



NETGEAR® REPORTS SECOND QUARTER 2010 RESULTS

Second Quarter 2010 Financial Highlights: *Net revenue of \$195.9 million, compared to \$144.7 million in the comparable prior year quarter, 35% year-over-year growth

***Non-GAAP net income of \$13.7 million, compared to net loss of \$522,000 in the comparable prior year quarter**

***Non-GAAP diluted earnings per share of \$0.38, compared to diluted loss per share of \$0.02 in the comparable prior year quarter**

***Company expects third quarter 2010 net revenue to be in the range of \$215 million to \$225 million, with non-GAAP operating margin in the range of 11% to 12%**

SAN JOSE, California - July 21, 2010 - NETGEAR, Inc. (NASDAQGM: NTGR), a worldwide provider of technologically innovative, branded networking products, today reported financial results for the second quarter ended June 27, 2010.

Net revenue for the second quarter ended June 27, 2010 was \$195.9 million, as compared to \$144.7 million for the second quarter ended June 28, 2009, and as compared to \$211.6 million in the first quarter ended March 28, 2010. Net income, computed in accordance with GAAP, for the second quarter of 2010 was \$10.5 million, or \$0.29 per diluted share. This compared to GAAP net loss of \$3.3 million, or \$0.10 per diluted share, for the second quarter of 2009, and to GAAP net income of \$13.7 million, or \$0.38 per diluted share, in the first quarter of 2010.

Gross margin on a non-GAAP basis in the second quarter of 2010 was 36.3%, as compared to 29.6% in the second quarter of 2009, and 35.2% in the first quarter of 2010. Non-GAAP operating margin was 13.1% in the second quarter of 2010, as compared to 3.7% in the second quarter of 2009, and 13.5% in the first quarter of 2010. Non-GAAP net income was \$0.38 per diluted share in the second quarter of 2010, as compared to non-GAAP net loss of \$0.02 per diluted share in the second quarter of 2009, and non-GAAP net income of \$0.48 per diluted share in the first quarter of 2010.

The differences between GAAP and non-GAAP financial measures include adjustments, net of any tax effect, for amortization of purchased intangibles, stock-based compensation, restructuring, acquisition related compensation, and litigation reserves. The accompanying schedules provide a reconciliation of financial measures computed on a GAAP basis to financial measures computed on a non-GAAP basis.

Patrick Lo, Chairman and Chief Executive Officer of NETGEAR commented, "For the second quarter of 2010, we are pleased with our year on year growth in all three geographic regions, especially with our 48% growth in North America. While the U.S. retail market grew strongly year over year, we also achieved the number one market share position in the networking category for the first time. We are also pleased to see a continuous recovery of demand among small business customers worldwide. Our net revenue from service providers was approximately 16% of total net revenue in the second quarter 2010, as compared to 30% in the second quarter of 2009, and 19% in the first quarter of 2010. We expect the percentage of service provider revenue to increase when our service provider customers worldwide begin rolling out Docsis 3.0 equipment in the second half of 2010.

We believe our strength in the market is primarily due to our superior new product introductions as compared to our competitors worldwide. In the second quarter of 2010, we introduced 18 new products. Notable new products include our ReadyNAS® 4 Bay and 12 Bay Rackmount, our Wi-FiTM adapters for TVs, our 11n Wi-Fi repeaters for TVs to IP set top boxes, and our 28 and 52 port Stackable Layer 3 Managed Switches. Due to our on-going commitment to research and development, we expect our pace of new product introductions to accelerate in the third quarter of 2010, with 20 or more new products expected to be launched. For example, our newest high-end consumer network storage ReadyNAS Ultra is leading the way as the first network attached storage device that is networkable to TiVo® boxes. The ReadyNAS Ultra will enable customers to have up to 12 TB, or approximately 2,000 hours of centralized recorded high definition TV shows serving any and all TiVo boxes in a home."

Christine Gorjanc, Chief Financial Officer of NETGEAR, said, "We ended the second quarter of 2010 with \$231.0 million in cash, cash equivalents and short-term investments, compared to \$224.5 million at the end of the second quarter of 2009, and \$240.9 million at the end of the first quarter of 2010. Our net inventory ended at \$125.7 million, compared to \$75.0 million at the end of the second quarter of 2009, and \$109.9 million at the end of the first quarter of 2010."

Net revenue by geography comprises gross revenue less such items as marketing incentives paid to customers, sales returns and price protection. The following table shows net revenue by geography for the periods indicated:

Net revenue by geography:

Three months ended June 27, 2010	March 28, 2010	June 28, 2009	North America	\$102,471	52%	\$106,278	50%	\$69,438	48%				
Europe, Middle-East and Africa	68,598	35%	81,135	38%	54,249	37%	Asia Pacific	24,880	13%	24,142	12%	20,987	15%
	\$195,949	100%	\$211,555	100%	\$144,674	100%							

Looking forward, Mr. Lo added, "We continue to see market demand growth in all three geographic regions, and in all product categories. Our success has been driven by innovative product introductions and we expect to outpace our competitors in the number of new product introductions for the foreseeable future. Despite the recent financial market challenges in Europe, we continue to see growth in end market demand for NETGEAR products in this region from both consumers and businesses, in both local currency and U.S. Dollar terms. For the third quarter 2010, we expect net revenue in the range of approximately \$215 million to \$225 million, with non-GAAP operating margin to be in the range of 11% to 12%."

Investor Conference Call / Webcast Details NETGEAR will review the second quarter 2010 results and discuss management's expectations for the third quarter of 2010 today, Wednesday, July 21, 2010 at 5 p.m. EDT (2 p.m. PDT). The dial-in number for the live audio call is (201) 689-8560. A live webcast of the conference call will be available on NETGEAR's website at www.netgear.com. A replay of the call will be available 2 hours following the call through midnight EDT (9 p.m. PDT) on Wednesday, July 28, 2010 by telephone at (858) 384-5517 and via the web at www.netgear.com. The conference ID number to access the phone replay is 353684.

About NETGEAR, Inc.

NETGEAR (NASDAQGM: NTGR) designs innovative, branded technology solutions that address the specific networking, storage, and security needs of small- to medium-sized businesses and home users. The company offers an end-to-end networking product portfolio to enable users to share Internet access, peripherals, files, multimedia content, and applications among multiple computers and other Internet-enabled devices. Products are built on a variety of proven technologies such as wireless, Ethernet and powerline, with a focus on reliability and ease-of-use. NETGEAR products are sold in about 27,000 retail locations around the globe, and via approximately 36,000 value-added resellers. The company's headquarters are in San Jose, Calif., with additional offices in 25 countries. NETGEAR is an ENERGY STAR® partner. More information is available by visiting www.netgear.com or calling (408) 907-8000. Follow NETGEAR at <http://twitter.com/NETGEAR> and <http://www.facebook.com/netgear>.

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Contact: Joseph Villalta The Ruth Group (646) 536-7003 jvillalta@theruthgroup.com Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 for NETGEAR, Inc.:

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. The words "anticipate", "expect", "believe", "will", "may", "should", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. The forward-looking statements represent NETGEAR, Inc.'s expectations or beliefs concerning future events based on information available at the time such statements were made and include statements, among others, regarding NETGEAR's expected revenue, earnings, gross and operating margin and operating income on both a GAAP and non-GAAP basis, expectations of outpacing competitors in new product introductions, larger revenue share from service provider customers during the second half of 2010, Docsis 3.0 products deployment by our service provider customers, product capabilities, our ability and intent to launch new product offerings and continue product development efforts, current and future demand for the Company's existing and anticipated new products, and our ability to increase market share for the Company's products globally. These statements are based on management's current expectations and are subject to certain risks and uncertainties, including, without limitation, the following: future demand for the Company's products may be lower than anticipated; consumers may choose not to adopt the Company's new product offerings or adopt competing products; product performance may be adversely affected by real world operating conditions; the Company may be unsuccessful or experience delays in manufacturing and distributing its new and existing products; telecommunications service providers may choose to slow their deployment of the Company's products or utilize competing products; the Company may be unable to collect receivables as they become due; the Company may fail to manage costs, including the cost of developing new products and manufacturing and distribution of its existing offerings; channel inventory information reported is estimated based on the average number of weeks of inventory on hand on the last Saturday of the quarter, as reported by certain of NETGEAR's customers; changes in the level of NETGEAR's cash resources and the Company's planned usage of such resources; changes in the Company's stock price and developments in the business that could increase the Company's cash needs, fluctuations in foreign exchange rates, and the actions and financial health of the Company's customers. Further, certain forward-looking

statements are based on assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Further information on potential risk factors that could affect NETGEAR and its business are detailed in the Company's periodic filings with the Securities and Exchange Commission, including, but not limited to, those risks and uncertainties listed in the section entitled "Part II - Item 1A. Risk Factors," pages 32 through 47, in the Company's Quarterly Report on Form 10-Q for the quarter ended March 28, 2010, filed with the Securities and Exchange Commission on May 6, 2010. NETGEAR undertakes no obligation to release publicly any revisions to any forward-looking statements contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Use of Non-GAAP Financial Information: To supplement our consolidated financial statements presented on a GAAP basis, NETGEAR uses non-GAAP financial measures, which are adjusted to exclude certain expenses and tax benefits, where applicable. We believe non-GAAP financial measures are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our current period GAAP results are made with the intent of providing both management and investors a more complete understanding of NETGEAR's underlying operational results and trends and our marketplace performance. For example, the non-GAAP results are an indication of our baseline performance before charges that are considered by management to be outside of our core operating results. In addition, these adjusted non-GAAP results are among the primary indicators management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial measures prepared in accordance with generally accepted accounting principles in the United States.