

PLX TECHNOLOGY REPORTS THIRD QUARTER FINANCIAL RESULTS

SUNNYVALE, Calif. -- (Oct 17, 2001) -- PLX Technology, Inc. (NASDAQ: PLXT) today reported its financial results for the third quarter ended September 30, 2001.

Net revenues for the third quarter of 2001 were \$10.5 million, a decrease of 43 percent from the third quarter of 2000 and an increase of 11 percent over the second quarter of 2001. Net revenues for the first nine months of 2001 were \$32.4 million, a decrease of 34 percent from the first nine months of 2000.

Pro forma net income for the third quarter of 2001, which excludes the affects of acquisition-related costs, was \$219,000 or \$0.01 per share compared to net income of \$3.6 million or \$0.15 per share for the third quarter of 2000. Pro forma net losses for the first nine months of 2001 were \$1.5 million or \$0.06 per share compared to net income of \$10.6 million or \$0.44 per share in the first nine months of 2000. Including acquisition-related costs in accordance with generally accepted accounting principles, net losses for the third quarter of 2001 were \$1.1 million or \$0.05 per share compared to net income of \$2.0 million or \$0.08 per share for the third quarter of 2000. Net losses for the first nine months of 2001 were \$6.0 million or \$0.26 per share compared to net losses of \$7.4 million or \$0.33 per share for the first nine months of 2000.

“We continue to make steady progress with our new-product development programs,” said Michael Salameh, president of PLX. “We recently started sampling the 32-bit version of our GigaBridge™ switch fabric controller. We also just announced that we will start sampling the 64-bit version of the GigaBridge controller chips in the fourth quarter. In the third quarter, we produced the first silicon of our PCI 9610 I/O Accelerator chip and expect to start sampling in the fourth quarter.

“We estimate that revenue for the fourth quarter of 2001 will remain the same or increase by up to 10 percent as compared to revenue for the third quarter. We expect that our fourth quarter operating expenses will be up to five percent above the third quarter operating expenses. For the foreseeable future, we anticipate gross margins in the 65 to 70 percent range. If our revenue, margin and expense estimates develop this way, we should continue to be profitable on a pro forma basis in the fourth quarter. We also expect to be cash-flow positive in the fourth

quarter because of anticipated pro forma net income, a reduction in inventory levels, and federal and state tax refunds.

“Our increase in revenue in the third quarter as compared to the second quarter and projected fourth quarter increase are encouraging. However, our visibility is limited by uncertainty about customer demand, inventories and the political climate. Therefore, we will continue to manage expenses and cash carefully.”

The company will host a conference call on October 17 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.companyboardroom.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 PLX's plans to start shipping the 64-bit version of the GigaBridge controller chips and to sample the PCI 9610 I/O accelerator; the level of operating expenses in the fourth quarter; the range of gross margins in the foreseeable future; and the level of cash flow and net income, inventory levels and tax refunds in the fourth quarter. 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 second 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 Sep 30,		Nine months ended Sep 30,	
	2001	2000	2001	2000
Net revenues	\$ 10,513	\$ 18,409	\$ 32,405	\$ 49,041
Cost of revenues	3,667	5,246	12,123	14,218
Gross margin	<u>6,846</u>	<u>13,163</u>	<u>20,282</u>	<u>34,823</u>
Operating expenses:				
Research and development	3,372	3,721	12,334	8,660
Selling, general and administrative	3,361	4,423	11,117	11,524
Total operating expenses	<u>6,733</u>	<u>8,144</u>	<u>23,451</u>	<u>20,184</u>
Income (loss) from operations	113	5,019	(3,169)	14,639
Interest income and other, net	252	567	550	1,604
Income (loss) before income taxes	<u>365</u>	<u>5,586</u>	<u>(2,619)</u>	<u>16,243</u>
Provision (benefit) for income taxes	146	1,955	(1,145)	5,685
Net income (loss)	<u>\$ 219</u>	<u>\$ 3,631</u>	<u>\$ (1,474)</u>	<u>\$ 10,558</u>
Weighted average shares (diluted)	<u>23,241</u>	<u>24,743</u>	<u>23,215</u>	<u>24,142</u>
Net income (loss) per share (diluted)	<u>\$ 0.01</u>	<u>\$ 0.15</u>	<u>\$ (0.06)</u>	<u>\$ 0.44</u>

The above pro forma amounts for the quarter ended September 30, 2001 have been adjusted to eliminate \$1.0 million of amortization of goodwill and purchased intangible assets, \$0.7 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 Sep 30,		Nine months ended Sep 30,	
	2001	2000	2001	2000
Net revenues	\$ 10,513	\$ 18,409	\$ 32,405	\$ 49,041
Cost of revenues	3,667	5,246	12,123	14,218
Gross margin	<u>6,846</u>	<u>13,163</u>	<u>20,282</u>	<u>34,823</u>
Operating expenses:				
Research and development	4,009	4,643	14,511	11,272
Selling, general and administrative	3,380	4,437	11,176	11,538
In process research and development	--	--	--	14,342
Amortization of intangible assets	1,044	1,044	3,133	1,493
Total operating expenses	<u>8,433</u>	<u>10,124</u>	<u>28,820</u>	<u>38,645</u>
Income (loss) from operations	(1,587)	3,039	(8,538)	(3,822)
Interest income and other, net	252	567	550	1,604
Income (loss) before income taxes	<u>(1,335)</u>	<u>3,606</u>	<u>(7,988)</u>	<u>(2,218)</u>
Provision (benefit) for income taxes	(203)	1,626	(2,008)	5,159
Net income (loss)	<u>\$ (1,132)</u>	<u>\$ 1,980</u>	<u>\$ (5,980)</u>	<u>\$ (7,377)</u>
Weighted average shares (diluted)	<u>23,236</u>	<u>24,743</u>	<u>23,215</u>	<u>22,544</u>
Net income (loss) per share (diluted)	<u>\$ (0.05)</u>	<u>\$ 0.08</u>	<u>\$ (0.26)</u>	<u>\$ (0.33)</u>

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

	<u>September 30,</u> <u>2001</u>	<u>December 31,</u> <u>2000</u>
Assets		
Cash and cash equivalents	\$ 11,113	\$ 16,621
Short-term investments	1,586	3,340
Accounts receivable	5,974	4,772
Inventories	6,227	4,521
Deferred tax assets	4,099	4,099
Income tax receivable	1,267	--
Other current assets	591	1,290
Total current assets	<u>30,857</u>	<u>34,643</u>
Goodwill	8,825	11,308
Other intangible assets	2,314	2,964
Property and equipment, net	33,984	31,277
Restricted cash and investments	--	33,146
Other Assets	197	141
Total assets	<u>\$ 76,177</u>	<u>\$ 113,479</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 2,490	\$ 5,064
Accrued compensation and benefits	854	1,491
Deferred revenues	629	1,430
Accrued commissions	426	345
Other accrued expenses	963	1,518
Income tax payable	--	833
Deferred tax liability	1,100	1,100
Long-term notes payable	--	28,500
Total Liabilities	<u>6,462</u>	<u>40,281</u>
Stockholders' equity		
Common stock, par value	23	23
Additional paid in capital	78,004	79,715
Deferred compensation	(5,016)	(9,312)
Notes receivable for employee stock purchases	(62)	(50)
Unrealized gain on investments	--	54
Cumulative Translation Adjustment	(22)	--
Retained earnings	(3,212)	2,768
Total stockholders' equity	<u>69,715</u>	<u>73,198</u>
Total liabilities and stockholders' equity	<u>\$ 76,177</u>	<u>\$ 113,479</u>