

## **PLX TECHNOLOGY REPORTS FOURTH QUARTER AND FISCAL YEAR FINANCIAL RESULTS**

SUNNYVALE, Calif. -- (January 24, 2001) -- PLX Technology, Inc. (Nasdaq: PLXT) today reported its financial results for the fourth quarter and fiscal year ended December 31, 2000.

Net revenues for the fourth quarter of 2000 were \$16.3 million, an increase of 38% over the fourth quarter of 1999 and a decrease of 11% from the third quarter of 2000. Net revenues for the fiscal year ended December 31, 2000 were a record \$65.4 million, an increase of 61% over the \$40.7 million reported for the fiscal year ended December 31, 1999.

Pro forma net income for the fourth quarter of 2000, which excludes the effects of acquisition-related costs, was \$2.0 million or \$0.08 per share, a decrease of 28% from net income in the fourth quarter of 1999 and a decrease of 45% from net income in the third quarter of 2000. Pro forma net income for the fiscal year ended December 31, 2000 was \$12.5 million or \$0.53 per share, an increase of 66% compared with \$7.6 million, or \$0.35 in the fiscal year ended 1999. Including acquisition-related costs in accordance with generally accepted accounting principles, net income for the fourth quarter of 2000 was \$0.3 million or \$0.01 per share. Net losses for the fiscal year ended December 31, 2000 were \$7.0 million or \$(0.31) per share.

In November 2000, PLX purchased a facility for \$27.5 million. The facility will become PLX's corporate headquarters beginning February 2000. The purchase will secure affordable long-term space to house PLX's increasing employee base.

"2000 was a fantastic year for PLX in terms of financial performance, design-win results, and development of exciting new products," said Michael Salameh, president of PLX. "Revenue growth of 61% matched our four-year average. During the year, PLX made substantial investments, and instituted important changes to take advantage of enormous new market opportunities for interconnect silicon in our target market: communications infrastructure equipment. As a result, PLX is well positioned for strong growth.

"Based on our design-win and new-product development progress, the long-term future of PLX is very bright. In 2000, we maintained our revenue growth momentum by adding well over 500 new design wins, and adding more than 1000 new designs in process. In December, we taped out the first switch fabric controller silicon from the Sebring Networks acquisition. In Q1 of 2001, we expect

to start sampling the initial product of our new 64-bit, 66 MHz family: the PCI 9656. We already have high-volume designs for this chip at several of our major customers. Shortly, we will tape out and announce several other members of PLX's high-bandwidth family that will extend our broad portfolio of high-speed interconnect silicon.

“In the fourth quarter of 2000, we experienced a sequential revenue decline. We believe this was largely due to softening demand resulting in industry-wide inventory corrections. When these corrections work their way through the system we expect to return to solid growth.”

The company will host a conference call Jan. 24, 2:00 p.m. (PST) to discuss this earnings update. There will also be a live Webcast and a replay of the conference call that will be available through the Investors section of the PLX Web site, at [www.plxtech.com](http://www.plxtech.com). The Webcast can also be accessed through [www.streetfusion.com](http://www.streetfusion.com)

Company and product information is available on the PLX Web site at [www.plxtech.com](http://www.plxtech.com).

## About PLX

PLX Technology Inc. ([www.plxtech.com](http://www.plxtech.com)), based in Sunnyvale, Calif., USA, is the leading supplier of high-speed silicon and software solutions for the networking and communications industries. The PLX solution includes industry-standard silicon, software for managing data throughout the PCI bus, reference design tools that minimize design risk, and third-party development tool support through the PLX Partner Program. The PLX solution enables hardware designers and software developers to maximize system input/output (I/O), lower development costs, minimize system design risk and provide faster time to market. PLX PCI I/O Accelerator chips and I/O Processor devices are designed into a wide variety of embedded PCI communication systems, including switches, routers, line cards, media gateways, base stations, access multiplexors and remote access concentrators. PLX customers include many of the leading communications equipment companies, including Cisco Systems, Compaq Computer, Ericsson, Hewlett Packard, Intel, IBM, Lucent Technologies, Marconi, Nortel Networks, and Siemens.

**Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995**

**This release contains statements that qualify as forward-looking statements under the Private Securities Litigation Reform Act of 1995. Those statements include statements about our intentions, expectations, hopes, beliefs, prospects, plans, and predictions for the Company's future and, in particular, our statements regarding: the growth of our 32 bit products and design activity around those products; our development activity related to 64 bit products and design activity around those products; our development activity related to 64 bit and 66MHz products; the effect of the acquisition of Sebring Networks, including the additional growth dimension for PLX resulting from the transaction; our prospects for future revenue growth and for a return to our historical growth patterns. Such statements involve risks and uncertainties which may cause actual results to differ materially from those set forth in these statements. Factors that could cause actual results to differ materially include risks and uncertainties such as reduced demand for products of electronic equipment manufacturers which include PLX's products due to adverse economic conditions in general or specifically affecting PLX's markets, reduced significance of the PCI standard for the communications infrastructure and replacement by other standards, technical difficulties and delays in the development process, and errors in the products. You are also referred to the documents filed by PLX with the SEC from time to time, including but not limited to the annual report on Form 10-K for the year ended December 31, 1999 and the quarterly report on Form 10-Q for the third quarter of 2000, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are made as of today, and the company assumes no obligation to update such statements.**

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**PLX Technology, Inc.**  
**Pro Forma Consolidated Statements of Income**  
**Excluding IPR&D, Acquisition-Related Costs and Amortization of Goodwill and Intangible Assets**  
**(Thousands, except per share data)**

	Three months ended		Twelve months ended	
	Dec 31, 2000	Dec 31, 1999	Dec 31, 2000	Dec 31, 1999
Net revenues	\$ 16,310	\$ 11,781	\$ 65,351	\$ 40,699
Cost of revenues	5,150	3,388	19,368	12,868
Gross margin	<u>11,160</u>	<u>8,393</u>	<u>45,983</u>	<u>27,831</u>
Operating expenses:				
Research and development	4,157	1,712	12,817	7,268
Selling, general and administrative	4,296	3,099	15,827	10,569
Total operating expenses	<u>8,453</u>	<u>4,811</u>	<u>28,644</u>	<u>17,837</u>
Income from operations	2,707	3,582	17,339	9,994
Interest income and other, net	362	503	1,966	1,473
Income before income taxes	<u>3,069</u>	<u>4,085</u>	<u>19,305</u>	<u>11,467</u>
Provision for income taxes	1,074	1,309	6,757	3,896
Net income	<u>\$ 1,995</u>	<u>\$ 2,776</u>	<u>\$ 12,548</u>	<u>\$ 7,571</u>
Weighted average shares (diluted)	<u>23,514</u>	<u>22,794</u>	<u>23,550</u>	<u>21,849</u>
Earnings per share (diluted)	<u>\$ 0.08</u>	<u>\$ 0.12</u>	<u>\$ 0.53</u>	<u>\$ 0.35</u>

The above pro forma amounts for the quarter ended December 31, 2000 have been adjusted to eliminate the \$1.0 million of amortization of goodwill and purchased intangible assets, \$1.0 million of other acquisition-related costs and all associated tax amounts. The above pro forma amounts for the twelve months ended December 31, 2000 have been adjusted to eliminate the \$14.3 million write-off of purchased in-process research and development, \$2.5 million of amortization of goodwill and purchased intangible assets, \$3.7 million of other acquisition-related costs and all associated tax amounts.

**PLX Technology, Inc.**  
**Consolidated Statements of Income**  
**(Thousands, except per share data)**

	Three months ended		Twelve months ended	
	Dec 31, 2000	Dec 31, 1999	Dec 31, 2000	Dec 31, 1999
Net revenues	\$ 16,310	\$ 11,781	\$ 65,351	\$ 40,699
Cost of revenues	5,150	3,388	19,368	12,868
Gross margin	<u>11,160</u>	<u>8,393</u>	<u>45,983</u>	<u>27,831</u>
Operating expenses:				
Research and development	5,078	1,712	16,350	7,268
Selling, general and administrative	4,324	3,099	15,862	10,569
In process research and development	--	--	14,342	--
Amortization of intangible assets	1,044	--	2,537	--
Total operating expenses	<u>10,446</u>	<u>4,811</u>	<u>49,091</u>	<u>17,837</u>
Income (loss) from operations	714	3,582	(3,108)	9,994
Interest income and other, net	362	503	1,966	1,473
Income (loss) before income taxes and loss from investee	<u>1,076</u>	<u>4,085</u>	<u>(1,142)</u>	<u>11,467</u>
Provision for income taxes	741	1,309	5,900	3,896
Income (loss) before loss from investee	<u>335</u>	<u>2,776</u>	<u>(7,042)</u>	<u>7,571</u>
Loss from investee	--	340	--	340
Net income (loss)	<u>\$ 335</u>	<u>\$ 2,436</u>	<u>\$ (7,042)</u>	<u>\$ 7,231</u>
Weighted average shares (diluted)	<u>23,514</u>	<u>22,794</u>	<u>22,560</u>	<u>21,849</u>
Earnings (loss) per share (diluted)	<u>\$ 0.01</u>	<u>\$ 0.11</u>	<u>\$ (0.31)</u>	<u>\$ 0.33</u>

**PLX Technology, Inc.**  
**Consolidated Balance Sheets**  
**(Thousands)**

	<u>December 31,</u> <u>2000</u>	<u>December 31,</u> <u>1999</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 16,621	\$ 8,636
Short-term investments	3,340	20,075
Accounts receivable	4,772	5,439
Inventories	4,521	2,504
Deferred tax assets	4,099	1,379
Other current assets	1,290	447
Total current assets	<u>34,643</u>	<u>38,480</u>
Goodwill	11,308	--
Other intangible assets	2,964	--
Property and equipment, net	31,277	1,537
Long term investments	--	11,198
Restricted cash and investments	33,146	--
Other Assets	141	840
Total assets	<u>\$ 113,479</u>	<u>\$ 52,055</u>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 5,064	\$ 1,825
Accrued compensation and benefits	1,491	1,052
Deferred revenues	1,430	1,001
Other accrued expenses	1,863	928
Income tax payable	833	847
Deferred tax liability	1,100	--
Long-term notes payable	28,500	--
Total Liabilities	<u>40,281</u>	<u>5,653</u>
<b>Stockholders' equity</b>		
Common stock, par value	23	22
Additional paid in capital	79,715	36,828
Deferred compensation	(9,312)	(192)
Notes receivable for employee stock purchases	(50)	--
Unrealized gain (loss) on investments	54	(66)
Retained earnings	2,768	9,810
Total stockholders' equity	<u>73,198</u>	<u>46,402</u>
Total liabilities and stockholders' equity	<u>\$ 113,479</u>	<u>\$ 52,055</u>