

## **PLX TECHNOLOGY, INC. REPORTS FOURTH-QUARTER AND FISCAL YEAR 2002 FINANCIAL RESULTS**

SUNNYVALE, Calif. – (January 22, 2003) – PLX Technology, Inc. (NASDAQ: PLXT) today announced financial results for its fourth quarter and fiscal year ended December 31, 2002.

For the fourth quarter ended December 31, 2002, the Company reported net revenues of \$8.6 million, a three percent increase over the \$8.3 million reported for the third quarter of 2002 and a 27 percent decrease from the \$11.7 million reported for the fourth quarter of 2001. Net losses for the fourth quarter were \$201,000, or \$0.01 per share, compared with net losses of \$557,000, or \$0.02 per share, for the prior year quarter.

For the year ended December 31, 2002, net revenues were \$34.8 million, a 21 percent decrease compared to net revenues of \$44.1 million for fiscal year 2001. Net losses for fiscal year 2002 were \$2.3 million, or \$0.10 per share, versus net losses of \$6.5 million, or \$0.28 per share, for fiscal year 2001.

Pro forma net income for the fourth quarter ended December 31, 2002, which excludes the effects of acquisition-related costs, were \$390,000, or \$0.02 per share, compared to pro forma net income of \$1.7 million, or \$0.07 per share, for the fourth quarter of 2001. Pro forma net income for the year ended December 31, 2002 was \$333,000, or \$0.01 per share, compared to pro forma net income of \$257,000, or \$0.01 per share, for fiscal year 2001.

As of December 31, 2002, the Company's cash and investments totaled \$21.7 million.

"Overall, the fourth quarter was another step in the right direction financially, in that we succeeded in reducing fixed expenses and continued building cash in a difficult economic environment," said Michael Salameh, president of PLX.

"Along with improving our financial condition, we were able to continue to fund and execute product development programs that will benefit our future," Salameh said. "In the fourth quarter, we began sample shipments of the newest versions of our 66MHz PCI chips and also sampled our HyperTransport-tunnel-to-dual-PCI-X bridge chip to several customers. In the last two weeks, we announced and presented the outlines of our product direction in PCI-Express, which is the main future focus for PLX.

"We estimate revenues in the first quarter to be between \$8.3 and \$9.3 million. We continue to project a wide revenue range because turns business has been variable and unpredictable. We anticipate that pro forma operating expenses in the first quarter will rise due to increased expenditures on design services and intellectual property related to

product development. Pro forma operating expenses are estimated to be between \$6.2 and \$6.4 million. We expect margins to remain in the 65 to 70 percent range."

The Company will host a conference call on January 22 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](http://www.plxtech.com). The Webcast can also be accessed through [www.ccbn.com](http://www.ccbn.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 interconnect silicon to the communications industry. The PLX solution provides a competitive edge to our customers through an integrated combination of high-performance silicon, hardware and software design tools, and partnerships. These innovative solutions are designed to enable our customers to develop communications equipment with industry-leading performance, scalability and reliability. Furthermore, the combination of PLX product features, supporting development tools and partnerships allows customers to bring their designs to market faster. PLX PCI I/O Accelerator, switched-PCI and HyperTransport Tunnel-to-Dual PCI-X 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.

### **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 product development program, our product direction, our estimated revenues, estimated expenses and estimated margins for the first quarter of 2003, and our future turns business. 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, second and third quarters 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.

PLX, the PLX logo and PowerDrive are trademarks of PLX Technology, Inc., which may be registered in some jurisdictions. All other product names that appear in this material are for identification purposes only and are acknowledged to be trademarks or registered trademarks of their respective companies.

**Editorial contact:**

**Jerry Steach**

**CommonGround Communications (for PLX)**

**Tel: 650.967.3071**

**[jsteach@plxtech.com](mailto:jsteach@plxtech.com)**

**Company contact:**

**Rafael Torres, CFO**

**PLX Technology, Inc.**

**Tel: 408.774.9060**

**[rtorres@plxtech.com](mailto:rtorres@plxtech.com)**

PLX TECHNOLOGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

(in thousands, except per share amounts)

	Three Months Ended			Twelve Months Ended	
	December 31,		September 30,	December 31,	
	2002	2001	2002	2002	2001
Net revenues	\$ 8,556	\$ 11,723	\$ 8,339	\$ 34,810	\$ 44,128
Cost of revenues	2,675	3,484	2,435	10,852	15,607
Gross margin	5,881	8,239	5,904	23,958	28,521
Operating expenses:					
Research and development	3,514	4,272	3,565	14,256	18,783
Selling, general and administrative	2,646	3,533	3,151	12,433	14,709
Amortization of goodwill and purchased intangible assets	133	1,044	134	533	4,176
Total operating expenses	6,293	8,849	6,850	27,222	37,668
Loss from operations	(412)	(610)	(946)	(3,264)	(9,147)
Interest income and other, net	260	194	258	1,004	744
Loss before provision (benefit) for income taxes	(152)	(416)	(688)	(2,260)	(8,403)
Provision (benefit) for income taxes	49	141	-	60	(1,866)
Net loss	\$ (201)	\$ (557)	\$ (688)	\$ (2,320)	\$ (6,537)
Basic net loss per share	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.10)	\$ (0.28)
Shares used to compute basic per share amounts	21,204	23,479	22,986	22,785	23,258
Diluted net loss per share	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.10)	\$ (0.28)
Shares used to compute diluted per share amounts	21,204	23,479	22,986	22,785	23,258

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			Twelve Months Ended	
	December 31, 2002	December 31, 2001	September 30, 2002	December 31, 2002      2001	
Net revenues	\$ 8,556	\$ 11,723	\$ 8,339	\$ 34,810	\$ 44,128
Cost of revenues	2,675	3,484	2,435	10,852	15,607
Gross margin	5,881	8,239	5,904	23,958	28,521
Operating expenses:					
Research and development	3,056	3,622	3,105	12,221	15,956
Selling, general and administrative	2,646	3,515	3,150	12,348	14,632
Total operating expenses	5,702	7,137	6,255	24,569	30,588
Income (loss) from operations	179	1,102	(351)	(611)	(2,067)
Interest income and other, net	260	194	258	1,004	744
Income (loss) before provision (benefit) for income taxes	439	1,296	(93)	393	(1,323)
Provision (benefit) for income taxes	49	(435)	-	60	(1,580)
Net income (loss)	\$ 390	\$ 1,731	\$ (93)	\$ 333	\$ 257
Basic net income (loss) per share	\$ 0.02	\$ 0.07	\$ 0.00	\$ 0.01	\$ 0.01
Shares used to compute basic per share amounts	21,204	23,479	22,986	22,785	23,258
Diluted net income (loss) per share	\$ 0.02	\$ 0.07	\$ 0.00	\$ 0.01	\$ 0.01
Shares used to compute diluted per share amounts	21,204	23,750	22,986	22,785	23,326

The above pro forma amounts for the quarters ended December 31, 2002, December 31, 2001, and September 30, 2002 have been adjusted to eliminate \$133,000, \$1.0 million, and \$134,000, respectively, of amortization of goodwill and purchased intangible assets, and \$458,000, \$668,000, and \$461,000, respectively, of other acquisition-related costs and all associated tax amounts. The above pro forma amounts for the twelve months ended December 31, 2002 and December 31, 2001 have been adjusted to eliminate \$533,000 and \$4.2 million, respectively, of amortization of goodwill and purchased intangible assets, and \$2.1 million and \$2.9 million, respectively, of other acquisition-related costs and all associated tax amounts.

**PLX TECHNOLOGY, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands)

	<b>December 31, 2002</b>	<b>December 31, 2001</b>
<b>ASSETS</b>	<b>(unaudited)</b>	
<b>Current assets:</b>		
Cash and cash equivalents	\$ 5,482	\$ 9,631
Short-term investments	13,131	6,000
Accounts receivable, net	2,568	4,073
Inventories, net	1,003	4,586
Deferred tax assets	-	1,557
Income tax receivable	2,838	185
Other current assets	1,793	503
<b>Total current assets</b>	<b>26,815</b>	<b>26,535</b>
Property and equipment, net	31,962	33,579
Long-term investments	3,067	3,089
Goodwill	8,851	7,998
Other intangible assets	970	2,097
Deferred tax assets	-	1,637
Other assets	310	294
<b>Total assets</b>	<b>\$ 71,975</b>	<b>\$ 75,229</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,582	\$ 1,855
Accrued compensation and benefits	932	808
Other accrued expenses	884	902
Deferred revenues	613	281
Deferred tax liability	-	830
<b>Total current liabilities</b>	<b>4,011</b>	<b>4,676</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, par value	21	23
Additional paid-in capital	74,953	78,328
Deferred compensation	(900)	(3,929)
Notes receivable for employee stock purchases	(67)	(63)
Accumulated other comprehensive income (loss)	46	(37)
Accumulated deficit	(6,089)	(3,769)
<b>Total stockholders' equity</b>	<b>67,964</b>	<b>70,553</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 71,975</b>	<b>\$ 75,229</b>