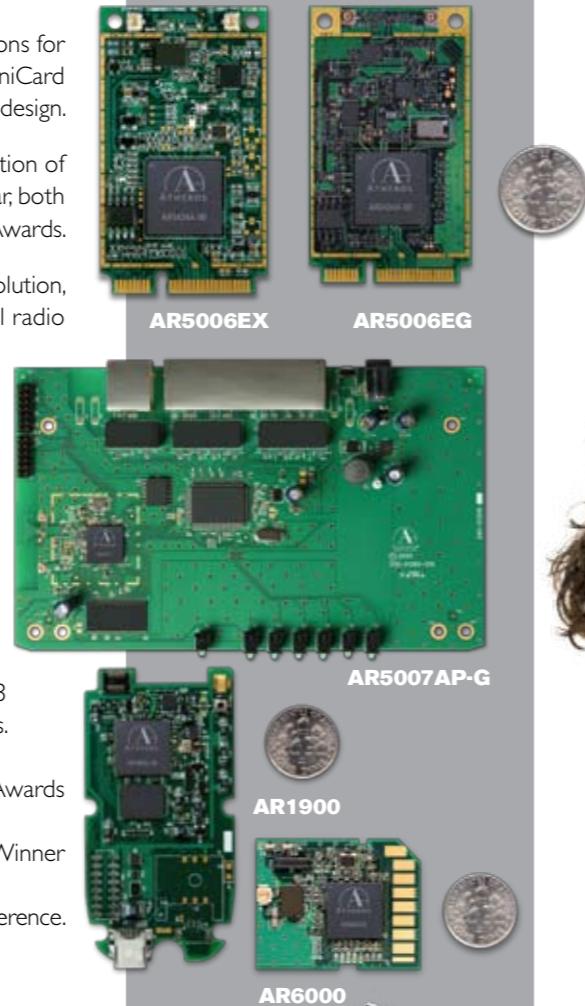
Atheros introduces its first mobile solution, the AR1900, the world's first single-chip solution for the low-cost cellular system in China known as Personal Access System. This design integrates audio, advanced power management, USB interfaces and the complete cellular transceiver.

Atheros' ROCm® (Radio-on-Chip for Mobile) AR6000 family of mobile WLAN solutions is launched to provide wireless connectivity in handsets, MP3 players and portable gaming devices.

Atheros is named Small/Medium Company of the Year by EETimes ACE Awards

Atheros is named EDN 2004 Innovation of the Year Winner

Atheros' Teresa Meng receives the Innovator Award at the Demo@I5! Conference.



2006:



Atheros innovates with its new 802.11n technology.

Atheros launches the XSPAN AR5008 series, its first chipsets to deliver draft 802.11n performance. The solution features the industry's only triple-radio design on a single-chip to maximize its MIMO performance. Atheros' 3x3 MIMO architecture, known as Signal-Sustain Technology™, increases throughput at range by ~50% over conventional 11n solutions that employ 2x2 MIMO.

The AR7100, Atheros' first family of Wireless Network Processors, is custom-built for WLAN to optimize 802.11n performance. In its drive to make 802.11n technology accessible to a broad consumer market, Atheros launches its mainstream 11n platform, the AR5008AP-2NGA, that combines the company's 2x2 MIMO WLAN with Atheros' family of wireless network processors.

Atheros' AR5008E-3NX with XSPAN dual-band technology is featured in the industry's first embedded, draft 802.11n enterprise-class, PC notebooks.

Atheros continues to drive innovation in legacy WLAN technologies.

Atheros launches the world's most integrated, single-chip 802.11g PCI Express solution, the AR50007EG, to drive WLAN connectivity in desktops and value-priced notebook PCs.

Atheros ROCm software for mobile WLAN is selected to provide connectivity for Microsoft Windows® Embedded CE 6.0 operating systems.

The AR6101 is launched as the most integrated, single-chip WLAN handset solution to bring low-cost VoIP devices to the mainstream consumer market.

Atheros passes the 50 million mark in wireless chipsets shipped.

Shortly thereafter, Atheros ships its 75 millionth wireless chipset.

Atheros is ranked as the 26th fastest growing company in North America in Deloitte's 2006 Technology Fast 500.



AR5008E-3NX



AR5007AG



Atheros acquires ZyDAS Technology to expand its WLAN USB portfolio and augment its Taiwan research and development team.

Atheros XSPAN draft 802.11n Mini Card reference designs achieve the industry's first PCI Express compatibility certification.

Atheros receives the Fabless Semiconductor Association's Most Respected Emerging Public Fabless Company and Favorite Fabless Pick selected by Morgan Stanley.

Atheros acquires Attansic Technology to provide Ethernet solutions to Atheros networking and computing customers.

2007:

Atheros continues to expand its communications portfolio.

 Atheros launches its first Bluetooth® solutions. The AR3011 is the first Bluetooth chip custom-designed for PC applications and the AR3031 delivers cost and low-power leadership for mono headsets.

Atheros also launches its ETHOS™ line of Ethernet products to support the company's customers with cost-effective, high performance Gigabit and Fast Ethernet solutions. Among the products launched in 2007 are the company's first Fast and Gigabit Ethernet switches, and its Gigabit Ethernet PHY and Controller.

And, Atheros continues to gain share in its core WLAN business.

“Atheros Just Out Designs Everybody” “The company isn't doing it with leading-edge manufacturing or micromanaged in-house production lines. Rather, it's all about elegant and efficient chip design...” *Motley Fool, October, 2007*



BB11



AR5008AP-3NX2



AR9280



AR9281



AR9280

The AR5008AP-3NX2 is Atheros' first 600 Mbps-capable router platform for 11n, the highest performance dual-band router to date to support high-bandwidth applications. This is the first 11n platform available for customers to build high-performance, enterprise-class access points.

Atheros launches its second-generation XSPAN product line which delivers 802.11n performance at price points to enable mainstream consumption. The AR9280/81 series is launched as the world's most integrated, most compact, single-chip 802.11n solutions for the PC.

With the growth of the carrier market, Atheros focuses its attention to deliver the industry's most integrated, cost-effective 11g solutions with the AR2417, a single-chip, 11g solution for the carrier gateway market.

Following the success of 11g with carriers, Atheros offers its cost-effective 802.11n solutions for gateways with its AR9220 and AR9223 single-chip, PCI designs.

Atheros introduces its second-generation, mobile WLAN solution platform, the AR6002, which features 70% lower power consumption in active mode than competitive solutions, and near-zero power in standby.

“Just another example of innovation in wireless continuing at an amazing level, solving incredibly difficult problems, and of how bright the future of Wi-Fi truly is.”

Craig Mathias, Network World, November, 2007

Atheros receives the Most Respected Emerging Company by the Fabless Semiconductor Association for the second consecutive year.

Atheros' XSPAN dual-band solutions are selected for the Wi-Fi CERTIFIED™ 802.11n Draft 2.0 test suite





Atheros acquires u-Nav Microelectronics, a leading navigation semiconductor and software solutions company.

Atheros founder, Teresa Meng, is named to the National Academy of Engineering.

Atheros ships 100 million wireless LAN chipsets.

2008:

Atheros continues to aggressively grow its portfolio.

The first Atheros-grown GPS solutions are launched, featuring the AR1511 single-chip receiver and companion ORION 3.0 software, which enable high-performance Assisted GPS for handsets, PNDs and PMPs.

Atheros brings the cost and design efficiencies of the world's most integrated single-chip 11n solution to dual-radio networking with the launch of its AR9002AP solutions.

Atheros receives the prestigious ACG Emerging Growth Company Award.

Atheros ships 200 million wireless LAN chipsets.

Atheros turns 10. Then turns around to take stock briefly, and write the simple time line you are looking at now. The reflection is brief, but not gratuitous. We are proud of the strides we have made, and the work we've done. But we are already thinking about the next decade, and how we can help define it. So we turn back around, look at the horizon, and continue our journey. And may the second decade be every bit as Tenacious as the first.



AR9002AP-4XHF



ATHEROS



ATHEROS®

WIRELESS FUTURE. UNLEASHED NOW.™