PLX TECHNOLOGY REPORTS THIRD QUARTER FINANCIAL RESULTS

SUNNYVALE, Calif. -- (Oct 16, 2002) -- PLX Technology, Inc. (NASDAQ: PLXT) today reported its financial results for the third quarter ended September 30, 2002.

Net revenues for the third quarter of 2002 were $8.3 million, an increase of 7 percent from the second quarter of 2002 and a decrease of 21 percent from the third quarter of 2001. Net revenues for the first nine months of 2002 were $26.3 million, a decrease of 19 percent from the first nine months of 2001.

Including acquisition-related costs in accordance with generally accepted accounting principles, net losses for the third quarter of 2002 were $688,000, or $0.03 per share compared to net losses of $1.1 million, or $0.05 per share in the third quarter of 2001. Net losses for the first nine months of 2002 were $2.1 million, or $0.09 per share compared to net losses of $6.0 million, or $0.26 per share in the first nine months of 2001. In accordance with generally accepted accounting principles, earnings in the 2001 periods reflect charges for the amortization of goodwill, which are no longer amortized in the current year with the adoption of FASB Statement 142.

Pro forma net losses for the third quarter of 2002, which excludes the effects of acquisition-related costs, were $93,000, or $0.00 per share compared to pro forma net income of $219,000, or $0.01 per share for the third quarter of 2001. Pro forma net losses for the first nine months of 2002 were $57,000, or $0.00 per share compared to pro forma net losses of $1.5 million, or $0.06 per share in the first nine months of 2001.

The company's gross margins in the third quarter were 71 percent. As a result of selling some previously written down inventory, the company recorded an excess inventory benefit of approximately $282,000 in the third quarter. Excluding this excess inventory benefit, gross margins were 67 percent.

"We believe we are successfully striking a balance between the need to control costs and the opportunity to invest in new products," said Michael Salameh, president of PLX. "In the third quarter, we took steps to improve profitability and cash flow, while at the same time increasing investment in new interconnect technologies. We implemented cost-cutting measures, including staff reductions, across most areas of the company except for chip-design engineering. We also continue to control capital expenditures. So far this year, depreciation has exceeded capital expenditures by approximately $1.2 million, which has had a corresponding positive impact on cash.

"In July 2002, PLX began repurchasing stock on the open market and as of October 14, we had repurchased 2.2 million shares, or close to 10 percent of the total common shares outstanding. PLX was able to increase cash and investments from $14 million to $23 million in the twelve months ending June 30, 2002, with the largest factor for this increase being the reduction of inventory. In the third quarter, excluding the effect of the stock repurchase, we increased cash by approximately $1.1 million, largely due to further inventory reductions. We believe we can repurchase shares and continue to maintain a healthy balance sheet, even though we have already minimized inventory.

"Although we have been diligent about managing expenses and cash, investment in new products remains a central focus for PLX. Currently, PLX is seeking to improve our market leadership position in interconnect silicon by introducing PLX® chips that implement emerging standards. In August, we announced that we are developing PCI Express interconnect chips. In our view, PCI Express will become a major backplane interconnect standard for PCs, servers, communications and storage equipment. In September, we announced that we are sampling the PowerDrive™ HT 7520, a HyperTransport™ Tunnel-to-Dual PCI-X bridge chip. HyperTransport is a new serial interconnect standard that is already shipping in communications equipment. We also made several press releases during the quarter jointly with customers who are using our newest PCI I/O Accelerator and GigaBridge™ switched-PCI chips.

"For the fourth quarter, we estimate revenues to be between $8 million and $9 million. We are projecting a wide range because turns business has been variable and unpredictable. We anticipate that expenses on a pro forma basis in the fourth quarter will be between $5.8 million and $6.2 million and that margins will remain in the 65 percent to 70 percent range."

The Company will host a conference call on October 16 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, 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 communication 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 design wins, its successful introduction of new products, expectations about revenues, expectations about PLX's balance sheets, 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 and second 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.

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PLX TECHNOLOGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except per share amounts)

	Three Months Ended			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2002	2001	2002	2002	2001
Net revenues	$ 8,339	$ 10,513	$ 7,797	$ 26,254	$ 32,405
Cost of revenues	2,435	3,667	2,381	8,177	12,123
Gross margin	5,904	6,846	5,416	18,077	20,282
Operating expenses:					
Research and development	3,565	4,009	3,518	10,742	14,511
Selling, general and administrative	3,151	3,380	3,298	9,787	11,176
Amortization of goodwill and purchased intangible assets	134	1,044	133	400	3,132
Total operating expenses	6,850	8,433	6,949	20,929	28,819
Loss from operations	(946)	(1,587)	(1,533)	(2,852)	(8,537)
Interest income and other, net	258	252	255	744	550
Loss before provision (benefit) for income taxes	(688)	(1,335)	(1,278)	(2,108)	(7,987)
Provision (benefit) for income taxes	-	(203)	(118)	11	(2,007)
Net loss	$ (688)	$ (1,132)	$ (1,160)	$ (2,119)	$ (5,980)
Basic net loss per share	$ (0.03)	$ (0.05)	$ (0.05)	$ (0.09)	$ (0.26)
Shares used to compute basic per share amounts	22,986	23,236	23,529	23,316	23,215
Diluted net loss per share	$ (0.03)	$ (0.05)	$ (0.05)	$ (0.09)	$ (0.26)
Shares used to compute diluted per share amounts	22,986	23,236	23,529	23,316	23,215

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			Nine Months Ended	
	September 30, 2002	September 30, 2001	June 30, 2002	September 30, 2002	September 30, 2001
Net revenues	$ 8,339	$ 10,513	$ 7,797	$ 26,254	$ 32,405
Cost of revenues	2,435	3,667	2,381	8,177	12,123
Gross margin	5,904	6,846	5,416	18,077	20,282
Operating expenses:					
Research and development	3,105	3,372	2,975	9,165	12,334
Selling, general and administrative	3,150	3,361	3,292	9,702	11,117
Total operating expenses	6,255	6,733	6,267	18,867	23,451
Income (loss) from operations	(351)	113	(851)	(790)	(3,169)
Interest income and other, net	258	252	255	744	550
Income (loss) before provision (benefit) for income taxes	(93)	365	(596)	(46)	(2,619)
Provision (benefit) for income taxes	-	146	(118)	11	(1,145)
Net income (loss)	$ (93)	$ 219	$ (478)	$ (57)	$ (1,474)
Basic net income (loss) per share	$ 0.00	$ 0.01	$ (0.02)	$ 0.00	$ (0.06)
Shares used to compute basic per share amounts	22,986	23,236	23,529	23,316	23,215
Diluted net income (loss) per share	$ 0.00	$ 0.01	$ (0.02)	$ 0.00	$ (0.06)
Shares used to compute diluted per share amounts	22,986	23,241	23,529	23,316	23,215

The above pro forma amounts for the quarters ended September 30, 2002, September 30, 2001, and June 30, 2002 have been adjusted to eliminate $134,000, $1.0 million, and $133,000, respectively, of amortization of goodwill and purchased intangible assets, and $461,000, $307,000, and $549,000, respectively, of other acquisition-related costs and all associated tax amounts. The above pro forma amounts for the nine months ended September 30, 2002 and September 30, 2001 have been adjusted to eliminate $400,000 and $3.1 million, respectively, of amortization of goodwill and purchased intangible assets, and $0 and $1.4 million, respectively, of other acquisition-related costs and all associated tax amounts.

PLX TECHNOLOGY, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 2002 (unaudited)	December 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,233	$ 9,631
Short-term investments	11,043	6,000
Accounts receivable, net	3,742	4,073
Inventories	1,991	4,586
Deferred tax assets	1,557	1,557
Income tax receivable	-	185
Other current assets	1,160	503
Total current assets	20,726	26,535
Goodwill	8,592	7,998
Other intangible assets	1,103	2,097
Property and equipment, net	32,327	33,579
Long-term investments	8,152	3,089
Deferred tax assets	1,637	1,637
Other assets	146	294
Total assets	$ 72,683	$ 75,229
LIABILITIES		
Current liabilities:		
Accounts payable	$ 1,288	$ 1,855
Accrued compensation and benefits	849	808
Other accrued expenses	822	902
Deferred revenues	741	281
Deferred tax liability	1,267	830
Total current liabilities	4,967	4,676
STOCKHOLDERS' EQUITY		
Common stock, par value	22	23
Additional paid-in capital	74,949	78,328
Deferred compensation	(1,358)	(3,929)
Notes receivable for employee stock purchases	(66)	(63)
Accumulated other comprehensive income (loss)	57	(37)
Accumulated deficit	(5,888)	(3,769)
Total stockholders' equity	67,716	70,553
Total liabilities and stockholders' equity	$ 72,683	$ 75,229