

- Summary Financial Data Attached -

ATHEROS COMMUNICATIONS, INC.  
PRELIMINARY CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)  
(In thousands, except per share data)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	June 30,		June 30,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Net revenue</b>	\$ 100,808	\$ 73,193	\$ 196,326	\$ 134,277
<b>Cost of goods sold</b>	<u>50,859</u>	<u>37,373</u>	<u>100,775</u>	<u>69,039</u>
<b>Gross profit</b>	49,949	35,820	95,551	65,238
<b>Operating expenses:</b>				
Research and development	24,628	17,902	48,234	33,431
Sales and marketing	8,891	6,709	17,313	12,358
General and administrative	4,786	3,902	9,513	6,798
Amortization of acquired intangible assets	<u>1,789</u>	<u>---</u>	<u>3,568</u>	<u>---</u>
Total operating expenses	40,094	28,513	78,628	52,587
<b>Income from operations</b>	9,855	7,307	16,923	12,651
<b>Interest income, net</b>	2,770	2,188	5,262	4,004
<b>Provision for income taxes</b>	<u>(3,343)</u>	<u>(2,742)</u>	<u>(5,304)</u>	<u>(3,088)</u>
<b>Net income</b>	<u>\$ 9,282</u>	<u>\$ 6,753</u>	<u>\$ 16,881</u>	<u>\$ 13,567</u>
<b>Basic earnings per share</b>	<u>\$ 0.17</u>	<u>\$ 0.13</u>	<u>\$ 0.31</u>	<u>\$ 0.27</u>
<b>Diluted earnings per share</b>	<u>\$ 0.16</u>	<u>\$ 0.12</u>	<u>\$ 0.29</u>	<u>\$ 0.25</u>
<b>Shares used in computing basic earnings per share</b>	<u>55,543</u>	<u>51,546</u>	<u>55,112</u>	<u>50,995</u>
<b>Shares used in computing diluted earnings per share</b>	<u>59,111</u>	<u>55,447</u>	<u>58,710</u>	<u>54,959</u>
<b>Non-GAAP net income (*)</b>	<u>\$ 14,698</u>	<u>\$ 9,508</u>	<u>\$ 28,310</u>	<u>\$ 17,402</u>
<b>Shares used in computing non-GAAP basic earnings per share (*)</b>	<u>55,543</u>	<u>51,546</u>	<u>55,112</u>	<u>50,995</u>
<b>Shares used in computing non-GAAP diluted earnings per share (*)</b>	<u>59,111</u>	<u>55,447</u>	<u>58,710</u>	<u>54,959</u>
<b>Non-GAAP basic earnings per share (*)</b>	<u>\$ 0.26</u>	<u>\$ 0.18</u>	<u>\$ 0.51</u>	<u>\$ 0.34</u>
<b>Non-GAAP diluted earnings per share (*)</b>	<u>\$ 0.25</u>	<u>\$ 0.17</u>	<u>\$ 0.48</u>	<u>\$ 0.32</u>

(\*) To supplement our condensed consolidated financial statements in accordance with GAAP, we have provided above non-GAAP measures of net income and basic and diluted earnings per share. Our management believes that these non-GAAP measures provide useful information to enhance the overall understanding of our ongoing economic performance, and therefore, uses these non-GAAP measures in our internal reporting to evaluate and manage our operations. We have provided the non-GAAP measures above to enable investors to perform comparisons of our operating results in a similar manner as our management analyzes those operating results. A reconciliation of the reported GAAP to non-GAAP condensed consolidated statements of operations is provided separately.

ATHEROS COMMUNICATIONS, INC.  
RECONCILIATION OF REPORTED GAAP TO NON-GAAP  
PRELIMINARY CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)  
(In thousands, except per share data)

	<b>Three Months Ended</b>		
	June 30, 2007		
	<u>Reported</u>	<u>Non-GAAP Entries</u>	<u>Non-GAAP</u>
<b>Net revenue</b>	\$100,808	\$ ---	\$100,808
<b>Cost of goods sold</b>	<u>50,859</u>	(121) (a)	<u>50,738</u>
<b>Gross profit</b>	49,949	121	50,070
<b>Operating expenses:</b>			
Research and development	24,628	(2,654) (a)	21,974
Sales and marketing	8,891	(1,054) (a)	7,837
General and administrative	4,786	(743) (a)	4,043
Amortization of acquired intangible assets	<u>1,789</u>	<u>(1,789) (b)</u>	<u>---</u>
Total operating expenses	40,094	(6,240)	33,854
<b>Income from operations</b>	9,855	6,361	16,216
<b>Interest income, net</b>	2,770	---	2,770
<b>Provision for income taxes</b>	<u>(3,343)</u>	<u>(945) (c)</u>	<u>(4,288)</u>
<b>Net income</b>	<u>\$9,282</u>	<u>\$5,416</u>	<u>\$14,698</u>
<b>Basic earnings per share</b>	<u>\$0.17</u>		<u>\$0.26</u>
<b>Diluted earnings per share</b>	<u>\$0.16</u>		<u>\$0.25</u>
<b>Shares used in computing basic earnings per share</b>	<u>55,543</u>		<u>55,543</u>
<b>Shares used in computing diluted earnings per share</b>	<u>59,111</u>		<u>59,111</u>

**Notes:**

- (a) Stock-based compensation expense**
- (b) Amortization of acquired intangible assets**
- (c) Net tax effect of non-GAAP adjustments**

ATHEROS COMMUNICATIONS, INC.  
RECONCILIATION OF REPORTED GAAP TO NON-GAAP  
PRELIMINARY CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)  
(In thousands, except per share data)

	<b>Three Months Ended</b>		
	June 30, 2006		
	<u>Reported</u>	<u>Non-GAAP Entries</u>	<u>Non-GAAP</u>
<b>Net revenue</b>	\$73,193	\$ ---	\$73,193
<b>Cost of goods sold</b>	<u>37,373</u>	<u>(105) (a)</u>	<u>37,268</u>
<b>Gross profit</b>	35,820	105	35,925
<b>Operating expenses:</b>			
Research and development	17,902	(1,764) (a)	16,138
Sales and marketing	6,709	(814) (a)	5,895
General and administrative	3,902	(574) (a)	3,328
Amortization of acquired intangible assets	<u>---</u>	<u>---</u>	<u>---</u>
Total operating expenses	28,513	(3,152)	25,361
<b>Income from operations</b>	7,307	3,257	10,564
<b>Interest income, net</b>	2,188	---	2,188
<b>Provision for income taxes</b>	<u>(2,742)</u>	<u>(502) (b)</u>	<u>(3,244)</u>
<b>Net income</b>	<u>\$6,753</u>	<u>\$2,755</u>	<u>\$9,508</u>
<b>Basic earnings per share</b>	<u>\$0.13</u>		<u>\$0.18</u>
<b>Diluted earnings per share</b>	<u>\$0.12</u>		<u>\$0.17</u>
<b>Shares used in computing basic earnings per share</b>	<u>51,546</u>		<u>51,546</u>
<b>Shares used in computing diluted earnings per share</b>	<u>55,447</u>		<u>55,447</u>

**Notes:**

- (a) Stock-based compensation expense
- (b) Net tax effect of non-GAAP adjustments

ATHEROS COMMUNICATIONS, INC.  
RECONCILIATION OF REPORTED GAAP TO NON-GAAP  
PRELIMINARY CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)  
(In thousands, except per share data)

	<b>Six Months Ended</b>		
	June 30, 2007		
	<u>Reported</u>	<u>Non-GAAP Entries</u>	<u>Non-GAAP</u>
<b>Net revenue</b>	\$196,326	\$ ---	\$196,326
<b>Cost of goods sold</b>	<u>100,775</u>	<u>(405)</u> (a)	<u>100,370</u>
<b>Gross profit</b>	95,551	405	95,956
<b>Operating expenses:</b>			
Research and development	48,234	(5,650) (b)	42,584
Sales and marketing	17,313	(2,095) (b)	15,218
General and administrative	9,513	(1,441) (b)	8,072
Amortization of acquired intangible assets	<u>3,568</u>	<u>(3,568)</u> (c)	<u>---</u>
Total operating expenses	78,628	(12,754)	65,874
 <b>Income from operations</b>	 16,923	 13,159	 30,082
 <b>Interest income, net</b>	 5,262	 ---	 5,262
<b>Provision for income taxes</b>	<u>(5,304)</u>	<u>(1,730)</u> (d)	<u>(7,034)</u>
<b>Net income</b>	<u>\$16,881</u>	<u>\$11,429</u>	<u>\$28,310</u>
 <b>Basic earnings per share</b>	 <u>\$0.31</u>		 <u>\$0.51</u>
<b>Diluted earnings per share</b>	<u>\$0.29</u>		<u>\$0.48</u>
 <b>Shares used in computing basic earnings per share</b>	 <u>55,112</u>		 <u>55,112</u>
 <b>Shares used in computing diluted earnings per share</b>	 <u>58,710</u>		 <u>58,710</u>

**Notes:**

- (a) Stock-based compensation expense of \$246 and acquisition related charges of \$159
- (b) Stock-based compensation expense
- (c) Amortization of acquired intangible assets
- (d) Net tax effect of non-GAAP adjustments

ATHEROS COMMUNICATIONS, INC.  
RECONCILIATION OF REPORTED GAAP TO NON-GAAP  
PRELIMINARY CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)  
(In thousands, except per share data)

	<b>Six Months Ended</b>		
	June 30, 2006		
	<u>Reported</u>	<u>Non-GAAP Entries</u>	<u>Non-GAAP</u>
<b>Net revenue</b>	\$134,277	\$ ---	\$134,227
<b>Cost of goods sold</b>	<u>69,039</u>	<u>(223) (a)</u>	<u>68,816</u>
<b>Gross profit</b>	65,238	223	65,461
<b>Operating expenses:</b>			
Research and development	33,431	(3,454) (a)	29,977
Sales and marketing	12,358	(1,491) (a)	10,867
General and administrative	6,798	(1,062) (a)	5,736
Amortization of acquired intangible assets	<u>---</u>	<u>---</u>	<u>---</u>
Total operating expenses	52,587	(6,007)	46,580
<b>Income from operations</b>	12,651	6,230	18,881
<b>Interest income, net</b>	4,004	---	4,004
<b>Provision for income taxes</b>	<u>(3,088)</u>	<u>(2,395) (b)</u>	<u>(5,483)</u>
<b>Net income</b>	<u>\$13,567</u>	<u>\$3,835</u>	<u>\$17,402</u>
<b>Basic earnings per share</b>	<u>\$0.27</u>		<u>\$0.34</u>
<b>Diluted earnings per share</b>	<u>\$0.25</u>		<u>\$0.32</u>
<b>Shares used in computing basic earnings per share</b>	<u>50,995</u>		<u>50,995</u>
<b>Shares used in computing diluted earnings per share</b>	<u>54,959</u>		<u>54,959</u>

**Notes:**

(a) Stock-based compensation expense

(b) Income tax benefit of \$1,392 from the partial release of the deferred tax asset valuation allowance, and \$1,003 from the net tax effect of non-GAAP adjustments

ATHEROS COMMUNICATIONS, INC.  
PRELIMINARY CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)  
(In thousands)

	June 30, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash, cash equivalents and marketable securities	\$ 228,175	\$ 185,906
Accounts receivable, net	49,394	46,016
Inventory	28,891	25,879
Deferred income taxes and other current assets	<u>11,703</u>	<u>10,645</u>
Total current assets	318,163	268,446
<b>Property and equipment, net</b>	11,485	8,994
<b>Goodwill and acquired intangible assets</b>	78,539	81,717
<b>Deferred income taxes and other assets</b>	<u>11,617</u>	<u>4,901</u>
	<u>\$ 419,804</u>	<u>\$ 364,058</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>	\$ 67,541	\$ 63,981
<b>Deferred income taxes and other long-term liabilities</b>	37,387	19,135
<b>Stockholders' equity</b>	<u>314,876</u>	<u>280,942</u>
	<u>\$ 419,804</u>	<u>\$ 364,058</u>