

PLX TECHNOLOGY REPORTS FOURTH QUARTER AND FISCAL YEAR FINANCIAL RESULTS

SUNNYVALE, Calif. -- (Jan 23, 2002) -- PLX Technology, Inc. (Nasdaq: PLXT) today reported its financial results for the fourth quarter and fiscal year ended December 31, 2001.

Net revenues for the fourth quarter of 2001 were \$11.7 million, an increase of 12 percent over the third quarter of 2001 and a decrease of 28 percent from the fourth quarter of 2000. Net revenues for the fiscal year ended December 31, 2001 were \$44.1 million, a decrease of 32 percent from the fiscal year ended December 31, 2000.

Pro forma net income for the fourth quarter of 2001, which excludes the effects of acquisition-related costs, was \$1.7 million, or \$0.07 per share compared to pro forma net income of \$2.0 million, or \$0.08 per share for the fourth quarter of 2000. Pro forma net income for the year ended December 31, 2001 was \$257,000, or \$0.01 per share compared to pro forma net income of \$12.5 million, or \$0.53 per share in the fiscal year ended December 31, 2000. Including acquisition-related costs in accordance with generally accepted accounting principles, net losses for the fourth quarter of 2001 were \$557,000, or \$0.02 per share compared to net income of \$335,000, or \$0.01 per share for the fourth quarter of 2000. Net losses for the year ended December 31, 2001 were \$6.5 million, or \$0.28 per share compared to net losses of \$7.0 million, or \$0.31 per share for the fiscal year ended December 31, 2000.

The company's gross margins in the fourth quarter were 70 percent. As a result of selling some previously written-down inventory, the company recorded an excess inventory benefit of approximately \$300,000 in the fourth quarter. Excluding this excess inventory benefit, gross margins were 68 percent. Additionally, in the fourth quarter, the company realized a tax benefit of approximately \$700,000 relating to research-and-development tax credits and state income taxes.

"We were encouraged by our fourth quarter progress," said Michael Salameh, president of PLX. "In addition to improving financial results, we continued to win new designs and made steady progress in new product development.

"We estimate that first quarter 2002 revenue will be zero to 10 percent above the fourth quarter of 2001. Despite recent improvements in our business, we continue to manage expenses and cash carefully because the general business climate is uncertain and our backlog is relatively small, which makes predicting revenue difficult. Therefore, we are continuing cost control measures and expect that our first quarter 2002 operating expenses will be zero to five percent below the fourth quarter of 2001. We anticipate gross margins to continue in the 65 to 70 percent range."

The company will host a conference call on January 23 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.ccbn.com.

Company and product information is available on the PLX Web site at <http://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, rapid development 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, I/O Processor and Switched-PCI controller devices are designed into a wide variety of embedded PCI communication systems, including switches, routers, line cards, media gateways, base stations, access multiplexors, remote access concentrators and storage products. PLX customers include many of the leading communications equipment companies, including 3Com, 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 revenue for the first quarter 2002, expense and cash management, operating expenses for the first quarter 2002 and gross margins for the same period. 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, technical difficulties and delays in the development process, errors in the products, backlog of the company's customer, and the political climate. 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 third 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.

PLX Technology and the PLX Technology logo are registered trademarks of PLX Technology, Inc.

Editorial contact:

**Jerry Steach
CommonGround Communications (for PLX)
Tel: 650.967.3071
jsteach@plxtech.com**

Company contact:

**Rafael Torres, CFO
PLX Technology, Inc.
Tel: 408.774.9060
rtorres@plxtech.com**

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 Dec 31,		Twelve months ended Dec 31,	
	2001	2000	2001	2000
Net revenues	\$ 11,723	\$ 16,310	\$ 44,128	\$ 65,351
Cost of revenues	<u>3,484</u>	<u>5,150</u>	<u>15,607</u>	<u>19,368</u>
Gross margin	8,239	11,160	28,521	45,983
Operating expenses:				
Research and development	3,622	4,157	15,956	12,817
Selling, general and administrative	3,515	4,296	14,632	15,827
Total operating expenses	<u>7,137</u>	<u>8,453</u>	<u>30,588</u>	<u>28,644</u>
Income (loss) from operations	1,102	2,707	(2,067)	17,339
Interest income and other, net	<u>194</u>	<u>362</u>	<u>744</u>	<u>1,966</u>
Income (loss) before income taxes	1,296	3,069	(1,323)	19,305
Provision (benefit) for income taxes	(435)	1,074	(1,580)	6,757
Net income	<u>\$ 1,731</u>	<u>\$ 1,995</u>	<u>\$ 257</u>	<u>\$ 12,548</u>
Weighted average shares (diluted)	<u>23,750</u>	<u>23,514</u>	<u>23,326</u>	<u>23,550</u>
Net income per share (diluted)	<u>\$ 0.07</u>	<u>\$ 0.08</u>	<u>\$ 0.01</u>	<u>\$ 0.53</u>

The above pro forma amounts for the quarter ended December 31, 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 Dec 31,		Twelve months ended Dec 31,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Net revenues	\$ 11,723	\$ 16,310	\$ 44,128	\$ 65,351
Cost of revenues	<u>3,484</u>	<u>5,150</u>	<u>15,607</u>	<u>19,368</u>
Gross margin	8,239	11,160	28,521	45,983
Operating expenses:				
Research and development	4,272	5,078	18,783	16,350
Selling, general and administrative	3,533	4,324	14,709	15,862
In process research and development	--	--	--	14,342
Amortization of intangible assets	<u>1,044</u>	<u>1,044</u>	<u>4,176</u>	<u>2,537</u>
Total operating expenses	<u>8,849</u>	<u>10,446</u>	<u>37,668</u>	<u>49,091</u>
Income (loss) from operations	(610)	714	(9,147)	(3,108)
Interest income and other, net	<u>194</u>	<u>362</u>	<u>744</u>	<u>1,966</u>
Income (loss) before income taxes	(416)	1,076	(8,403)	(1,142)
Provision (benefit) for income taxes	141	741	(1,866)	5,900
Net income (loss)	<u>\$ (557)</u>	<u>\$ 335</u>	<u>\$ (6,537)</u>	<u>\$ (7,042)</u>
Weighted average shares (diluted)	<u>23,479</u>	<u>23,514</u>	<u>23,258</u>	<u>22,560</u>
Net income (loss) per share (diluted)	<u>\$ (0.02)</u>	<u>\$ 0.01</u>	<u>\$ (0.28)</u>	<u>\$ (0.31)</u>

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

	<u>Dec 31, 2001</u>	<u>Dec 31, 2000</u>
Assets		
Cash and cash equivalents and short-term investments	\$ 15,631	\$ 19,961
Accounts receivable	4,073	4,772
Inventories	4,586	4,521
Deferred tax assets	3,194	4,099
Income tax receivable	185	--
Other current assets	503	1,290
Total current assets	<u>28,172</u>	<u>34,643</u>
Goodwill	7,998	11,308
Other intangible assets	2,097	2,964
Property and equipment, net	33,579	31,277
Restricted cash and investments	--	33,146
Long-term investments	3,089	--
Other assets	294	141
Total assets	<u>\$ 75,229</u>	<u>\$ 113,479</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 1,855	\$ 5,064
Accrued compensation and benefits	808	1,491
Deferred revenues	281	1,430
Other accrued expenses	902	1,863
Income tax payable	--	833
Deferred tax liability	830	1,100
Long-term notes payable	--	28,500
Total liabilities	<u>4,676</u>	<u>40,281</u>
Stockholders' equity		
Common stock, par value	23	23
Additional paid in capital	78,328	79,715
Deferred compensation	(3,929)	(9,312)
Notes receivable for employee stock purchases	(63)	(50)
Unrealized gain on investments	2	54
Cumulative translation adjustment	(39)	--
Retained earnings	(3,769)	2,768
Total stockholders' equity	<u>70,553</u>	<u>73,198</u>
Total liabilities and stockholders' equity	<u>\$ 75,229</u>	<u>\$ 113,479</u>