



PLX TECHNOLOGY, INC. REPORTS SECOND-QUARTER 2007 FINANCIAL RESULTS

- **PCI Express Revenues Grow 28 Percent Sequentially**
- **More than One Million PCI Express Chips Shipped to Date**

SUNNYVALE, Calif. – (July 23, 2007) – PLX Technology, Inc. (NASDAQ: PLXT) today announced financial results for the second quarter ended June 30, 2007.

“In the second quarter, we made steady progress in our long term growth initiative, our PCI Express product line,” said Michael Salameh, PLX® president and chief executive officer. “In addition to recording 28 percent sequential revenue growth in PCI Express, we continued rolling out new products and winning key designs that will maintain and expand our leadership in this growing market. Since we launched the product line we have shipped more than one million PCI Express chips, which are used in a wide range of products, from PC add-in cards to enterprise storage systems. We also continued to increase cash and investments, even as we stepped up the pace of product development to take advantage of new market opportunities.

“During the quarter, we announced and started sampling two new PCI Express switches, bringing our PCI Express product line to 17 chips, ranging from single-lane bridges to 48-lane switches. We also expanded our PCI Express customer base and have shipped production units, samples or development systems to more than 700 different customers to date, almost double the number of such customers this time last year. Additionally, our family of PCI Express Gen 2 products is expected to sample later this year.

“Further underscoring our leadership position in PCI Express, we are shipping production volumes or have won key PCI Express designs at nearly all the leading server, storage and communication equipment suppliers. We have also won designs at leading suppliers of PC peripheral and embedded system products, such as graphics, video encoders, multi-function printers, and instrumentation systems. In the second quarter, we announced designs in NEC storage systems and a partnership with Broadcom for high-definition video solutions which are representative of the wide range of applications for our chips.”

For the second quarter ended June 30, 2007, PLX reported net revenues of \$19.8 million, a two percent increase from the \$19.4 million reported in the second quarter ended June 30, 2006, and a six percent increase from the \$18.6 million reported in the first quarter ended March 31, 2007. Net loss for the second quarter ended June 30, 2007, under U.S. generally accepted accounting principles (GAAP), which included the effect of acquisition-related amortization of \$0.4 million and share-based compensation of \$1.2 million, was \$82,000, or a loss of \$0.00 per share

(diluted). This compared to GAAP net income of \$0.3 million, or \$0.01 per share (diluted), in the second quarter ended June 30, 2006, and a GAAP net loss of \$0.3 million, or \$0.01 per share (diluted), in the first quarter ended March 31, 2007.

The Company's gross margin for the second quarter ended June 30, 2007, was 58.9 percent, as compared with 57.6 percent for the second quarter ended June 30, 2006, and 61.0 percent for the first quarter ended March 31, 2007. The decline in gross margin was driven by product mix as PLX sold less higher-margin PCI product than anticipated. PCI Express gross margins improved in the second quarter of 2007 due to a variety of ongoing cost-reduction programs, while PCI gross margins were steady. However, the improvement in PCI Express gross margin percentage was not sufficient to fully offset the reduced unit sales of a few of PLX's legacy products.

Operating expenses under GAAP for the second quarter ended June 30, 2007, were \$12.6 million, as compared to \$12.4 million for the first quarter ended March 31, 2007. The sequential increase was due primarily to additional tape-out-related expenses.

The Company's balance sheet remained strong. At June 30, 2007, cash and investments were \$47.4 million, compared to \$42.3 million at December 31, 2006. Additionally, there continues to be no debt.

Business Outlook

The following statements are based on current expectations. The Company does not intend to update, confirm or change this guidance until its third-quarter earnings release, although it may provide additional detail regarding its guidance on today's scheduled conference call.

- Net revenues for the third quarter ended September 30, 2007, are expected to be between \$20.5 million and \$21.5 million, with approximately 36 percent of total net revenues attributable to PCI Express products.
- Gross margins are expected to be in the range of 59 percent to 61 percent.
- Operating expenses under GAAP are expected to be \$13.2 million. The increase in operating expenses is driven by expenditures related to the cost for tape-out for several new products. Included in operating expenses are share-based compensation and acquisition-related amortization, which are expected to be approximately \$1.6 million.

PLX management plans to conduct a conference call today at 2:00 p.m. PDT to discuss its second-quarter financial results, as well as its third-quarter outlook. There will also be a live Webcast and a replay of the conference call available through the Investors section of the PLX Web site at www.plxtech.com/investors. To dial into the live Webcast, please call 913.981.5525. A recorded replay of this Webcast will be available on the PLX Website beginning 5:00 p.m. (PDT) on July 23, 2007, through 10:00 p.m. (PDT) on July 30, 2007. To listen to the replay via telephone, call 719.457.0820, and use access code 9145462. The Webcast can also be accessed through www.ccbn.com.

For the live Webcast, listeners should go to the PLX Investors page at least 15 minutes before the event starts to download and install any necessary audio software. The archived Webcast is typically available one to two hours after the end of the live call.

About PLX

PLX Technology, Inc. (www.plxtech.com), based in Sunnyvale, Calif., USA, is the world's leading supplier of PCI Express and other standard I/O interconnect semiconductors to the communications, server, storage, embedded-control, and consumer markets. The Company provides a competitive advantage through an integrated combination of experience, high-performance silicon, hardware and software design tools, and global partnerships. These innovative solutions enable customers to develop equipment with industry-leading performance, scalability and reliability that allows them to bring designs to market faster.

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 include statements about the Company's estimated revenues, estimates of revenues attributable to certain products, estimated expenses, and estimated gross margins for the third quarter of 2007, which are set forth under the caption "Business Outlook," and statements regarding the PCI Express products. Such statements involve risks and uncertainties, which may cause actual results to differ materially from those set forth in the 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 the Company's products, adverse economic conditions in general or those specifically affecting the Company's markets, reduced acceptance of the Company's PCI Express products, technical difficulties and delays in the development process, errors in the products, reduced backlog for the Company's customers and unexpected expenses. Please refer to the documents filed by the Company 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, 2006 and PLX's quarterly report on Form 10-Q for the quarter ended March 31, 2006, 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.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share amounts)

	Three Months Ended			Six Months Ended	
	June 30 2007	June 30 2006	March 31 2007	June 30	
				2007	2006
Net revenues ⁽¹⁾	\$ 19,764	\$ 19,411	\$ 18,640	\$ 38,404	\$ 39,416
Cost of revenues ⁽¹⁾	8,118	8,225	7,263	15,381	15,722
Gross margin	11,646	11,186	11,377	23,023	23,694
Operating expenses:					
Research and development	6,143	4,835	5,742	11,885	9,914
Selling, general and administrative	6,061	5,982	6,170	12,231	11,657
Amortization of purchased intangible assets	357	481	440	797	993
Total operating expenses	12,561	11,298	12,352	24,913	22,564
Income (loss) from operations	(915)	(112)	(975)	(1,890)	1,130
Interest income and other, net	607	421	574	1,181	763
Income (loss) before provision (benefit) for income taxes	(308)	309	(401)	(709)	1,893
Provision (benefit) for income taxes	(226)	28	(129)	(355)	71
Net income (loss)	\$ (82)	\$ 281	\$ (272)	\$ (354)	\$ 1,822
Basic net income (loss) per share	\$ (0.00)	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ 0.07
Shares used to compute basic per share amounts	28,674	28,081	28,645	28,660	27,983
Diluted net income (loss) per share	\$ (0.00)	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ 0.06
Shares used to compute diluted per share amounts	28,674	28,938	28,645	28,660	28,868

(1) Net revenues and cost of revenues for the six months ended June 30, 2006 include a one-time pick-up in revenue of \$2.8 million and \$0.9 million, respectively, which result from a change in accounting for revenues to distributors.

PLX TECHNOLOGY, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	<u>June 30</u> <u>2007</u> <u>(unaudited)</u>	<u>December 31</u> <u>2006 (1)</u>
ASSETS		
Cash and investments	\$ 47,448	\$ 42,323
Accounts receivable, net	8,336	8,491
Inventories	6,957	8,295
Property and equipment, net	28,127	28,744
Goodwill	34,976	34,976
Other intangible assets	2,059	2,856
Other assets	4,200	2,263
Total assets	<u>\$ 132,103</u>	<u>\$ 127,948</u>
LIABILITIES		
Accounts payable	\$ 5,694	\$ 2,995
Accrued compensation and benefits	1,943	2,417
Accrued commissions	638	1,100
Other accrued expenses	500	500
Total liabilities	<u>8,775</u>	<u>7,012</u>
STOCKHOLDERS' EQUITY		
Common stock, par value	29	29
Additional paid-in capital	131,539	128,735
Accumulated other comprehensive loss	(154)	(96)
Accumulated deficit	(8,086)	(7,732)
Total stockholders' equity	<u>123,328</u>	<u>120,936</u>
Total liabilities and stockholders' equity	<u>\$ 132,103</u>	<u>\$ 127,948</u>

(1) Derived from audited financial statements

PLX TECHNOLOGY, INC.
SUPPLEMENTAL DATA
(Unaudited)

	Percentage of Net Revenues			2Q07 vs 2Q06	2Q07 vs 1Q07
	2Q07	2Q06	1Q07	%	%
Net Revenues by Geography					
Americas	29.4%	29.7%	32.9%	(2%)	(7%)
Asia Pacific	60.6%	59.5%	54.6%	5%	19%
Europe	10.0%	10.8%	12.5%	(5%)	(15%)

	Share-Based Compensation (in thousands)		
	2Q07	2Q06	1Q07
Manufacturing	\$ 13	\$ 15	\$ 18
Research and development	422	556	532
Selling, general and administrative	777	865	602
	<u>\$ 1,212</u>	<u>\$ 1,436</u>	<u>\$ 1,152</u>