



## PLX TECHNOLOGY, INC. REPORTS FIRST QUARTER 2010 FINANCIAL RESULTS

### First Quarter Results

- **Record Revenue \$28.8M - 8% Growth over Q4 2009**
- **Another Record PCI Express Unit, Dollar Shipment Quarter at 16% Growth over Q4 2009**
- **Release of World's Highest-Performance Consumer NAS Solution**

SUNNYVALE, Calif. – (April 26, 2010) – PLX Technology, Inc. (NASDAQ: PLXT) today announced first-quarter 2010 revenues of \$28.8 million and net income of \$1.5 million, or \$0.04 per share (diluted).

“This is our second consecutive quarter of being profitable and setting record revenue,” said Ralph Schmitt, president and CEO of PLX. “We continue to improve on our execution, setting us up for an excellent 2010. Our business continues to be robust, but what I am most excited about is some of the new, industry-leading products we are bringing to market. We are the market leader in PCI Express Gen 1, Gen 2 and now Gen 3 switches, and we are further solidifying ourselves in consumer storage with the industry’s best integrated hardware and software solutions.”

### **GAAP Financial Comparison**

#### **Quarterly Results (in millions, except per share amounts)**

|                                     | <u>Q1 2010</u> | <u>Q1 2009</u> | <u>Q4 2009</u> |
|-------------------------------------|----------------|----------------|----------------|
| Revenue                             | \$ 28.8        | \$ 16.5        | \$ 26.6        |
| Operating expense                   | \$ 14.7        | \$ 18.3        | \$ 13.4        |
| Operating income (loss)             | \$ 1.7         | \$ (9.3)       | \$ 2.4         |
| Net income (loss)                   | \$ 1.5         | \$ (10.5)      | \$ 2.6         |
| Earnings (loss) per share (diluted) | \$ 0.04        | \$ (0.31)      | \$ 0.07        |

### **Non-GAAP Financial Comparison**

#### **Quarterly Results (in millions, except per share amounts)**

|                                     | <u>Q1 2010</u> | <u>Q1 2009</u> | <u>Q4 2009</u> |
|-------------------------------------|----------------|----------------|----------------|
| Revenue                             | \$ 28.8        | \$ 16.5        | \$ 26.6        |
| Operating expense                   | \$ 13.7        | \$ 14.5        | \$ 12.4        |
| Net income (loss)                   | \$ 2.5         | \$ (6.7)       | \$ 3.5         |
| Earnings (loss) per share (diluted) | \$ 0.07        | \$ (0.19)      | \$ 0.09        |

Non-GAAP results exclude share-based compensation, including employee stock ownership plan (ESOP) expenses, amortization of acquired intangibles, acquisition-related expenses and impairment of long-lived assets.

“Our gross margins remained strong at 57 percent with continued cost optimization efforts on our products,” Schmitt said. “Our operations team did an excellent job in meeting customer product demand in a tightening supply chain. It is our objective to continue to build a very profitable business by expanding revenues and through control of our spending. As expected, operating costs increased this quarter as improved business conditions allowed us to return to a full work schedule and we experienced typical seasonal increases in audit fees and payroll taxes. Our disciplined spending on R&D, product marketing and design support through the recent downturn has positioned us with great products for industry-leading customers in a very competitive environment.”

## **Product Information**

PLX continues to innovate and deliver industry leading products with key customer engagements. The following products and developments were publicly announced during the first quarter:

- Demonstrated and delivered to customers the world's first PCI Express Gen 3 switch
- Revolutionized home networking and data storage with launch of the new NAS 7800 SoC family
- Exceeded one million NAS units shipped, validating growing market demand
- USB Duet technology chosen by NEC for unparalleled connectivity on its new notebooks and netbooks, showing PLX's ability to innovate both in hardware and software solutions
- Samsung chose PLX PCI Express Gen 2 switch and USB 2.0 controller for new CLX multifunction printer family showing further global deployment of this technology
- EDN magazine selects PLX PEX 8696 PCI Express Gen 2 Switch as finalist in annual Innovation Awards competition

## **Business Outlook**

The following statements are based on current expectations. The Company does not intend to update, confirm or change this guidance until its second-quarter 2010 earnings release, although it may provide additional details regarding its guidance during today's scheduled conference call.

- Net revenues for the second quarter ended June 30, 2010, are expected to be between \$28.0 million and \$31.0 million.
- Gross margins are expected to be approximately 56 percent.
- Operating expenses are expected to be approximately \$15.3 million. Included in operating expenses are share-based compensation and acquisition-related amortization charges of approximately \$1.0 million.

PLX management plans to conduct a conference call and Webcast today at 2:00 p.m. PDT to discuss its first-quarter 2010 financial results, as well as its second-quarter 2010 outlook. A live Webcast of the conference call will be available through the Investor Relations section of the PLX Website at [www.plxtech.com/investors](http://www.plxtech.com/investors), which also can be heard live via telephone at 719.325.2124. A recorded replay of this Webcast will be available on the PLX Website beginning at 5:00 p.m. (PDT) on April 26, 2010, through 5:00 p.m. (PDT) on May 3, 2010. To listen to the replay via telephone, call 719.457.0820 and use access code 8455631.

For the live Webcast, listeners should go to the PLX Web site at least 15 minutes before the event starts to download and install any necessary audio software.

### **About PLX**

PLX Technology, Inc. (Nasdaq: PLXT), based in Sunnyvale, Calif., USA, is an industry-leading global provider of semiconductor based connectivity solutions primarily targeting the enterprise and consumer markets. The Company provides manufacturers worldwide with innovative software-enriched silicon through feature differentiation, high-quality interoperability and superior performance. [www.plxtech.com](http://www.plxtech.com).

### **Use of Non-GAAP Financial Information**

To supplement PLX's financial statements presented on a GAAP basis, PLX has provided non-GAAP financial information, including non-GAAP net income (loss), non-GAAP earnings (loss) per share (diluted), non-GAAP operating income (loss) and non-GAAP operating expenses. These non-GAAP results exclude share-based compensation, including ESOP expenses, acquisition-related charges, amortization of acquired intangibles and impairment charges. A reconciliation of the adjustments to GAAP results is included in the tables below. Non-GAAP financial information is not meant as a substitute for GAAP results, but is included because management believes such information is useful to our investors for informational and comparative purposes. In addition, certain non-GAAP financial information is used internally by management to evaluate and manage the company. The non-GAAP financial information used by PLX may differ from that used by other companies. These non-GAAP measures should be considered in addition to, and not a substitute for, the results prepared in accordance with GAAP.

### **Safe Harbor Statement**

This press 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 net revenues, estimated operating expenses and estimated gross margins, which are set forth under the caption "Business Outlook", and statements regarding that PLX is set up for an excellent 2010. 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 that use the Company's products, adverse economic conditions in general or those specifically affecting the Company's markets, 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, 2009, which identifies 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 and the PLX logo 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.**

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**PLX TECHNOLOGY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

(in thousands, except per share amounts)

|  | <b>Three Months Ended</b> |                    |                    |
|--|---------------------------|--------------------|--------------------|
|  | <b>March 31</b>           | <b>March 31</b>    | <b>December 31</b> |
|  | <b>2010</b>               | <b>2009</b>        | <b>2009</b>        |
|  | <u>          </u>         | <u>          </u>  | <u>          </u>  |
| Net revenues                                     | \$ 28,819                 | \$ 16,457          | \$ 26,638          |
| Cost of revenues                                 | 12,471                    | 7,511              | 10,893             |
| Gross margin                                     | <u>16,348</u>             | <u>8,946</u>       | <u>15,745</u>      |
| Operating expenses:                              |                           |                    |                    |
| Research and development                         | 7,553                     | 7,903              | 7,364              |
| Selling, general and administrative              | 6,463                     | 6,895              | 5,132              |
| Acquisition and restructuring related costs      | -                         | 2,630              | -                  |
| Amortization of purchased intangible assets      | 648                       | 854                | 854                |
| Total operating expenses                         | <u>14,664</u>             | <u>18,282</u>      | <u>13,350</u>      |
| Income (loss) from operations                    | 1,684                     | (9,336)            | 2,395              |
| Interest income and other, net                   | 61                        | 48                 | 22                 |
| Loss on fair value assessment                    | -                         | (1,190)            | -                  |
|  | <u>          </u>         | <u>          </u>  | <u>          </u>  |
| Income (loss) before provision for income taxes  | 1,745                     | (10,478)           | 2,417              |
| Provision (benefit) for income taxes             | 239                       | 19                 | (188)              |
|  | <u>          </u>         | <u>          </u>  | <u>          </u>  |
| Net income (loss)                                | <u>\$ 1,506</u>           | <u>\$ (10,497)</u> | <u>\$ 2,605</u>    |
| Basic net income (loss) per share                | <u>\$ 0.04</u>            | <u>\$ (0.31)</u>   | <u>\$ 0.07</u>     |
| Shares used to compute basic per share amounts   | <u>37,025</u>             | <u>33,604</u>      | <u>37,012</u>      |
| Diluted net income (loss) per share              | <u>\$ 0.04</u>            | <u>\$ (0.31)</u>   | <u>\$ 0.07</u>     |
| Shares used to compute diluted per share amounts | <u>37,816</u>             | <u>33,604</u>      | <u>37,355</u>      |

**PLX TECHNOLOGY, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)

|  | <b>March 31</b>    | <b>December 31</b> |
|--|--------------------|--------------------|
|  | <b>2010</b>        | <b>2009</b>        |
|  | <u>(unaudited)</u> | <u>(unaudited)</u> |
| <b>ASSETS</b>                              |                    |                    |
| Cash and investments                       | \$ 41,902          | \$ 40,015          |
| Accounts receivable, net                   | 9,575              | 9,167              |
| Inventories                                | 10,896             | 9,628              |
| Property and equipment, net                | 10,830             | 10,856             |
| Goodwill                                   | 1,367              | 1,367              |
| Other intangible assets                    | 4,992              | 5,640              |
| Other assets                               | 6,663              | 7,347              |
| Total assets                               | <u>\$ 86,225</u>   | <u>\$ 84,020</u>   |
| <b>LIABILITIES</b>                         |                    |                    |
| Accounts payable                           | \$ 7,243           | \$ 6,489           |
| Accrued compensation and benefits          | 1,651              | 1,261              |
| Accrued commissions                        | 525                | 740                |
| Other accrued expenses                     | 1,307              | 1,657              |
| Short term note payable                    | 925                | 776                |
| Long term note payable                     | 767                | 1,098              |
| Total liabilities                          | <u>12,418</u>      | <u>12,021</u>      |
| <b>STOCKHOLDERS' EQUITY</b>                |                    |                    |
| Common stock, par value                    | 37                 | 37                 |
| Additional paid-in capital                 | 154,270            | 153,939            |
| Accumulated other comprehensive loss       | (116)              | (87)               |
| Accumulated deficit                        | (80,384)           | (81,890)           |
| Total stockholders' equity                 | <u>73,807</u>      | <u>71,999</u>      |
| Total liabilities and stockholders' equity | <u>\$ 86,225</u>   | <u>\$ 84,020</u>   |

**PLX TECHNOLOGY, INC.**  
**RECONCILIATION BETWEEN GAAP AND NON-GAAP FINANCIAL INFORMATION <sup>1</sup>**  
(unaudited, in thousands, except for per share data)  
(not prepared in accordance with GAAP)

|   | <b>Three Months Ended</b> |                   |                    |
|---|---------------------------|-------------------|--------------------|
|   | <b>March 31</b>           | <b>March 31</b>   | <b>December 31</b> |
|   | <b>2010</b>               | <b>2009</b>       | <b>2009</b>        |
| <i>Net Income Reconciliation</i>                      |                           |                   |                    |
| <b>GAAP Net Income (Loss)</b>                         | \$ 1,506                  | \$ (10,497)       | \$ 2,605           |
| Acquisition and restructuring related costs           | -                         | 2,630             | -                  |
| Share-based compensation                              | 346                       | 340               | 90                 |
| Amortization of purchased intangible assets           | 648                       | 854               | 854                |
| <b>Non-GAAP Net Income (Loss)</b>                     | <u>\$ 2,500</u>           | <u>\$ (6,673)</u> | <u>\$ 3,549</u>    |
| <i>Earnings Per Share Reconciliation</i>              |                           |                   |                    |
| <b>GAAP Diluted Income (Loss) Per Share</b>           | \$ 0.04                   | \$ (0.31)         | \$ 0.07            |
| Effect of acquisition and restructuring related costs | -                         | 0.08              | -                  |
| Effect of share-based compensation                    | 0.01                      | 0.01              | -                  |
| Effect of amortization of purchased intangible assets | 0.02                      | 0.03              | 0.02               |
| <b>Non-GAAP Diluted Income (Loss) Per Share</b>       | <u>\$ 0.07</u>            | <u>\$ (0.19)</u>  | <u>\$ 0.09</u>     |
| <i>Operating Income Reconciliation</i>                |                           |                   |                    |
| <b>GAAP Operating Income (Loss)</b>                   | \$ 1,684                  | \$ (9,336)        | \$ 2,395           |
| Share-based compensation - COGS                       | 7                         | 10                | 6                  |
| Share-based compensation - R&D                        | 144                       | 109               | 96                 |
| Share-based compensation - SG&A                       | 195                       | 221               | (12)               |
| Acquisition and restructuring related costs           | -                         | 2,630             | -                  |
| Amortization of purchased intangible assets           | 648                       | 854               | 854                |
| <b>Non-GAAP Operating Income (Loss)</b>               | <u>\$ 2,678</u>           | <u>\$ (5,512)</u> | <u>\$ 3,339</u>    |
| <i>Operating Expense Reconciliation</i>               |                           |                   |                    |
| <b>GAAP Operating Expenses</b>                        | \$ 14,664                 | \$ 18,282         | \$ 13,350          |
| Share-based compensation - R&D                        | (144)                     | (109)             | (96)               |
| Share-based compensation - SG&A                       | (195)                     | (221)             | 12                 |
| Acquisition and restructuring related costs           | -                         | (2,630)           | -                  |
| Amortization of purchased intangible assets           | (648)                     | (854)             | (854)              |
| <b>Non-GAAP Operating Expenses</b>                    | <u>\$ 13,677</u>          | <u>\$ 14,468</u>  | <u>\$ 12,412</u>   |

<sup>1</sup> Refer to " Use of Non-GAAP Financial Information" in the press release for a discussion of management's use of non-GAAP financial measures.

**PLX TECHNOLOGY, INC.**  
**SUPPLEMENTAL DATA (Unaudited)**

|                                  | <b>Three Months Ended</b> |                 |                    |
|----------------------------------|---------------------------|-----------------|--------------------|
|                                  | <b>March 31</b>           | <b>March 31</b> | <b>December 31</b> |
| <b>Net Revenues by Geography</b> | <b>2010</b>               | <b>2009</b>     | <b>2009</b>        |
| Americas                         | 15%                       | 23%             | 18%                |
| Asia Pacific                     | 76%                       | 64%             | 73%                |
| Europe                           | 9%                        | 13%             | 9%                 |