

PLX TECHNOLOGY REPORTS SECOND QUARTER FINANCIAL RESULTS

SUNNYVALE, Calif. -- (July 17, 2002) -- PLX Technology, Inc. (NASDAQ: PLXT) today reported its financial results for the second quarter ended June 30, 2002.

Net revenues for the second quarter of 2002 were \$7.8 million, a decrease of 23 percent from the first quarter of 2002 and a decrease of 18 percent from the second quarter of 2001. Net revenues for the first six months of 2002 were \$17.9 million, a decrease of 18 percent from the first six months of 2001.

Pro forma net losses for the second quarter of 2002, which excludes the effects of acquisition-related costs, was \$478,000, or \$0.02 per share compared to pro forma net losses of \$2.0 million, or \$0.09 per share for the second quarter of 2001. Pro forma net income for the first six months of 2002 was \$36,000, or \$0.00 per share compared to pro forma net losses of \$1.7 million, or \$0.07 per share in the first six months of 2001. Including acquisition-related costs in accordance with generally accepted accounting principles, net losses for the second quarter of 2002 were \$1.2 million, or \$0.05 per share compared to net losses of \$3.4 million, or \$0.15 per share in the second quarter of 2001. Net losses for the first six months of 2002 were \$1.4 million, or \$0.06 per share compared to net losses of \$4.8 million, or \$0.21 per share. In accordance with generally accepted accounting principles, earnings in the 2001 periods reflect charges for the amortization of goodwill, which is no longer amortized in the current year with the adoption of FASB Statement 142.

“Despite the current business conditions, we continue to win new designs at a steady rate, said Michael Salameh, president of PLX. “We have been successful in introducing new PCI products in the first half of 2002. Although we are implementing cost-cutting measures, we are maintaining our investment in new technologies so that PLX can emerge from the downturn in a strong position for growth.

“We estimate revenues for the third quarter to be between \$6 million and \$8 million. We anticipate that expenses in the third quarter will be similar to those of the second quarter and will decrease in the fourth quarter as cost control measures take effect. We anticipate gross margins in the 65 to 70 percent range.”

The Company will host a conference call on July 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.ccbn.com.

About PLX

PLX Technology Inc. (www.plxtech.com), based in Sunnyvale, Calif., USA, a 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, 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, Ericsson, Hewlett Packard, IBM, Lucent Technologies, Marconi, Nortel Networks, and Siemens. Additional company and product information is available on the PLX Web site at www.plxtech.com.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This release includes statements that qualify as forward-looking statements under the Private Securities Litigation Reform Act of 1995. These statements include statements about the company's design wins, its successful introduction of new products, its emergence from the downturn in a strong position, expectations about revenues, expectations about expenses and their projected decrease, and expectations about gross margins. 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, reduced backlog of the company's customers, unexpected expenses 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, 2001 and the quarterly report on Form 10-Q for the first quarter of 2002, 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)

(Unaudited)

(in thousands, except per share amounts)

	Three Months Ended			Six Months Ended	
	June 30, 2002	June 30, 2001	March 31, 2002	June 30, 2002	2001
Net revenues	\$ 7,797	\$ 9,463	\$ 10,118	\$ 17,915	\$ 21,892
Cost of revenues	<u>2,381</u>	<u>4,392</u>	<u>3,361</u>	<u>5,742</u>	<u>8,456</u>
Gross margin	5,416	5,071	6,757	12,173	13,436
Operating expenses:					
Research and development	2,975	4,495	3,085	6,060	8,962
Selling, general and administrative	<u>3,292</u>	<u>3,952</u>	<u>3,260</u>	<u>6,552</u>	<u>7,756</u>
Total operating expenses	6,267	8,447	6,345	12,612	16,718
Income (loss) from operations	(851)	(3,376)	412	(439)	(3,282)
Interest income and other, net	<u>255</u>	<u>67</u>	<u>231</u>	<u>486</u>	<u>298</u>
Income (loss) before provision (benefit) for income taxes	(596)	(3,309)	643	47	(2,984)
Provision (benefit) for income taxes	<u>(118)</u>	<u>(1,324)</u>	<u>129</u>	<u>11</u>	<u>(1,291)</u>
Net income (loss)	<u>\$ (478)</u>	<u>\$ (1,985)</u>	<u>\$ 514</u>	<u>\$ 36</u>	<u>\$ (1,693)</u>
Basic net income (loss) per share	<u>\$ (0.02)</u>	<u>\$ (0.09)</u>	<u>\$ 0.02</u>	<u>\$ 0.00</u>	<u>\$ (0.07)</u>
Shares used to compute basic per share amounts	<u>23,529</u>	<u>23,180</u>	<u>23,432</u>	<u>23,440</u>	<u>23,163</u>
Diluted net income (loss) per share	<u>\$ (0.02)</u>	<u>\$ (0.09)</u>	<u>\$ 0.02</u>	<u>\$ 0.00</u>	<u>\$ (0.07)</u>
Shares used to compute diluted per share amounts	<u>23,529</u>	<u>23,180</u>	<u>24,087</u>	<u>24,095</u>	<u>23,163</u>

The above pro forma amounts for the quarter ended June 30, 2002 have been adjusted to eliminate \$133,000 of amortization of goodwill and purchased intangible assets, \$549,000 of other acquisition-related costs and all associated tax amounts.

PLX TECHNOLOGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share amounts)

	Three Months Ended			Six Months Ended	
	June 30, 2002	June 30, 2001	March 31, 2002	June 30, 2002	June 30, 2001
Net revenues	\$ 7,797	\$ 9,463	\$ 10,118	\$ 17,915	\$ 21,892
Cost of revenues	2,381	4,392	3,361	5,742	8,456
Gross margin	5,416	5,071	6,757	12,173	13,436
Operating expenses:					
Research and development	3,518	5,237	3,659	7,177	10,502
Selling, general and administrative	3,298	3,972	3,338	6,636	7,796
Amortization of goodwill and purchased intangible assets	133	1,044	133	266	2,088
Total operating expenses	6,949	10,253	7,130	14,079	20,386
Loss from operations	(1,533)	(5,182)	(373)	(1,906)	(6,950)
Interest income and other, net	255	67	231	486	298
Loss before provision (benefit) for income taxes	(1,278)	(5,115)	(142)	(1,420)	(6,652)
Provision (benefit) for income taxes	(118)	(1,734)	129	11	(1,804)
Net loss	\$ (1,160)	\$ (3,381)	\$ (271)	\$ (1,431)	\$ (4,848)
Basic net loss per share	\$ (0.05)	\$ (0.15)	\$ (0.01)	\$ (0.06)	\$ (0.21)
Shares used to compute basic per share amounts	23,529	23,180	23,432	23,440	23,163
Diluted net loss per share	\$ (0.05)	\$ (0.15)	\$ (0.01)	\$ (0.06)	\$ (0.21)
Shares used to compute diluted per share amounts	23,529	23,180	23,432	23,440	23,163

PLX TECHNOLOGY, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	June 30, 2002	December 31, 2001 (1)
	<u>(unaudited)</u>	<u></u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,807	\$ 9,631
Short-term investments	8,079	6,000
Accounts receivable, net	3,458	4,073
Inventories	2,906	4,586
Deferred tax assets	1,557	1,557
Income tax receivable	-	185
Other current assets	1,437	503
Total current assets	<u>26,244</u>	<u>26,535</u>
Goodwill	8,592	7,998
Other intangible assets	1,236	2,097
Property and equipment, net	32,836	33,579
Long-term investments	6,155	3,089
Deferred tax assets	1,637	1,637
Other assets	135	294
Total assets	<u>\$ 76,835</u>	<u>\$ 75,229</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,090	\$ 1,855
Accrued compensation and benefits	854	808
Other accrued expenses	1,095	902
Deferred revenues	898	281
Deferred tax liability	1,277	830
Total current liabilities	<u>5,214</u>	<u>4,676</u>
STOCKHOLDERS' EQUITY		
Common stock, par value	24	23
Additional paid-in capital	79,014	78,328
Deferred compensation	(2,159)	(3,929)
Notes receivable for employee stock purchases	(65)	(63)
Accumulated other comprehensive income (loss)	7	(37)
Accumulated deficit	(5,200)	(3,769)
Total stockholders' equity	<u>71,621</u>	<u>70,553</u>
Total liabilities and stockholders' equity	<u>\$ 76,835</u>	<u>\$ 75,229</u>