

PLX TECHNOLOGY REPORTS SECOND QUARTER FINANCIAL RESULTS

SUNNYVALE, Calif. -- (July 20, 2001) -- PLX Technology, Inc. (Nasdaq: PLXT) today reported its financial results for the second quarter ended June 30, 2001.

Net revenues for the second quarter of 2001 were \$9.5 million, a decrease of 41 percent from the second quarter of 2000 and a decrease of 24 percent from the first quarter of 2001. Net revenues for the first six months of 2001 were \$21.9 million, a decrease of 29 percent from the first six months of 2000.

Pro forma net losses for the second quarter of 2001, which excludes the effects of acquisition-related costs, were \$2.0 million or \$0.09 per share compared to net income of \$3.6 million or \$0.15 per share for the second quarter of 2000. Pro forma net losses for the first six months of 2001 were \$1.7 million compared to net income of \$6.9 million in the first six months of 2000. Including acquisition-related costs in accordance with generally accepted accounting principles, net losses for the second quarter of 2001 were \$3.4 million, or \$0.15 per share. Net losses for the first six months of 2001 were \$4.8 million.

The company's gross margins in the second quarter were 54 percent. As a result of the decline in forecasted revenue, the Company recorded a charge of \$1.3 million for excess inventory in the second quarter. Excluding this write down in inventory, gross margins were 68 percent and our pro forma net loss per share was \$0.05.

"We are optimistic about PLX's long term prospects because this quarter we have been successful in rolling out complex new products, getting them into customers' hands and starting revenue generation," said Michael Salameh, president of PLX. "Our design win success on existing products has also been solid."

The company will host a conference call on July 20 at 2:00 p.m. (PDT) 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. The Webcast can also be accessed through www.streetfusion.com.

Company and product information is available on the PLX Web site at www.plxtech.com.

About PLX

PLX Technology Inc. (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, IBM, Lucent Technologies, Marconi, Nortel Networks, and Siemens.

Legal Notice Regarding Forward-Looking Statements

Statements in this press release which are not purely historical are forward-looking statements, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Forward-looking statements in this release include statements regarding our long-term prospects. 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, 2000 and the quarterly report on Form 10-Q for the first quarter of 2001, 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 Operations
Excluding IPR&D, Acquisition-Related Costs and Amortization of Goodwill and Intangible
Assets
(Thousands, except per share data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2001	2000	2001	2000
Net revenues	\$ 9,463	\$ 16,090	\$ 21,892	\$ 30,632
Cost of revenues	<u>4,392</u>	<u>4,552</u>	<u>8,456</u>	<u>8,972</u>
Gross margin	5,071	11,538	13,436	21,660
Operating expenses:				
Research and development	4,495	2,918	8,962	4,938
Selling, general and administrative	<u>3,952</u>	<u>3,701</u>	<u>7,756</u>	<u>7,101</u>
Total operating expenses	<u>8,447</u>	<u>6,619</u>	<u>16,718</u>	<u>12,039</u>
Income (loss) from operations	(3,376)	4,919	(3,282)	9,621
Interest income and other, net	<u>67</u>	<u>548</u>	<u>298</u>	<u>1,037</u>
Income (loss) before income taxes	(3,309)	5,467	(2,984)	10,658
Provision (benefit) for income taxes	<u>(1,324)</u>	<u>1,916</u>	<u>(1,291)</u>	<u>3,732</u>
Net income (loss)	<u>\$ (1,985)</u>	<u>\$ 3,551</u>	<u>\$ (1,693)</u>	<u>\$ 6,926</u>
Weighted average shares (diluted)	<u>23,180</u>	<u>24,234</u>	<u>23,163</u>	<u>23,843</u>
Earnings per share (diluted)	<u>\$ (0.09)</u>	<u>\$ 0.15</u>	<u>\$ (0.07)</u>	<u>\$ 0.29</u>

The above pro forma amounts for the quarter ended June 30, 2001 have been adjusted to eliminate \$1.0 million of amortization of goodwill and purchased intangible assets, \$0.8 million of other acquisition-related costs and all associated tax amounts.

PLX Technology, Inc.
Consolidated Statements of Operations
(Thousands, except per share data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2001	2000	2001	2000
Net revenues	\$ 9,463	\$ 16,090	\$ 21,892	\$ 30,632
Cost of revenues	<u>4,392</u>	<u>4,552</u>	<u>8,456</u>	<u>8,972</u>
Gross margin	5,071	11,538	13,436	21,660
Operating expenses:				
Research and development	5,237	4,609	10,502	6,629
Selling, general and administrative	3,972	3,701	7,796	7,101
In process research and development	--	14,342	--	14,342
Amortization of intangible assets	<u>1,044</u>	<u>449</u>	<u>2,088</u>	<u>449</u>
Total operating expenses	<u>10,253</u>	<u>23,101</u>	<u>20,386</u>	<u>28,521</u>
Loss from operations	(5,182)	(11,563)	(6,950)	(6,861)
Interest income and other, net	<u>67</u>	<u>548</u>	<u>298</u>	<u>1,037</u>
Loss before income taxes	(5,115)	(11,015)	(6,652)	(5,824)
Provision (benefit) for income taxes	<u>(1,734)</u>	<u>1,717</u>	<u>(1,804)</u>	<u>3,533</u>
Net Loss	<u>\$ (3,381)</u>	<u>\$ (12,732)</u>	<u>\$ (4,848)</u>	<u>\$ (9,357)</u>
Weighted average shares (diluted)	<u>23,180</u>	<u>22,428</u>	<u>23,163</u>	<u>22,100</u>
Loss per share (diluted)	<u>\$ (0.15)</u>	<u>\$ (0.57)</u>	<u>\$ (0.21)</u>	<u>\$ (0.42)</u>

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

	<u>June 30,</u> <u>2001</u>	<u>December 31,</u> <u>2000</u>
Assets		
Cash and cash equivalents	\$ 7,272	\$ 16,621
Short-term investments	1,587	3,340
Accounts receivable	4,942	4,772
Inventories	7,684	4,521
Deferred tax assets	4,099	4,099
Income tax receivable	1,067	-
Other current assets	959	1,290
Total current assets	<u>27,610</u>	<u>34,643</u>
Goodwill	9,653	11,308
Other intangible assets	2,530	2,964
Property and equipment, net	34,334	31,277
Restricted cash and investments	33,411	33,146
Other Assets	239	141
Total assets	<u>\$ 107,777</u>	<u>\$ 113,479</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 4,451	\$ 5,064
Accrued compensation and benefits	994	1,491
Deferred revenues	707	1,430
Other accrued expenses	1,680	1,863
Income tax payable	-	833
Deferred tax liability	1,100	1,100
Long-term notes payable	28,500	28,500
Total Liabilities	<u>37,432</u>	<u>40,281</u>
Stockholders' equity		
Common stock, par value	23	23
Additional paid in capital	78,350	79,715
Deferred compensation	(6,029)	(9,312)
Notes receivable for employee stock purchases	(62)	(50)
Unrealized gain on investments	143	54
Retained earnings	(2,080)	2,768
Total stockholders' equity	<u>70,345</u>	<u>73,198</u>
Total liabilities and stockholders' equity	<u>\$ 107,777</u>	<u>\$ 113,479</u>