UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2009.

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ___________ TO _____________

Commission file number 000-25699

PLX Technology, Inc.

(Exact name of Registrant as Specified in its Charter)

Delaware	**94-3008334**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

870 W. Maude Avenue
Sunnyvale, California 94085
(408) 774-9060

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes[X] No[ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes[ ] No[ ]

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a small reporting company. See definition of “large accelerated filer”, "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act (Check One):
Large accelerated filer [ ] Accelerated filer [X] Non-accelerated filer [ ] Small Reporting Company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of September 30, 2009 there were 37,012,223 shares of common stock, par value $0.001 per share, outstanding.

PLX TECHNOLOGY, INC.
INDEX TO
REPORT ON FORM 10-Q
FOR QUARTER ENDED SEPTEMBER 30, 2009

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	September 30, 2009	December 31, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 13,363	$ 6,865
Short-term marketable securities	20,192	32,677
Accounts receivable, net	7,969	5,712
Inventories	8,323	7,257
Other current assets	4,146	4,699
Total current assets	53,993	57,210
Property and equipment, net	11,016	10,590
Goodwill	1,367	-
Other acquired intangible assets	6,494	-
Long-term marketable securities	4,968	7,585
Other assets	4,120	1,875
Total assets	$ 81,958	$ 77,260
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 6,623	$ 4,003
Accrued compensation and benefits	1,637	2,360
Accrued commissions	702	475
Short term note payable	1,149	-
Other accrued expenses	1,663	1,219
Total current liabilities	11,774	8,057
Long term note payable	860	-
Total liabilities	12,634	8,057
Stockholders' Equity:		
Common stock, par value	37	28
Additional paid-in capital	153,806	132,159
Accumulated other comprehensive income (loss)	(24)	104
Accumulated deficit	(84,495)	(63,088)
Total stockholders' equity	69,324	69,203
Total liabilities and stockholders' equity	$ 81,958	$ 77,260

See accompanying notes to condensed consolidated financial statements.

PLX TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	**2008**	**2009**	**2008**
Net revenues	$ 21,559	$ 20,790	$ 56,194	$ 66,895
Cost of revenues	9,420	8,630	25,007	27,034
Gross margin	12,139	12,160	31,187	39,861
Operating expenses:				
Research and development	7,550	6,000	24,023	20,289
Selling, general and administrative	5,608	5,436	19,587	17,952
Acquisition and restructuring related costs	171	-	2,900	-
Amortization of acquired intangible assets	854	150	2,562	593
Total operating expenses	14,183	11,586	49,072	38,834
Income (loss) from operations	(2,044)	574	(17,885)	1,027
Interest income and other, net	149	336	314	1,200
Loss on fair value remeasurement	-	-	(3,842)	-
Income (loss) before provision for income taxes	(1,895)	910	(21,413)	2,227
Provision (benefit) for income taxes	(41)	112	(6)	442
Net income (loss)	$ (1,854)	$ 798	$ (21,407)	$ 1,785
Basic net income (loss) per share	$ (0.05)	$ 0.03	$ (0.61)	$ 0.06
Shares used to compute basic per share amounts	37,005	28,009	35,195	28,270
Diluted net income (loss) per share	$ (0.05)	$ 0.03	$ (0.61)	$ 0.06
Shares used to compute diluted per share amounts	37,005	28,122	35,195	28,415

See accompanying notes to condensed consolidated financial statements.

PLX TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
& COMPREHENISIVE LOSS
(Unaudited)
(in thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2008	28,004,262	$ 28	$ 132,159	$ 104	$ (63,088)	$ 69,203
Common stock issued in connection with the acquisition of Oxford	8,999,961	9	20,213	-	-	20,222
Stock options exercised	8,000	-	26	-	-	26
Share-based compensation expense	-	-	2,341	-	-	2,341
Tender offer payments	-	-	(933)	-	-	(933)
Comprehensive loss:						
Changes in unrealized gain on investments	-	-	-	(191)	-	(191)
Translation adjustments	-	-	-	63	-	63
Net loss	-	-	-	-	(21,407)	(21,407)
Total comprehensive loss						(21,535)
Balance at September 30, 2009	37,012,223	$ 37	$ 153,806	$ (24)	$ (84,495)	$ 69,324

See accompanying notes to condensed consolidated financial statements.

PLX TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2009	**2008**
Cash flows from operating activities:		
Net income (loss)	$ (21,407)	$ 1,785
Adjustments to reconcile net income (loss) to net cash flows provided by (used in) operating activities, net of assets acquired and liabilities assumed:		
Depreciation and amortization	2,468	1,684
Share-based compensation expense	2,341	2,533
Amortization of acquired intangible assets	2,562	593
Write-downs of inventories	428	465
Fair value remeasurement of note payable	3,842	-
Changes in pre-acquisition deferred tax balances	-	(151)
Other non-cash items	(143)	(155)
Changes in operating assets and liabilities:		
Accounts receivable	(688)	730
Inventories	1,218	(413)
Other current assets	1,789	(846)
Other assets	(459)	(716)
Accounts payable	(528)	(902)
Accrued compensation and benefits	(1,464)	(40)
Other accrued expenses	(487)	219
Net cash provided by (used in) operating activities	(10,528)	4,786
Cash flows from investing activities:		
Cash acquired in Oxford acquisition	4,392	-
Purchases of marketable securities	(17,966)	(28,500)
Sales and maturities of marketable securities	32,850	27,390
Purchase of property and equipment	(790)	(1,639)
Proceeds from sales of property and equipment	2	-
Net cash provided by (used in) investing activities	18,488	(2,749)
Cash flows from financing activities:		
Proceeds from exercise of common stock options	26	846
Repurchase of common stock	-	(6,491)
Tender Offer payments	(933)	-
Principal payments on capital lease obligations	(528)	-
Net cash (used in) financing activities	(1,435)	(5,645)
Effect of exchange rate fluctuations on cash and cash equivalents	(27)	(33)
Net increase (decrease) in cash and cash equivalents	6,498	(3,641)
Cash and cash equivalents at beginning of period	6,865	19,175
Cash and cash equivalents at end of period	$ 13,363	$ 15,534
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 55	$ 199
Cash from income tax refunds	$ 1,069	$ -
Cash paid for interest	$ 399	$ -
Common stock issued in connection with acquisition	$ 20,222	$ -

See accompanying notes to condensed consolidated financial statements.

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of PLX Technology, Inc. and its wholly-owned subsidiaries (collectively, "PLX" or the "Company") as of September 30, 2009 and for the three and nine month periods ended September 30, 2009 and 2008 have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments (consisting only of normal recurring accruals) that management considers necessary for a fair presentation of the Company's financial position, operating results and cash flows for the interim periods presented. Subsequent events have been evaluated through November 4, 2009, the date the condensed consolidated financial statements were issued. Operating results and cash flows for interim periods are not necessarily indicative of results for the entire year.

The unaudited condensed consolidated financial statements include all of the accounts of the Company and those of its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

This financial data should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect various accounts, including but not limited to goodwill, acquired intangible assets, income taxes, inventories, revenue recognition and related sales reserves, allowance for doubtful accounts, share-based compensation and warranty reserves as reported in the financial statements and accompanying notes. Actual results could differ from those estimates and such differences may be material to the financial statements.

Comprehensive Net Income (Loss)

The Company's comprehensive net income (loss) for the three and nine month periods ended September 30, 2009 and 2008 was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	**2008**	**2009**	**2008**
Net income (loss)	$ (1,854)	$ 798	$ (21,407)	$ 1,785
Unrealized loss on marketable securities, net	(70)	(130)	(191)	(172)
Cumulative translation adjustments	85	(7)	63	(33)
Comprehensive net income (loss)	$ (1,839)	$ 661	$ (21,535)	$ 1,580

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery or customer acceptance, where applicable, has occurred, the fee is fixed or determinable, and collection is reasonably assured.

Revenue from product sales to direct customers and distributors is recognized upon shipment and transfer of risk of loss, if the Company believes collection is reasonably assured and all other revenue recognition criteria are met. The Company assesses the probability of collection based on a number of factors, including past transaction history and the customer's creditworthiness. At the end of each reporting period, the sufficiency of allowances for doubtful accounts is assessed based on the age of the receivable and the individual customer's creditworthiness.

As of September 30, 2009 the Company offers pricing protection to two distributors whereby the Company supports the distributor's resale product margin on certain products held in the distributor's inventory. In general, the Company analyzes current requests for credit in process, also known as ship and debits and inventory at the distributor to determine the ending sales reserve required for this program. The Company also offers stock rotation rights to two distributors such that they can return up to a total of 5% of products purchased every six months in exchange for other products of the Company of equal value. The Company analyzes current stock rotation requests and past experience to determine the ending sales reserve required for this program. In addition, the Company has arrangements with a small number of customers offering a rebate program on various products. The Company records rebates as a reduction of revenue. Reserves are reduced directly from revenue and recorded as a reduction to accounts receivable.

Recent Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board ("FASB") revised the accounting guidance related to business combinations. This guidance establishes principles and requirements intending to improve the relevance, representational faithfulness and comparability of information that a reporting entity provides in its financial reports about a business combination and its effects. This guidance became effective for fiscal years beginning after December 15, 2008. The adoption this guidance on January 1, 2009 changed the Company's accounting treatment for business combinations. Among other things, acquisition related costs are required to be expensed as incurred. On January 2, 2009 we completed the acquisition of Oxford and as a result, the Company expensed acquisition related costs of $0.8 million and $0.4 million in the fourth quarter of 2008 and the nine months ended September 30, 2009, respectively.

In April 2009 the FASB issued new accounting guidance related to assets acquired and liabilities assumed in a business combination. This guidance amends the provisions previously issued related to the initial recognition and measurement, subsequent measurement and accounting, and disclosures for assets and liabilities arising from contingencies in business combinations. The new guidance eliminates the distinction between contractual and non-contractual contingencies, including the initial recognition and measurement. This guidance is effective for contingent assets and contingent liabilities acquired in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of this guidance did not have a material impact on the Company's financial position or results of operations.

In December 2007, the FASB issued new accounting guidance related to noncontrolling interests in consolidated financial statements. This guidance establishes accounting and reporting standards to improve the relevance, comparability and transparency of financial information that a reporting entity provides in its consolidated financial statements. This guidance became effective December 15, 2008. The adoption of this guidance did not have a material impact on the Company's financial position or results of operations.

In February 2008, the FASB issued new accounting guidance which delayed the effective date to fiscal years ending after November 15, 2008 for fair value accounting for all non-financial assets and liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis. This guidance became effective November 15, 2008. The adoption of this guidance did not have a material impact on the Company's financial position or results of operations.

In April 2008, the FASB issued new accounting guidance related to the determination of the useful life of intangible assets. This guidance amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets and adds certain disclosures for an entity's accounting policy of the treatment of the costs, period of extension, and total costs incurred. This guidance must be applied prospectively to intangible assets acquired after January 1, 2009. The adoption of this guidance did not have a material impact on the Company's financial position or results of operations.

In April 2009, the FASB issued three related sets of accounting guidance intended to enhance disclosures regarding fair value measurements and impairments of securities. This guidance sets forth rules related to determining the fair value of financial assets and financial liabilities when the activity levels have significantly decreased in relation to the normal market, guidance related to the determination of other-than-temporary impairments to include intent and ability of the holder as an indicator in the determination of whether an other-than-temporary exists and interim disclosure requirements for the fair value of financial instruments. These sets of accounting guidance became effective June 15, 2009. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In April 2009, the FASB issued new accounting guidance related to the accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. We adopted this guidance for the quarter ending June 30, 2009. Adoption did not have a material impact on our consolidated financial statements. See Note 1 to the accompanying condensed consolidated financial statements for the related disclosure.

In June 2009, the FASB issued the FASB Accounting Standards Codification (ASC). The ASC has become the authoritative source of generally accepted accounting principles in the United States. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under federal securities laws are also sources of authoritative GAAP for SEC registrants. ASC became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of ASC did not have a material impact on the Company’s consolidated financial statements.

2. Share-Based Compensation

Stock Option Plans

In May 2008, the Company’s stockholders approved the 2008 Equity Incentive Plan (“2008 Plan”). Under the 2008 Plan, there is authorized for issuance and available for awards an aggregate of 1,200,000 shares of the Company’s common stock, plus the number of shares of the Company’s common stock available for issuance under the Company’s prior incentive plan, its 1999 Stock Incentive Plan, that were not subject to outstanding awards as of May 27, 2008. In addition, the share reserve under the 2008 Plan will be increased by the number of shares issuable pursuant to awards outstanding under the prior plan that would have otherwise reverted to the prior plan because such awards expire, are canceled or otherwise terminated without being exercised. Awards under the 2008 Plan may include stock options, restricted stock, stock appreciation rights, performance awards, restricted stock units and other awards, provided that with respect to full value awards, such as restricted stock or restricted stock units, no more than 300,000 shares may be issued in the form of full value awards during the term of the 2008 Plan. Awards under the 2008 Plan may be made to the Company’s officers and other employees, its board members and consultants that it hires. The 2008 Plan has a term of ten years.

Share-Based Compensation Expense

The fair value of share-based awards to employees is calculated using the Black-Scholes option pricing model, which requires subjective assumptions, including future stock price volatility and expected time to exercise, which greatly affect the calculated values.

The weighted-average fair value of share-based compensation to employees is based on the multiple option valuation approach. Forfeitures are estimated and it is assumed no dividends will be declared. The estimated fair value of share-based compensation awards to employees is amortized using the straight-line method over the vesting period of the options. The weighted-average fair value calculations are based on the following weighted average assumptions:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Risk-free interest rate	2.19%	2.85%	2.35%	2.90%
Expected volatility	0.61	0.55	0.62	0.54
Expected life (years)	4.51	4.47	4.51	4.47

Risk-Free Interest Rate: The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for the expected term of the option.

Expected Term: The Company’s expected term represents the weighted-average period that the Company’s stock options are expected to be outstanding. The expected term is based on the observed and expected time to post-vesting exercise of options by employees. The Company uses historical exercise patterns of previously granted options in relation to stock price movements to derive an employee behavioral pattern used to forecast expected exercise patterns.

Expected Volatility: The Company has historically calculated its expected volatility assumption required in the Black-Scholes model by blending the historical and implied volatility. The historical volatility is based on the weekly closing prices of its common stock over a period equal to the expected term of the option. Market based implied volatility is based on utilizing market data of actively traded options on the Company’s stock, from options at- or near-the-money traded options, at a point in time as close to the grant of the employee options as reasonably practical and with similar terms to the employee share option, or a remaining maturity of at least six months if no similar terms are available. The historical volatility of the price of the Company’s common stock over the expected term of the option is a strong indicator of the expected future volatility. In addition, implied volatility takes into consideration market expectations of how future volatility will differ from historical volatility. Historically, the Company did not believe that one estimate was more reliable than the other so it used a 50/50 blend of historical volatility and market-based volatility. However, due to the recent lack of available market data to calculate implied volatility, the Company began using 100% historical volatility during the fourth quarter of 2008.

These factors could change in the future, which would affect the share-based compensation expense in future periods.

As share-based compensation expense recognized in the unaudited Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2009 and 2008 is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company's estimated forfeiture rate at September 30, 2009 and 2008 of 29% and 26%, respectively, was based on historical experience.

The following table shows total share-based compensation and employee stock ownership plan expenses for the three and nine months ended September 30, 2009 and 2008, included in the respective line items of the Condensed Consolidated Statements of Operations (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	**2008**	**2009**	**2008**
Cost of revenues	$ 6	$ 14	$ 85	$ 47
Research and development	62	273	766	1,027
Selling, general and administrative	102	400	1,779	1,459
Total share-based compensation expense	$ 170	$ 687	$ 2,630	$ 2,533

The share-based compensation expense for the nine months ended September 30, 2009 included $1.6 million of share-based compensation expense related to options accelerated in connection with the Company's tender offer. For more information on the tender offer, refer to the '*Tender Offer*' section in this Note 2.

A summary of option activity under the Company's stock equity plans during the first three quarters of 2009 is as follows:

Options	Options Available for Grant	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contratual Term (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2008	1,312,185	4,759,843	$ 9.80	4.20	$ 1,262
Granted	(915,000)	915,000	1.91		
Cancelled	368,136	(368,136)	8.97		
Plan Termination	(33,452)	-	-		
Outstanding at March 31, 2009	731,869	5,306,707	$ 8.50	4.68	$ 305,144
Granted	(48,400)	48,400	3.32		
Cancelled	2,765,290	(2,765,290)	12.14		
Retired	(2,133,278)	-	-		
Plan Termination	(199,921)	-	-		
Outstanding at June 30, 2009	1,115,560	2,589,817	$ 4.41	5.47	$ 2,715,400
Granted	(296,000)	296,000	3.87		
Exercised	-	(8,000)	3.22		
Cancelled	44,959	(44,959)	4.21		
Plan Termination	(459)	-	-		
Outstanding at September 30, 2009	864,060	2,832,858	$ 4.36	5.39	$ 2,023,802
Exercisable at September 30, 2009		895,292	$ 7.73	3.44	$ 74,097

The Black-Scholes weighted average fair values of options granted during the three months ended September 30, 2009 and 2008 were $1.95 and $2.67, respectively.

The Black-Scholes weighted average fair values of options granted during the nine months ended September 30, 2009 and 2008 were $1.20 and $3.03, respectively.

The following table summarizes ranges of outstanding and exercisable options as of September 30, 2009:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number	Weighted Average Remaining Contratual Term (in years)	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
$1.25-$2.00	887,039	6.36	$ 1.91	4,539	$ 1.44
$2.04-$3.22	640,976	5.47	2.24	137,976	2.92
$3.27-$4.95	593,750	6.01	4.10	129,350	3.72
$5.50-$10.21	581,343	3.62	8.55	510,067	8.63
$10.46-$25.94	129,750	3.37	13.98	113,360	14.32
Total	2,832,858	5.39	$ 4.36	895,292	$ 7.73

The total intrinsic value of options exercised during the three and nine months ended September 30, 2009 was $2,000. For the same periods in 2008 the total intrinsic value of options exercised was $2,000 and $0.2 million, respectively. The fair value of options vested during the three and nine months ended September 30, 2009 was approximately $1.0 million and $4.3 million, respectively. As of September 30, 2009, total unrecognized compensation costs related to nonvested stock options including estimated forfeitures was $1.1 million which is expected to be recognized as expense over a weighted average period of approximately 1.52 years.

Tender Offer

On March 31, 2009, The Company commenced an offer to purchase for cash certain outstanding options held by its employees (including officers) and directors, and filed associated documents with the SEC under Schedule TO. Options to purchase 3,262,809 shares of our common stock were eligible for purchase under the offer. Eligible options must have had an exercise price of at least $5.50 and must have met other conditions set forth in the offer. The amount of cash offered for eligible options was based on the Black-Scholes valuation of each eligible option, subject to a minimum of $0.05 per share, and ranged from $0.05 to $1.42 per share.

On May 1, 2009, upon the closing of the offer, options to purchase 2,533,278 shares of the Company's common stock were validly tendered and not withdrawn, and the Company accepted the repurchase of these options. Each eligible optionee who validly tendered eligible options pursuant to the offer to purchase received a cash payment in the range of $0.05 to $1.42 per option for an aggregate amount of $0.9 million. The Company recognized $1.6 million in share-based compensation expenses associated with the acceleration of unamortized compensation expenses on the previously unvested tendered options in the second quarter of 2009. The aggregate amount of the payments made in exchange for eligible options was charged to stockholders' equity to the extent that the amount did not exceed the fair value of the eligible options accepted for payment, as determined at the purchase date. The amount paid in excess of that fair value of $16,000, as determined at the purchase date, was also recorded as compensation expense.

The Company returned to its 2008 Equity Incentive Plan the first 400,000 shares underlying options purchased pursuant to the offer that were originally issued under the 2008 plan or our 1999 Stock Incentive Plan. These options have become available for future grant. The Company retired the remaining 2,133,278 tendered options.

3. Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market (net realizable value). Inventories were as follows (in thousands):

	September 30, 2009	December 31, 2008
Work-in-process	$ 1,769	$ 2,506
Finished goods	6,554	4,751
Total	$ 8,323	$ 7,257

The Company evaluates the need for potential inventory provisions by considering a combination of factors including the life of the product, sales history, obsolescence and sales forecasts.

4. Net Income (Loss) Per Share

The Company uses the treasury stock method to calculate the weighted average shares used in the diluted earnings per share. The following table sets forth the computation of basic and diluted net income (loss) per share (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Net income (loss)	$ (1,854)	$ 798	$ (21,407)	$ 1,785
Weighted average shares of common stock outstanding	37,005	28,009	35,195	28,270
Net income (loss) per share - basic	$ (0.05)	$ 0.03	$ (0.61)	$ 0.06
Shares used in computing basic net income (loss) per share	37,005	28,009	35,195	28,270
Dilutive effect of stock options	-	113	-	145
Shares used in computing diluted net income (loss) per share	37,005	28,122	35,195	28,415
Net income (loss) per share - diluted	$ (0.05)	$ 0.03	$ (0.61)	$ 0.06

As the Company incurred a net loss for the three and nine month periods ended September 30, 2009, the effect of dilutive securities, totaling 2.8 million shares has been excluded from the computation of diluted loss per share, as its impact would be anti-dilutive. Dilutive securities are comprised of options to purchase common stock.

Weighted average employee stock options to purchase approximately 4.0 million and 4.1 million shares for the three and nine month periods ended September 30, 2008 were outstanding, but were not included in the computation of diluted earnings per share because the exercise price of stock options was greater than the average share price of the Company's stock and, therefore, the effect would have been anti-dilutive.

5. Fair Value Measurements

The accounting guidance for fair value measurements provided a framework for measuring fair value and expands related disclosures. Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The guidance also established a hierarchy which requires an entity to maximize the use of observable inputs, when available. The guidance requires fair value measurement be classified and disclosed in one of the following three categories:

Level 1: Valuations based on quoted prices in active markets for identical assets and liabilities. The fair value of available-for-sale securities included in the level 1 category is based on quoted prices that are readily and regularly available in an active market.

Level 2: Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly. The fair value of available-for-sale securities included in the Level 2 category is based on the market values obtained from an independent pricing service that were evaluated using pricing models that vary by asset class and may incorporate available trade, bid and other market information and price quotes from well established independent pricing vendors and broker-dealers.

Level 3: Valuations based on inputs that are unobservable and involve management judgment and the reporting entity's own assumptions about market participants and pricing.

The fair value of financial assets and liabilities measured on a recurring basis is as follows (in thousands):

		Fair Value Measurement as Reporting Date Using		
	September 30, 2009	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market funds	$ 6,934	$ 6,934	$ -	$ -
Marketable securities	25,408	-	25,408	-
Total	$ 32,342	$ 6,934	$ 25,408	$ -

The fair value of non-financial assets measured on a non-recurring basis is as follows (in thousands):

		Fair Value Measurement as Reporting Date Using		
	September 30, 2009	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Goodwill	$ 1,367	$ -	$ -	$ 1,367
Acquired intangibles, net	6,494	-	-	6,494
Total	$ 7,861	$ -	$ -	$ 7,861

6. Investments

As of September 30, 2009 and December 31, 2008, the Company's securities consisted of debt securities and were designated as available-for-sale. Available-for-sale securities are carried at fair value, based on quoted market prices, with unrealized gains and losses reported in a separate component of stockholders' equity. The amortized cost of debt securities is adjusted for the amortization of premiums and the accretion of discounts to maturity, both of which are included in interest income. Realized gains and losses are recorded on the specific identification method.

The fair value of available-for-sale investments is as follows (in thousands):

	September 30, 2009			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Certificate of deposit	$ 3,211	$ -	$ -	$ 3,211
Corporate bonds and notes	1,379	20	-	1,399
US treasury and government agencies securities	20,718	80	-	20,798
Total bonds, notes and equity securities	$ 25,308	$ 100	$ -	$ 25,408
Less amounts classified as cash equivalents				(248)
Total short and long-term available-for-sale investments				$ 25,160
Contractual maturity dates for investments:				
Less than one year:				20,440
One to two years:				4,968
				$ 25,408

	December 31, 2008			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Corporate bonds and notes	$ 9,898	$ 92	$ (47)	$ 9,943
Municipal bonds	1,509	6	-	1,515
US treasury and government agencies securities	28,564	240	-	28,804
Total bonds, notes and equity securities	$ 39,971	$ 338	$ (47)	$ 40,262
Less amounts classified as cash equivalents				-
Total short and long-term available-for-sale investments				$ 40,262
Contractual maturity dates for investments:				
Less than one year:				32,677
One to two years:				7,585
				$ 40,262

The Company compares the carrying value of its available for sale investments with their quoted market prices at the end of each period. If the quoted price of a marketable security has dropped significantly during a period or has been below our carrying value for an extended period of time, the Company reviews the investment to determine whether the decline is other than temporary. If the Company determines that the decline is other than temporary, the investment is written down to its market value as measured at the end of the period. Any resulting charge is included in the Company's statement of operations in the related period. The Company has not recorded any other than temporary impairment charges in the accompanying financial statements.

7. Acquisition of Oxford Semiconductor Inc.

On January 2, 2009, the Company acquired all of the outstanding shares of capital stock of Oxford Semiconductor, Inc. (Oxford), a privately held fabless provider of industry-leading silicon and software for the consumer and small office/home office (SOHO) storage markets.

Established in 1992, Oxford has been providing silicon and software solutions to interconnect digital systems, including PCIe, USB, FireWire, Ethernet, SATA and eSATA. Oxford's corporate headquarters were located in Milpitas, California, with most of its employees based in Oxford's design center in Abingdon, United Kingdom. The consumer and SOHO external storage markets account for the majority of Oxford's sales. Oxford provides advanced system-on-chip solutions for both direct-attached storage (DAS) and network-attached storage (NAS) external drives. Oxford's customers include Seagate, Western Digital, LaCie, Hewlett Packard, and Macpower.

We believe that through this acquisition, we have a leadership position in two of the fastest-growing interconnect chip markets – PCI Express-based systems and consumer external storage. Major synergies include common interconnect technologies and design flows, sales, marketing and support systems, and supply chains. Most importantly, we can create innovative products that combine the considerable intellectual property and industry knowledge of Oxford and PLX.

The total consideration paid for the transaction was $16.4 million, consisting of 5.6 million shares at $1.82 per share, the closing price on January 2, 2009, the date the transaction was closed, and the fair value of the contingently convertible debt liability as of January 2, 2009, of $6.2 million.

As a part of the Merger Agreement, the Company acquired all of the outstanding shares of capital stock of Oxford in exchange for 5.6 million shares of common stock of PLX and a promissory note in the principal amount of $14.2 million (the "Note") that was to be satisfied by either (i) the issuance of an additional 3.4 million shares of common stock of PLX upon approval of PLX's stockholders, or (ii) the repayment of the principal amount of the Note if such stockholder approval was not obtained by June 30, 2009. On May 22, 2009 at a special meeting of the shareholders, the shareholders approved the conversion of the $14.2 million note to 3.4 million shares of common stock of the Company.

Under the revised business combinations guidance, which became effective for the Company on January 1, 2009, the contingently convertible promissory note was considered contingent consideration which is recorded at fair value as of the acquisition date, and changes to the fair value of contingent consideration are reflected through the statement of operations. The fair value of the convertible note on the acquisition date was based on that day's closing stock price of $1.82 per share. On March 31, 2009, the convertible note was remeasured to fair value. Based on the closing stock price of $2.17 as of March 31, 2009, the fair value of the convertible note was $7.4 million. The change in fair value of $1.2 million was recognized as a loss in the quarter ended March 31, 2009. On May 22, 2009, the date of the conversion, the closing stock price was $2.95. The fair value of the 3.4 million shares was $10.0 million. The change in fair value of $2.7 million was recognized as a loss in the second quarter of 2009.

The following table summarizes the consideration paid for Oxford and the amounts of the assets acquired and liabilities assumed at the acquisition date.

Fair value of consideration transferred:

5,600,000 common shares of PLX	$	10,192
Contingent consideration		6,188
Fair value of total consideration	$	16,380

Recognized amounts of identifiable assets acquired and liabilities assumed (in thousands):

Cash and cash equivalents	$	4,392
Trade receivables		1,286
Inventories		2,677
Tax receivable		835
Licensed IP		2,499
Property, plant and equipment		1,357
Identifiable intangible assets		9,056
Other assets		482
Trade and other payable		(3,163)
Accruals and other liabilities		(4,408)
Total indentifiable net assets	$	15,013
Goodwill		1,367
	$	16,380

The fair value of assets acquired include trade receivables of $1.6 million. The gross amount due under sales related contracts is $1.6 million, of which $0.3 million is expected to be uncollectible as a result of recognized credits due to distributors for the difference in the price they previously purchased products for from Oxford Semiconductor, Inc. and the authorized quote price based on the distributors' sell through activity. The gross amount under a prior IP royalty arrangement is $0.3 million and the full amount is expected to be uncollectible.

The identified intangible assets consist of core technology, trade name and customer relationships. The valuation of the acquired intangibles is classified as a level 3 measurement under the fair value measurement guidance, because the valuation was based on significant unobservable inputs and involved management judgment and assumptions about market participants and pricing. In determining fair value of the acquired intangible assets, we determined the appropriate unit of measure, the exit market and the highest and best use for the assets. The fair value was estimated using an incremental income approach.

The goodwill arising from the acquisition is largely attributable to the synergies expected to be realized after the Company's acquisition and integration of Oxford. The Company only has one operating segment, semiconductor products, so all of the goodwill was assigned to the one segment. Goodwill is not expected to be deductible for tax purposes.

Oxford contributed revenues and gross profit of $7.5 million and $3.9 million, respectively, to the Company for the quarter ended September 30, 2009 and $19.2 and $9.5 million, respectively, for the period from January 2, 2009 to September 30, 2009. Oxford operations were fully integrated as of the end of the first quarter of 2009 and if is therefore not practicable to identify earnings associates with Oxford's contribution.

Because the acquisition took place on January 2, 2009, which was in substance the beginning of the year, no pro forma data is presented for the quarter or year to date ended September 30, 2009 as the Company's historical statement of operations already includes the results of Oxford for the entire period. The following unaudited pro forma summary presents consolidated information of the Company as if the business combination occurred on January 1, 2008.

	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2008
Revenue	$ 31,304	$ 96,449
Net loss	$ (844)	$ (5,601)

The pro forma amounts have been calculated after applying the Company's accounting policies and adjusting the results of Oxford to reflect the amortization that would have been recorded assuming the intangible assets had been acquired on January 1, 2008.

During the nine months ended September 30, 2009, the Company incurred $0.4 million of third party acquisition related costs, primarily for outside legal and accounting costs. These expenses were included in operating expenses under acquisition related costs in the Company's consolidated statement of operations for the nine months ended September 30, 2009.

8. Goodwill and Intangibles

As discussed in Note 7, the acquisition of Oxford included the acquisition of $9.1 million of identifiable intangible assets. All of these intangibles are subject to amortization. There is no estimated residual value on any of the intangible assets.

The following table summarizes the gross carrying amount and accumulated amortization for each major intangible class and the weighted average amortization period, in total and by major intangible asset class, as of September 30, 2009 (in thousands).

	Gross Carrying Value	Accumulated Amortization	Net Value	Amortization Method	Estimated Useful Life
Existing and core technology					
USB and Serial Connectivity	$ 4,600	$ (1,725)	$ 2,875	Accelerated	3 years
Network Attached Storage Connectivity	3,800	(570)	3,230	Straight-line	5 years
Trade Name	600	(225)	375	Straight-line	2 years
Customer Relationships	56	(42)	14	Accelerated	1 year
Totals	$ 9,056	$ (2,562)	$ 6,494		3.8 years

The amortization expense for the three and nine month period ended September 30, 2009 was $0.9 million and $2.6 million respectively. Estimated future amortization expense is as follows (in thousands):

Remainder of 2009	$	854
2010		2,593
2011		1,527
2012		760
2013		760
Total	$	6,494

Amortization expense for the three and nine month periods ended September 30, 2008 was $0.2 million and $0.6 million, respectively, was related to the amortization of intangibles acquired through our prior acquisitions of HiNT Corporation and NetChip Technology, Inc. As of December 31, 2008, the Company determined that these assets were impaired and the remaining carrying value of $0.8 million was written off.

The changes in the carrying amounts of goodwill are as follows:

Balance as of December 31, 2008	$	-
Oxford Acquisistion		1,367
Balance as of September 30, 2009	$	1,367

10. Restructuring Costs

Severance

In the first nine months of 2009, the Company recorded approximately $2.0 million of severance and benefit related costs, included in acquisition related costs in the Condensed Consolidated Statement of Operations, related to the termination of 53 employees as a result of the redundancy issue associated with the acquisition of Oxford. As of September 30, 2009 approximately $1.9 million of the $2.0 million severance and benefit related costs was paid, and the remaining $13,000 is included in accrued compensation and benefits in the Condensed Consolidated Balance Sheet. The Company expects all severance and benefit accruals to be paid by March 31, 2010.

In September 2009, as a result of cost reduction efforts, the Company recorded approximately $0.1 million of severance costs associated with the downsizing of the Company’s R&D facility in Singapore. As of September 30, 2009, all severance costs have been paid.

Lease Termination

In January 2009, associated with the acquisition of Oxford, the company acquired a building lease in Milpitas, California which was vacated upon acquisition. The Company has not been able to find a sublease for this property given the current market conditions and available space in the area. The future lease costs for the property were $0.3 million which extends through February 2010. The Company recorded the liability, included in other accrued expenses in the Condensed Consolidated Balance Sheet, for the costs to be incurred at the future cash payment amount of $0.3 million as the total cash payment is not materially different from the fair value. The lease accrual charge of $0.3 million was recorded in the Condensed Consolidated Statement of Operations in the first quarter of 2009. The Company expects the accrued lease liability to be paid in full by February 2010.

11. Stock Repurchase

In September 2002, the Company’s Board of Directors authorized the repurchase of up to 2,000,000 shares of the Company’s common stock. In July 2008, the Company’s Board of Directors authorized an additional 2,000,000 shares under the repurchase program. At the discretion of the management, the Company can repurchase the shares from time to time in the open market or in privately negotiated transactions. Approximately 774,000 shares were repurchased for approximately $1.9 million in cash in 2002 and 2003. The Company did not repurchase any additional shares from January 1, 2004 through December 31, 2007. In 2008, the Company repurchased 956,000 shares for approximately $6.5 million. The Company did not repurchase any additional shares during the three or nine months ended September 30, 2009.

12. Segments of an Enterprise and Related Information

The Company has one operating segment, the sale of semiconductor devices. The Chief Executive Officer has been identified as the Chief Operating Decision Maker ("CODM") because he has final authority over resource allocation decisions and performance assessment. The CODM does not receive discrete financial information about individual components of the Company's business. The majority of the Company's assets are located in the United States.

Revenues by geographic region based on customer location were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Revenues:				
China	$ 8,251	$ 2,449	$ 21,317	$ 8,908
Taiwan	3,272	2,459	6,530	8,379
United States	3,068	4,900	8,265	15,749
Singapore	2,903	3,737	7,295	12,052
Other Asia Pacific	2,049	2,330	5,316	7,774
Europe, Middle East and Africa	1,949	3,139	5,670	8,562
The Americas - excluding United States	67	1,776	1,801	5,471
Total	$ 21,559	$ 20,790	$ 56,194	$ 66,895

There were no direct end customers that accounted for more than 10% of net revenues. Sales to the following distributors accounted for 10% or more of net revenues:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Excelpoint Systems Pte Ltd	23%	29%	23%	29%
Promate Electronics Co., Ltd	18%	-	17%	-
Answer Technology, Inc.	13%	12%	11%	12%
Avnet, Inc.	11%	14%	10%	12%

The following distributors accounted for 10% or more of the total accounts receivable balance:

	September 30,	
	2009	2008
Excelpoint Systems Pte Ltd	26%	36%
Answer Technology, Inc.	18%	13%
Promate Electronics Co., Ltd	16%	-
Avnet, Inc.	16%	*%

* Less than 10%

13. Income Taxes

An income tax benefit of $6,000 has been recorded for the nine month period ended September 30, 2009, compared to a provision of $0.4 million for the same period in 2008. Income tax benefit for the nine months ended September 30, 2009 is a result of applying the estimated annual effective tax rate to cumulative loss before taxes adjusted for certain discrete items which are fully recognized in the period they occur. For the same period in 2008, the income tax expense was calculated on a year-to-date discrete basis due to the uncertainty of fourth quarter operating estimates and large variability to the annual effective rate based on small changes to ordinary income for the year.

The Company has determined that negative evidence supports the need for a full valuation allowance against its net deferred tax assets at this time. The Company will maintain a full valuation allowance until sufficient positive evidence exists to support a reversal of the valuation allowance.

As of September 30, 2009, the Company had unrecognized tax benefits of approximately $2.5 million of which none, if recognized, would result in a reduction of the Company’s effective tax rate. There were no material changes in the amount of unrecognized tax benefits during the nine months ended September 30, 2009. Future changes in the balance of unrecognized tax benefits will have no impact on the effective tax rate as they are subject to a full valuation allowance. The Company does not believe the amount of its unrecognized tax benefits will significantly change within the next twelve months.

The Company is subject to taxation in the United States and various states and foreign jurisdictions. The tax years 1998 through 2008 remain open to examination by the federal and most state tax authorities due to certain acquired net operating loss and overall credit carryforward positions.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Report on Form 10-Q contains forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding our expectations, hopes, intentions, beliefs or strategies regarding the future. Such forward-looking statements also include statements regarding our future gross margin, our future research and development expenses, our future selling, general and administrative expenses, our ability to meet our capital requirements for the next twelve months, our future capital requirements, current high turns fill requirements, that the Consumer/Small Office Home Office (SOHO) is a rapidly growing market and our anticipation that sales to a small number of customers will account for a significant portion of our sales. Actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ include unexpected changes in the mix of our product sales, unexpected pricing pressures, unexpected capital requirements that may arise due to other possible acquisitions or other events, unanticipated changes in the businesses of our suppliers, and unanticipated cash shortfalls. Actual results could also differ for the reasons noted under the sub-heading “Factors That May Affect Future Operating Results” in Item 1A, Risk Factors in Part II of this report on Form 10-Q and in other sections of this report on Form 10-Q. All forward-looking statements included in this Form 10-Q are based on information available to us on the date of this report on Form 10-Q, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements.

The following discussion should be read in conjunction with the audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

OVERVIEW

PLX Technology, Inc. ("PLX" or the "Company"), a Delaware corporation established in 1986, designs, develops, manufactures, and sells integrated circuits for interconnect applications. These interconnect products are a fundamental building block for standards-based subsystems. We market our products to major customers that sell electronic systems in the server, storage, communications, industrial, and consumer markets.

Products based on current serial interconnect technology standards such as PCI Express, USB, SATA, and Ethernet provide capabilities to customers that previous parallel technologies did not. They offer the ability for systems to scale in performance and capabilities, and allow for a standards-based building block approach that was not feasible in the past. As these serial technologies have become mainstream, we have been able to offer differentiated products based on standard ports that provide scalability and performance at a high-volume price point.

PLX is the market share leader in PCI Express switches and bridges. We recognized the trend towards this serial, switched interconnect technology early, launched products for this market long before our competitors, and have deployed multiple generations of products to serve a general-purpose, horizontal market. In addition to enabling customer differentiation through our product features, the breadth of our product offering is in itself a significant benefit to our customers, since we can serve the complete needs of our customers with cost-effective solutions tailored to the specific subsystem requirements. Our long experience with PCI Express connectivity products enables PLX to deliver reliable devices that operate under non-ideal real-world system environments.

PLX is building on our broad, general purpose interconnect success, and in particular our success in enterprise storage, by focusing on a rapidly growing vertical market: Consumer/SOHO storage. On January 2, 2009, we completed the acquisition of Oxford Semiconductor, Inc. (Oxford), a leading supplier of semiconductor components for the consumer and SOHO markets. Oxford has brought to market several generations of leadership products that allow storage customers to attach their disk subsystems directly to a computer through USB direct-attached storage (DAS), or to attach them through local area network-attached storage (NAS). We identified the shift from parallel to serial hard disk connectivity early, and benefited from this trend to be become the leader in high performance consumer/SOHO storage connectivity.   Our products provide a rich variety of connectivity options, including USB, SATA, eSATA, FireWire, and Ethernet, and offer capabilities such as RAID and data encryption at industry leading performance levels.

PLX offers a complete solution consisting of semiconductor devices, software development kits, hardware design kits, operating system ports, and firmware solutions that enable added-value features in our products. We differentiate our products by offering higher performance and lower power, and by enabling a richer customer experience based on proprietary features that enable system-level customer advantages, and by providing capabilities that enable a customer to get to market more quickly.

We utilize a “fabless” semiconductor business model whereby we purchase wafers or packaged and tested semiconductor devices from independent manufacturing foundries. The advantage of this approach, in our opinion, allows us to focus on defining, developing and marketing our products and eliminates the need for us to invest large amounts of capital in manufacturing facilities and work-in-process inventory.

We rely on a combination of direct sales personnel, distributors and manufacturers’ representatives throughout the world to sell a significant portion of our products. We pay manufacturers’ representatives a commission on sales while we sell products to distributors at a discount from the selling price.

The time period between initial customer evaluation and design completion can range from six to twelve months or more. Furthermore, there is typically an additional six to twelve month or greater period after design completion before a customer orders volume production of our products. Due to the variability and length of these design cycles and variable demand from customers, we may experience significant fluctuations in new orders from month to month. In addition, we typically make inventory purchases prior to receiving customer orders. Consequently, if anticipated sales and shipments in any quarter do not occur when expected, expenses and inventory levels could be disproportionately high, and our results for that quarter and potentially future quarters would be materially and adversely affected.

Our long-term success will depend on our ability to successfully introduce new products. While new products typically generate little or no revenues during the first twelve months following their introduction, our revenues in subsequent periods depend upon these new products. Due to the lengthy sales cycle and additional time before our customers request volume production, significant revenues from our new products typically occur twelve to twenty-four months after product introduction. As a result, revenues from newly introduced products have, in the past, produced a small percentage of our total revenues in the year the product was introduced. See –“Our Lengthy Sales Cycle Can Result in Uncertainty and Delays with Regard to Our Expected Revenues” in Item 1A, Risk Factors, in Part II of this report on Form 10-Q.

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009 AND SEPTEMBER 30, 2008

Net Revenues

The following table shows the revenue by product type (in thousands) and as a percentage of net revenues:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
PCI Express products	$ 7,716	$ 9,228	$ 19,924	$ 31,674
As a percentage of revenues	35.8%	44.4%	35.5%	47.3%
Storage products	$ 5,947	$ -	$ 14,375	$ -
As a percentage of revenues	27.6%	-	25.6%	-
Connectivity products	$ 7,896	$ 11,562	$ 21,895	$ 35,221
As a percentage of revenues	36.6%	55.6%	39.0%	52.7%

Net revenues consist of product revenues generated principally by sales of our semiconductor devices. Net revenues for the three months ended September 30, 2009 were $21.6 million, an increase of 3.7% from $20.8 million for the same period in 2008. The increase was due to revenues generated from the Storage and Connectivity products acquired as part of the Oxford acquisition, largely offset by lower sales of our PCI Express and Connectivity products as a result of a decline in enterprise and consumer spending, which resulted from the weakened global economy and economic uncertainty.

Net revenues for the nine months ended September 30, 2009 were $56.2 million, a decrease of 16.0% from $66.9 million for the same period in 2008. The decrease was due to lower sales as a result of a decline in enterprise and consumer spending, which resulted from the weakened global economy and economic uncertainty, largely offset by revenues generated from the Storage and Connectivity products acquired as part of the Oxford acquisition.

There were no direct end customers that accounted for more than 10% of net revenues. Sales to the following distributors accounted for 10% or more of net revenues:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Excelpoint Systems Pte Ltd	23%	29%	23%	29%
Promate Electronics Co., Ltd	18%	-	17%	-
Answer Technology, Inc.	13%	12%	11%	12%
Avnet, Inc.	11%	14%	10%	12%

In the fourth quarter of 2008 and the first quarter of 2009, we experienced a broad decrease in order rates across most product lines, markets and end customers, and as we have seen improved market conditions in the second and third quarter of 2009, we expect sales to continue to modestly expand in the fourth quarter of 2009 compared to the third quarter of 2009. Future demand for our products is uncertain and is highly dependant on general economic conditions and the demand for products that contain our chips. Customer demand for semiconductors can change quickly and unexpectedly. Our revenue levels have been highly dependent on the amount of new orders that are received for products to be delivered to the customer within the same quarter, also called “turns fill” orders. Because of the long cycle time to build our products and our lack of visibility into demand when turns fill orders are high, it is difficult to predict which products to build to match future demand. We believe the current high turns fill requirements will continue indefinitely. The high turns fill orders pattern, together with the uncertainty of product mix and pricing, makes it difficult to predict future levels of sales and profitability and may require us to carry higher levels of inventory.

Gross Margin

Gross margin represents net revenues less the cost of revenues. Cost of revenues includes the cost of (1) purchasing semiconductor devices or wafers from our independent foundries, (2) package, assembly and test services from our independent foundries, assembly contractors and test contractors and (3) our operating costs associated with the procurement, storage, and shipment of products as allocated to production.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	in thousands			
Gross profit	$ 12,139	$ 12,160	$ 31,187	$ 39,861
Gross margin	56.3%	58.5%	55.5%	59.6%

Gross profit for the three months ended September 30, 2009 decreased by 0.2% compared to the same period in 2008. The decrease in absolute dollars and as a percentage was primarily due to the lower margins of the storage products acquired in the Oxford acquisition as well as overall product mix.

Gross profit for the nine months ended September 30, 2009 decreased by 21.8% compared to the same period in 2008. The decrease in absolute dollars was primarily due to the overall decrease of product shipments, while the decrease as a percentage was primarily due to lower margins of the storage products acquired in the Oxford acquisition as well as overall product mix.

Future gross profit and gross margin are highly dependent on the product and customer mix, provisions and sales of excess or obsolete inventory, the position of our products in their respective life cycles and specific manufacturing costs. Accordingly, we are not able to predict future gross profit levels or gross margins with certainty.

Research and Development Expenses

Research and development (“R&D”) expenses consist primarily of tape-out costs at our independent foundries, salaries and related costs, including share-based compensation and expenses for outside engineering consultants.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	in thousands			
R&D expenses	$ 7,550	$ 6,000	$ 24,023	$ 20,289
As a percentage of revenues	35.0%	28.9%	42.8%	30.3%

R&D expenses increased by $1.6 million or 25.8% in the three months ended September 30, 2009 compared to the same period in 2008. The increase in R&D in absolute dollars and as a percentage of revenue is due primarily to increases in R&D spending on compensation and benefit expenses of $0.9 million and engineering tools of $0.7 million associated with the acquisition of Oxford.

R&D expenses increased by $3.7 million or 18.4% in the nine months ended September 30, 2009 compared to the same period in 2008. The increase in R&D in absolute dollars and as a percentage of revenue is due primarily to increases in R&D spending on compensation and benefit expenses of $2.1 million, engineering tools of $1.8 million and office lease expenses of $0.4 million associated with the acquisition of Oxford, partially offset by decreases in consulting expenses of $0.6 million due to a decrease in the number of projects taped-out and cost control efforts.

We believe continued spending on research and development to develop new products is critical to our success. We anticipate that R&D expenses over time will fluctuate due to the timing of projects and tape-out related activities.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses consist primarily of salaries and related costs, including share-based compensation, commissions to manufactures' representatives and professional fees, as well as trade show and other promotional expenses.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	in thousands			
SG&A expenses	$ 5,608	$ 5,436	$ 19,587	$ 17,952
As a percentage of revenues	26.0%	26.1%	34.9%	26.8%

SG&A expenses increased by $0.2 million or 3.2% in the three months ended September 30, 2009 compared to the same period in 2008. The increase in SG&A in absolute dollars is due primarily to an increase in salaries and related costs associated with the acquisition of Oxford.

SG&A expenses increased by $1.6 million or 9.1% in the nine months ended September 30, 2009 compared to the same period in 2008. The increase in SG&A in absolute dollars and as a percentage is due primarily to increases in salaries and related costs of $0.9 million associated with the acquisition of Oxford, accounting and consulting fees of $0.4 million as a result of the integration of Oxford and share-based compensation expenses of $0.2 million related to the tender offer.

Acquisition and Restructuring Related Costs

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	in thousands			
Deal costs	$ -	$ -	$ 439	$ -
Severance costs	99	-	2,112	-
Asset impairment	38		38	-
Lease commitment accrual	34	-	311	-
	$ 171	$ -	$ 2,900	$ -

During the nine months ended September 30, 2009 we recorded $2.9 million in acquisition related costs associated with the January 2, 2009 acquisition of Oxford. Deal costs related primarily to outside legal and accounting costs. Severance costs were the result of layoffs due to the redundancy issue that arose as a result of the acquisition and the downsizing of our Singapore R&D facility. In addition, we assumed a building lease in Milpitas, California which was vacated upon the acquisition. As a result, we took a lease commitment charge on the operating lease in the first quarter of 2009. See Note 10 of the condensed consolidated financial statements for additional information.

Amortization of Acquired Intangible Assets

Amortization of acquired intangible assets consists of amortization expense related to developed core technology, tradename and customer base acquired as a result of the Oxford acquisition in January 2009 and the developed core technology acquired in the HiNT Corporation acquisition in May 2003 and NetChip Technology, Inc. acquisition in May 2004.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	in thousands			
Amortization of acquired intangible assets	$ 854	$ 150	$ 2,562	$ 593
As a percentage of revenues	4.0%	0.7%	4.6%	0.9%

Amortization of acquired intangible increased by $0.7 million or 469.3% in the three months ended September 30, 2009 compared to the same period in 2008. The 2008 amortization expense related to intangibles acquired in our prior acquisitions of HiNT and NetChip. In December 2008 we determined that these assets were impaired and the remaining carrying value of $0.8 million was written off. The amortization expense in 2009 relates to the developed core technology, tradename and customer base acquired as a result of the acquisition of Oxford. See Note 8 to our condensed consolidated financial statements for additional information.

Amortization of acquired intangible increased by $2.0 million or 332.0% in the nine months ended September 30, 2009 compared to the same period in 2008. The 2008 amortization expense related to intangibles acquired in our prior acquisitions of HiNT and NetChip. In December 2008 we determined that these assets were impaired and the remaining carrying value of $0.8 million was written off. The amortization expense in 2009 relates to the developed core technology, tradename and customer base acquired as a result of the acquisition of Oxford.

Interest Income and Other, Net

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	**2008**	**2009**	**2008**
	in thousands			
Interest income	$ 128	$ 330	$ 534	$ 1,181
Interest expense	(30)	-	(429)	-
Other income	51	6	209	19
	$ 149	$ 336	$ 314	$ 1,200

Interest income reflects interest earned on cash, cash equivalents and short-term and long-term investment balances. Interest income for the three months ended September 30, 2009 decreased by $0.2 million or 61.2%, compared to the same period in 2008. The decrease was primarily due to lower cash and investment balances and decreased interest rates.

Interest income for the nine months ended September 30, 2009 decreased by $0.6 million or 54.8%, compared to the same period in 2008. The decrease was primarily due to lower cash and investment balances and interest rate fluctuations.

Interest expense of for the three months ended September 30, 2009 of $30,000 consisted of interest recorded on our capital lease obligations. We did not record interest expense for the same period in 2008.

Interest expense of for the nine months ended September 30, 2009 of $0.4 million primarily consisted of interest recorded on the $14.2 million note associated with the acquisition of Oxford. This note was converted to 3.4 million shares of common stock of PLX on May 22, 2009. In addition, there was interest recorded on our capital lease obligations. We did not record interest expense for the same period in 2008.

Other income includes foreign currency translation gains and losses and other miscellaneous transactions. Other income for the three and nine months ended September 30, 2009 included $0.1 million loss due to the liquidation of our subsidiary in the United Kingdom as a result of the acquisition of Oxford and its subsidiary in the United Kingdom. Other income may fluctuate significantly.

Loss on Fair Value Remeasurement of Contingently Convertible Note Payable

As a part of the consideration for the Oxford acquisition, we recorded a liability for the contingent consideration due which was recorded at fair value as of the acquisition date. We are required to remeasure the liability to fair value until the contingency is resolved and record the change in fair value in earnings. The fair value of the note payable was based on 3.4 million shares with a stock price of $1.82, or $6.2 million. As of March 31, 2009, the closing stock price was $2.17, or $7.4 million. The loss on the fair value of the note remeasurement is the increase in fair value of the liability of $1.2 million, which was recorded in the first quarter of 2009. As of May 22, 2009, the date of conversion, the closing stock price was $2.95, or $10.0 million. The loss on the fair value of the note of $2.7 million was recorded in the second quarter of 2009. See Note 7 of the condensed consolidated financial statements for additional information on the contingent consideration arrangement.

Provision for Income Taxes

An income tax benefit of $6,000 has been recorded for the nine month period ended September 30, 2009, compared to provision of $0.4 million for the same period in 2008. Income tax benefit for the nine months ended September 30, 2009 is a result of applying the estimated annual effective tax rate to cumulative loss before taxes adjusted for certain discrete items which are fully recognized in the period they occur. For the same period in 2008, the income tax expense was calculated on a year-to-date discrete basis due to the uncertainty of fourth quarter operating estimates and large variability to the annual effective rate based on small changes to ordinary income for the year.

We have determined that negative evidence supports the need for a full valuation allowance against our net deferred tax assets at this time. We will maintain a full valuation allowance until sufficient positive evidence exists to support a reversal of the valuation allowance.

As of September 30, 2009, we have unrecognized tax benefits of approximately $2.5 million of which none, if recognized, would result in a reduction of our effective tax rate. There were no material changes in the amount of unrecognized tax benefits during the nine months ended September 30, 2009. Future changes in the balance of unrecognized tax benefits will have no impact on the effective tax rate as they are subject to a full valuation allowance. We do not expect that the amount of our unrecognized tax benefits will significantly change within the next twelve months.

We are subject to taxation in the United States and various states and foreign jurisdictions. The tax years 1998 through 2008 remain open to examination by the federal and most state tax authorities due to certain acquired net operating loss and overall credit carryforward positions.

Liquidity and Capital Resources

In summary, our cash flows were (in thousands):

	Nine Months Ended September 30,	
	2009	**2008**
Net cash provided by (used in) operating activities	$ (10,528)	$ 4,786
Net cash provided by (used in) investing activities	18,488	(2,749)
Net cash (used in) financing activities	(1,435)	(5,645)
Effect of exchange rate fluctuations on cash and cash equivalents	(27)	(33)

We invest excess cash predominantly in debt instruments that are highly liquid, of high-quality investment grade, and predominantly have maturities of less than one year with the intent to make such funds readily available for operating purposes. As of September 30, 2009 cash, cash equivalents, short and long-term marketable securities were $38.5 million, a decrease of $8.6 million from $47.1 million at December 31, 2008.

Cash provided by (used in) operating activities primarily consists of net income (loss) adjusted for certain non-cash items including depreciation, amortization, share-based compensation expense, impairments, fair value remeasurements, provisions for excess and obsolete inventories, changes in pre-acquisition deferred tax balances, other non-cash items, and the effect of changes in working capital and other activities. Cash used in operating activities for the nine months ended September 30, 2009 of $10.5 million consisted primarily of a net loss of $21.4 million adjusted for non-cash items of $11.5 million, decreases in accrued compensation and benefits of $1.5 million, accounts payable of $0.5 million and other accrued expenses and liabilities of $0.5 million and increases in accounts receivable of $0.7 million and other assets of $0.5 million, partially offset by decreases in inventory of $1.2 million and other current assets of $1.8 million due to the amortization of software and IP licenses and a 2008 tax refund received for R&D activities in the United Kingdom. Cash provided by operating activities for the nine months ended September 30, 2008 of $4.8 million consisted primarily of net income of $1.8 million adjusted for non-cash items of $5.0 million and a decrease in accounts receivable of $0.7 million, partially offset by increases in current assets of $0.8 million and other assets of $0.7 million due to an increase in software and IP licenses and a decrease in accounts payable of $0.9 million.

Cash provided by investing activities for the nine months ended September 30, 2009 of $18.5 million was primarily due to the sales and maturities of investments (net of purchases of investments) of $14.9 million and cash acquired through the acquisition of Oxford of $4.4 million, partially offset by capital expenditures of $0.8 million. Cash used in investing activities for the nine months ended September 30, 2008 of $2.7 million was due to purchases of marketable securities (net of sales and maturities of investments) of $1.1 million and capital expenditures of $1.6 million. Capital expenditures have generally been comprised of purchases of engineering equipment, computer hardware, software, server equipment and furniture and fixtures.

Cash used in financing activities for the nine months ended September 30, 2009 of $1.4 million was due to the payments made to employees associated with the tender offer of $0.9 million and on capital lease obligations of $0.5 million. Cash used in financing activities for the nine months ended September 30, 2008 of $5.6 million was due to common stock repurchases of $6.5 million, partially offset by the proceeds from the exercise of stock options of $0.8 million.

The negative effect of exchange rates on cash and cash equivalents for the nine months ended September 30, 2009 and 2008 was due to the weakening of the U.S. dollar against other foreign currencies.

As of September 30, 2009, we had the following significant contractual obligations and commercial commitments (in thousands):

	Payments due in			
	Total	Less than 1 Year	1-3 Years	More than 3 Years
Operating leases - facilities and equipment	$ 2,471	$ 556	$ 1,274	$ 641
Capital leases - IP	2,325	1,425	900	-
Software licenses	4,288	2,450	1,838	-
Inventory purchase commitments	8,168	8,168	-	-
Total cash obligations	$ 17,252	$ 12,599	$ 4,012	$ 641

We believe that our existing resources, together with cash generated from our operations will be sufficient to meet our capital requirements for at least the next twelve months. Our future capital requirements will depend on many factors, including the inventory levels we maintain, the level of investment we make in new technologies and improvements to existing technologies and the levels of monthly expenses required to launch new products. From time to time, we may also evaluate potential acquisitions and equity investments complementary to our technologies and market strategies. To the extent that existing resources and future earnings are insufficient to fund our future activities, we may need to raise additional funds through public or private financings. Additional funds may not be available or, if available, we may not be able to obtain them on terms favorable to us and our stockholders.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the condensed consolidated financial statements and accompanying notes. The U.S. Securities and Exchange Commission ("SEC") has defined a company's critical accounting policies as the ones that are most important to the portrayal of the company's financial condition and results of operations, and which require the company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on this definition, we have identified the critical accounting policies and judgments addressed below. We also have other key accounting policies which involve the use of estimates, judgments and assumptions that are significant to understanding our results. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information presently available. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

Revenue Recognition

We recognize revenue when persuasive evidence of an arrangement exists, delivery or customer acceptance, where applicable, has occurred, the fee is fixed or determinable, and collection is reasonably assured.

Revenue from product sales to direct customers and distributors is recognized upon shipment and transfer of risk of loss, if we believe collection is reasonably assured and all other revenue recognition criteria are met. We assess the probability of collection based on a number of factors, including past transaction history and the customer's creditworthiness. At the end of each reporting period, the sufficiency of allowances for doubtful accounts is assessed based on the age of the receivable and the individual customer's creditworthiness.

As of September 30, 2009, we offer pricing protection to two distributors whereby the Company supports the distributor's resale product margin on certain products held in the distributor's inventory. In general, we analyze current requests for credit in process, also known as ship and debits and inventory at the distributor to determine the ending sales reserve required for this program. We also offer stock rotation rights to two distributors such that they can return up to a total of 5% of products purchased every six months in exchange for other PLX products of equal value. In general, we analyze current stock rotation requests and past experience, which has historically been insignificant, to determine the ending sales reserve required for this program. In addition, we have arrangements with a small number of customers offering a rebate program on various products. We record rebates as a reduction of revenue. Reserves are reduced directly from revenue and recorded as a reduction to accounts receivable.

Inventory Valuation

We evaluate the need for potential inventory provisions by considering a combination of factors, including the life of the product, sales history, obsolescence, and sales forecasts. Any adverse changes to our future product demand may result in increased provisions, resulting in decreased gross margin. In addition, future sales on any of our previously written down inventory may result in increased gross margin in the period of sale.

Allowance for Doubtful Accounts

We evaluate the collectibility of our accounts receivable based on length of time the receivables are past due. Generally, our customers have between thirty to forty five days to remit payment of invoices. We record reserves for bad debts against amounts due to reduce the net recognized receivable to the amount we reasonably believe will be collected. Once we have exhausted collection efforts, we will reduce the related accounts receivable against the allowance established for that receivable. We have certain customers with individually large amounts due at any given balance sheet date. Any unanticipated change in one of those customers' creditworthiness or other matters affecting the collectibility of amounts due from such customers could have a material adverse affect on our results of operations in the period in which such changes or events occur. Historically, our write-offs have been insignificant.

Goodwill

Our methodology for allocating the purchase price related to business acquisitions is determined through established valuation techniques. Goodwill is measured as the excess of the cost of the acquisition over the amounts assigned to identifiable tangible and intangible assets acquired less assumed liabilities. We have one operating segment and business reporting unit, the sales of semiconductor devices, and we perform goodwill impairment tests annually during the fourth quarter and between annual tests if indicators of potential impairment exist.

Long-lived Assets

We review long-lived assets, principally property and equipment and identifiable intangibles, for impairment whenever events or circumstances indicate that the carrying amount of assets may not be recoverable. We evaluate recoverability of assets to be held and used by comparing the carrying amount of an asset to estimated future net undiscounted cash flows generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Share-Based Compensation

We estimate the value of employee stock options on the date of grant using the Black-Scholes model. The determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to the expected stock price volatility over the term of the awards and the actual and projected employee stock option exercise behaviors. The expected term of options granted is derived from historical data on employee exercises and post-vesting employment termination behavior. Historically, we calculated our expected volatility assumption required in the Black-Scholes model by using a 50/50 blend of historical volatility and market-based volatility. However, due to the recent lack of available market data to calculate implied volatility, we began using 100% historical volatility during the fourth quarter of 2008. We estimate the amount of forfeitures at the time of grant and revise, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Taxes

We account for income taxes using the asset and liability method. Deferred taxes are determined based on the differences between the financial statement and tax bases of assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. As of September 30, 2009, we carried a valuation allowance for the entire deferred tax asset as a result of uncertainties regarding the realization of the asset balance. We will maintain a full valuation allowance against our deferred tax assets until sufficient positive evidence exists to support a reversal of the valuation allowance.

Future taxable income and/or tax planning strategies may eliminate all or a portion of the need for the valuation allowance. In the event we determine we are able to realize our deferred tax asset, an adjustment to the valuation allowance may increase income in the period such determination is made.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have an investment portfolio of fixed income securities, including amounts classified as cash equivalents, short-term investments and long-term investments of $32.3 million at September 30, 2009. These securities are subject to interest rate fluctuations and will decrease in market value if interest rates increase.

The primary objective of our investment activities is to preserve principal while at the same time maximizing yields without significantly increasing risk. We invest primarily in high quality, short-term and long-term debt instruments. A hypothetical 100 basis point increase in interest rates would result in less than a $2,000 decrease (less than 1%) in the fair value of our available-for-sale securities.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

Based on their evaluation as of September 30, 2009, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective to ensure that the information required to be disclosed by us in this Quarterly Report on Form 10-Q was recorded, processed, summarized and reported within the time periods specified in the SEC's rules and instructions for Form 10-Q and that such disclosure controls and procedures were also effective to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in internal controls.

There has been no change in our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

FACTORS THAT MAY AFFECT FUTURE OPERATING RESULTS

This quarterly report on Form 10-Q contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking statements as a result of certain factors, including those set forth below. The following risk factors have been updated from those set forth in Item 1A. of Part I of our Annual Report on Form 10-K for the year ended December 31, 2008, and are restated in full.

Global Economic Conditions May Continue to Have an Adverse Effect on Our Businesses and Results of Operations

The severe tightening of the credit markets, turmoil in the financial markets, and weakening global economy are contributing to slowdowns in the industries in which we operate. Economic uncertainty exacerbates negative trends in spending and may cause certain customers to push out, cancel, or refrain from placing orders, which may reduce revenue. Difficulties in obtaining capital and deteriorating market conditions may also lead to the inability of some customers to obtain affordable financing, resulting in lower sales. Customers with liquidity issues may lead to additional bad debt expense. These conditions may also similarly affect key suppliers, which could affect their ability to deliver parts and result in delays in the availability of product. Further, these conditions and uncertainty about future economic conditions make it challenging for us to forecast our operating results, make business decisions, and identify the risks that may affect our business, financial condition and results of operations. In addition, we maintain an investment portfolio that is subject to general credit, liquidity, market and interest rate risks that may be exacerbated by deteriorating financial market conditions and, as a result, the value and liquidity of the investment portfolio could be negatively impacted and lead to impairment. If the current economic conditions are prolonged or deteriorate further, or if we are not able to timely and appropriately adapt to changes resulting from the difficult macroeconomic environment, our business, financial condition or results of operations may be materially and adversely affected.

Our Operating Results May Fluctuate Significantly Due To Factors Which Are Not Within Our Control

Our quarterly operating results have fluctuated significantly in the past and are expected to fluctuate significantly in the future based on a number of factors, many of which are not under our control. Our operating expenses, which include product development costs and selling, general and administrative expenses, are relatively fixed in the short-term. If our revenues are lower than we expect because we sell fewer semiconductor devices, delay the release of new products or the announcement of new features, or for other reasons, we may not be able to quickly reduce our spending in response.

Other circumstances that can affect our operating results include:

- the timing of significant orders, order cancellations and reschedulings;
- the loss of one or more significant customers;
- introduction of products and technologies by our competitors;
- the availability of production capacity at the fabrication facilities that manufacture our products;
- our significant customers could lose market share that may affect our business;
- integration of our product functionality into our customers’ products;
- our ability to develop, introduce and market new products and technologies on a timely basis;
- unexpected issues that may arise with devices in production;
- shifts in our product mix toward lower margin products;
- changes in our pricing policies or those of our competitors or suppliers, including decreases in unit average selling prices of our products;
- the availability and cost of materials to our suppliers;
- general macro economic conditions; and
- political climate.

These factors are difficult to forecast, and these or other factors could adversely affect our business. Any shortfall in our revenues would have a direct impact on our business. In addition, fluctuations in our quarterly results could adversely affect the market price of our common stock in a manner unrelated to our long-term operating performance.

The Cyclical Nature Of The Semiconductor Industry May Lead To Significant Variances In The Demand For Our Products

In the past, the semiconductor industry has been characterized by significant downturns and wide fluctuations in supply and demand. Also, during this time, the industry has experienced significant fluctuations in anticipation of changes in general economic conditions. This cyclicality has led to significant variances in product demand and production capacity. It has also accelerated erosion of average selling prices per unit on some of our products. We may experience periodic fluctuations in our future financial results because of industry-wide conditions.

Because A Substantial Portion Of Our Net Sales Is Generated By A Small Number Of Large Customers, If Any Of These Customers Delays Or Reduces Its Orders, Our Net Revenues And Earnings Will Be Harmed

Historically, a relatively small number of customers have accounted for a significant portion of our net revenues in any particular period. See Note 12 of the condensed consolidated financial statements for customer concentrations.

We have no long-term volume purchase commitments from any of our significant customers. We cannot be certain that our current customers will continue to place orders with us, that orders by existing customers will continue at the levels of previous periods or that we will be able to obtain orders from new customers. In addition, some of our customers supply products to end-market purchasers and any of these end-market purchasers could choose to reduce or eliminate orders for our customers' products. This would in turn lower our customers' orders for our products.

We anticipate that sales of our products to a relatively small number of customers will continue to account for a significant portion of our net sales. Due to these factors, the following have in the past and may in the future reduce our net sales or earnings:

- the reduction, delay or cancellation of orders from one or more of our significant customers;
- the selection of competing products or in-house design by one or more of our current customers;
- the loss of one or more of our current customers; or
- a failure of one or more of our current customers to pay our invoices.

Intense Competition In The Markets In Which We Operate May Reduce The Demand For Or Prices Of Our Products

Competition in the semiconductor industry is intense. If our main target market, the microprocessor-based systems market, continues to grow, the number of competitors may increase significantly. In addition, new semiconductor technology may lead to new products that can perform similar functions as our products. Some of our competitors and other semiconductor companies may develop and introduce products that integrate into a single semiconductor device the functions performed by our semiconductor devices. This would eliminate the need for our products in some applications.

In addition, competition in our markets comes from companies of various sizes, many of which are significantly larger and have greater financial and other resources than we do and thus can better withstand adverse economic or market conditions. Therefore, we cannot assure you that we will be able to compete successfully in the future against existing or new competitors, and increased competition may adversely affect our business. See “Business -- Products,” and “-- Competition” in Part I of Item I of our Form 10-K for the year ended December 31, 2008.

Our Independent Manufacturers May Not Be Able To Meet Our Manufacturing Requirements

We do not manufacture any of our semiconductor devices. Therefore, we are referred to in the semiconductor industry as a “fabless” producer of semiconductors. Consequently, we depend upon third party manufacturers to produce semiconductors that meet our specifications. We currently have third party manufacturers located in China, Japan, Korea, Malaysia, Singapore and Taiwan, that can produce semiconductors which meet our needs. However, as the semiconductor industry continues to progress towards smaller manufacturing and design geometries, the complexities of producing semiconductors will increase. Decreasing geometries may introduce new problems and delays that may affect product development and deliveries. Due to the nature of the semiconductor industry and our status as a fabless semiconductor company, we could encounter fabrication-related problems that may affect the availability of our semiconductor devices, delay our shipments or may increase our costs.

Only a small number of our semiconductor devices are currently manufactured by more than one supplier. We place our orders on a purchase order basis and do not have a long term purchase agreement with any of our existing suppliers. In the event that the supplier of a semiconductor device was unable or unwilling to continue to manufacture our products in the required volume, we would have to identify and qualify a substitute supplier. Introducing new products or transferring existing products to a new third party manufacturer or process may result in unforeseen device specification and operating problems. These problems may affect product shipments and may be costly to correct. Silicon fabrication capacity may also change, or the costs per silicon wafer may increase. Manufacturing-related problems may have a material adverse effect on our business.

Lower Demand For Our Customers' Products Will Result In Lower Demand For Our Products

Demand for our products depends in large part on the development and expansion of the high-performance microprocessor-based systems markets including networking and telecommunications, enterprise and customer storage, imaging and industrial applications. The size and rate of growth of these microprocessor-based systems markets may in the future fluctuate significantly based on numerous factors. These factors include the adoption of alternative technologies, capital spending levels and general economic conditions. Demand for products that incorporate high-performance microprocessor-based systems may not grow.

Our Lengthy Sales Cycle Can Result In Uncertainty And Delays With Regard To Our Expected Revenues

Our customers typically perform numerous tests and extensively evaluate our products before incorporating them into their systems. The time required for test, evaluation and design of our products into a customer's equipment can range from six to twelve months or more. It can take an additional six to twelve months or more before a customer commences volume shipments of equipment that incorporates our products. Because of this lengthy sales cycle, we may experience a delay between the time when we increase expenses for research and development and sales and marketing efforts and the time when we generate higher revenues, if any, from these expenditures.

In addition, the delays inherent in our lengthy sales cycle raise additional risks of customer decisions to cancel or change product plans. When we achieve a design win, there can be no assurance that the customer will ultimately ship products incorporating our products. Our business could be materially adversely affected if a significant customer curtails, reduces or delays orders during our sales cycle or chooses not to release products incorporating our products.

Failure To Have Our Products Designed Into The Products Of Electronic Equipment Manufacturers Will Result In Reduced Sales

Our future success depends on electronic equipment manufacturers that design our semiconductor devices into their systems. We must anticipate market trends and the price, performance and functionality requirements of current and potential future electronic equipment manufacturers and must successfully develop and manufacture products that meet these requirements. In addition, we must meet the timing requirements of these electronic equipment manufacturers and must make products available to them in sufficient quantities. These electronic equipment manufacturers could develop products that provide the same or similar functionality as one or more of our products and render these products obsolete in their applications.

We do not have purchase agreements with our customers that contain minimum purchase requirements. Instead, electronic equipment manufacturers purchase our products pursuant to short-term purchase orders that may be canceled without charge. We believe that in order to obtain broad penetration in the markets for our products, we must maintain and cultivate relationships, directly or through our distributors, with electronic equipment manufacturers that are leaders in the embedded systems markets. Accordingly, we will incur significant expenditures in order to build relationships with electronic equipment manufacturers prior to volume sales of new products. If we fail to develop relationships with additional electronic equipment manufacturers to have our products designed into new microprocessor-based systems or to develop sufficient new products to replace products that have become obsolete, our business would be materially adversely affected.

Defects In Our Products Could Increase Our Costs And Delay Our Product Shipments

Our products are complex. While we test our products, these products may still have errors, defects or bugs that we find only after commercial production has begun. We have experienced errors, defects and bugs in the past in connection with new products.

Our customers may not purchase our products if the products have reliability, quality or compatibility problems. This delay in acceptance could make it more difficult to retain our existing customers and to attract new customers. Moreover, product errors, defects or bugs could result in additional development costs, diversion of technical and other resources from our other development efforts, claims by our customers or others against us, or the loss of credibility with our current and prospective customers. In the past, the additional time required to correct defects has caused delays in product shipments and resulted in lower revenues. We may have to spend significant amounts of capital and resources to address and fix problems in new products.

We must continuously develop our products using new process technology with smaller geometries to remain competitive on a cost and performance basis. Migrating to new technologies is a challenging task requiring new design skills, methods and tools and is difficult to achieve.

Failure Of Our Products To Gain Market Acceptance Would Adversely Affect Our Financial Condition

We believe that our growth prospects depend upon our ability to gain customer acceptance of our products and technology. Market acceptance of products depends upon numerous factors, including compatibility with other products, adoption of relevant interconnect standards, perceived advantages over competing products and the level of customer service available to support such products. There can be no assurance that growth in sales of new products will continue or that we will be successful in obtaining broad market acceptance of our products and technology.

We expect to spend a significant amount of time and resources to develop new products and refine existing products. In light of the long product development cycles inherent in our industry, these expenditures will be made well in advance of the prospect of deriving revenues from the sale of any new products. Our ability to commercially introduce and successfully market any new products is subject to a wide variety of challenges during this development cycle, including start-up bugs, design defects and other matters that could delay introduction of these products to the marketplace. In addition, since our customers are not obligated by long-term contracts to purchase our products, our anticipated product orders may not materialize, or orders that do materialize may be cancelled. As a result, if we do not achieve market acceptance of new products, we may not be able to realize sufficient sales of our products in order to recoup research and development expenditures. The failure of any of our new products to achieve market acceptance would harm our business, financial condition, results of operation and cash flows.

A Large Portion Of Our Revenues Is Derived From Sales To Third-Party Distributors Who May Terminate Their Relationships With Us At Any Time

We depend on distributors to sell a significant portion of our products. For the nine months ended September 30, 2009 and 2008, sales through distributors accounted for approximately 88% and 78%, respectively, of our net revenues. Some of our distributors also market and sell competing products. Distributors may terminate their relationships with us at any time. Our future performance will depend in part on our ability to attract additional distributors that will be able to market and support our products effectively, especially in markets in which we have not previously distributed our products. We may lose one or more of our current distributors or may not be able to recruit additional or replacement distributors. The loss of one or more of our major distributors could have a material adverse effect on our business, as we may not be successful in servicing our customers directly or through manufacturers' representatives.

The Demand For Our Products Depends Upon Our Ability To Support Evolving Industry Standards

A majority of our revenues are derived from sales of products, which rely on the PCI Express, PCI, PCI-X, SATA, Ethernet, Firewire and USB standards. If markets move away from these standards and begin using new standards, we may not be able to successfully design and manufacture new products that use these new standards. There is also the risk that new products we develop in response to new standards may not be accepted in the market. In addition, these standards are continuously evolving, and we may not be able to modify our products to address new specifications. Any of these events would have a material adverse effect on our business.

We Must Make Significant Research And Development Expenditures Prior To Generating Revenues From Products

To establish market acceptance of a new semiconductor device, we must dedicate significant resources to research and development, production and sales and marketing. We incur substantial costs in developing, manufacturing and selling a new product, which often significantly precede meaningful revenues from the sale of this product. Consequently, new products can require significant time and investment to achieve profitability. Investors should understand that our efforts to introduce new semiconductor devices or other products or services may not be successful or profitable. In addition, products or technologies developed by others may render our products or technologies obsolete or noncompetitive.

We record as expenses the costs related to the development of new semiconductor devices and other products as these expenses are incurred. As a result, our profitability from quarter to quarter and from year to year may be adversely affected by the number and timing of our new product launches in any period and the level of acceptance gained by these products.

We Could Lose Key Personnel Due To Competitive Market Conditions And Attrition

Our success depends to a significant extent upon our senior management and key technical and sales personnel. The loss of one or more of these employees could have a material adverse effect on our business. We do not have employment contracts with any of our executive officers.

Our success also depends on our ability to attract and retain qualified technical, sales and marketing, customer support, financial and accounting, and managerial personnel. Competition for such personnel in the semiconductor industry is intense, and we may not be able to retain our key personnel or to attract, assimilate or retain other highly qualified personnel in the future. In addition, we may lose key personnel due to attrition, including health, family and other reasons. We have experienced, and may continue to experience, difficulty in hiring and retaining candidates with appropriate qualifications. If we do not succeed in hiring and retaining candidates with appropriate qualifications, our business could be materially adversely affected.

The Successful Marketing And Sales Of Our Products Depend Upon Our Third Party Relationships, Which Are Not Supported By Written Agreements

When marketing and selling our semiconductor devices, we believe we enjoy a competitive advantage based on the availability of development tools offered by third parties. These development tools are used principally for the design of other parts of the microprocessor-based system but also work with our products. We will lose this advantage if these third party tool vendors cease to provide these tools for existing products or do not offer them for our future products. This event could have a material adverse effect on our business. We have no written agreements with these third parties, and these parties could choose to stop providing these tools at any time.

Our Limited Ability To Protect Our Intellectual Property And Proprietary Rights Could Adversely Affect Our Competitive Position

Our future success and competitive position depend upon our ability to obtain and maintain proprietary technology used in our principal products. Currently, we have limited protection of our intellectual property in the form of patents and rely instead on trade secret protection. Our existing or future patents may be invalidated, circumvented, challenged or licensed to others. The rights granted there under may not provide competitive advantages to us. In addition, our future patent applications may not be issued with the scope of the claims sought by us, if at all. Furthermore, others may develop technologies that are similar or superior to our technology, duplicate our technology or design around the patents owned or licensed by us. In addition, effective patent, trademark, copyright and trade secret protection may be unavailable or limited in foreign countries where we may need protection. We cannot be sure that steps taken by us to protect our technology will prevent misappropriation of the technology.

We may from time to time receive notifications of claims that we may be infringing patents or other intellectual property rights owned by third parties. While there is currently no intellectual property litigation pending against us, litigation could result in significant expenses to us and adversely affect sales of the challenged product or technology. This litigation could also divert the efforts of our technical and management personnel, whether or not the litigation is determined in our favor. In addition, we may not be able to develop or acquire non-infringing technology or procure licenses to the infringing technology under reasonable terms. This could require expenditures by us of substantial time and other resources. Any of these developments would have a material adverse effect on our business.

Acquisitions Could Adversely Affect our Financial Condition and Could Expose Us to Unanticipated Liabilities

As part of our business strategy, we expect to continue to review acquisition prospects that would complement our existing product offerings, improve market coverage or enhance our technological capabilities. The Oxford acquisition, as well as potential future acquisitions, could result in any or all of the following:

- potentially dilutive issuances of equity securities;
- large acquisition-related write-offs;
- potential patent and trademark infringement claims against the acquired company;
- the incurrence of debt and contingent liabilities or amortization expenses related to other intangible assets;
- difficulties in the assimilation of operations, personnel, technologies, products and the information systems of the acquired companies;
- the incurrence of additional operating losses and expenses of Oxford or other potential companies we may acquire;
- possible delay or failure to achieve expected synergies;
- diversion of management’s attention from other business concerns;
- risks of entering geographic and business markets in which we have no or limited prior experience; and
- potential loss of key employees.

Because We Sell Our Products To Customers Outside Of The United States And Because Our Products Are Incorporated With Products Of Others That Are Sold Outside Of The United States We Face Foreign Business, Political And Economic Risks

Sales outside of the United States accounted for approximately 85% of our revenues for the nine months ended September 30, 2009. In 2008 and 2007, sales outside of the United States accounted for approximately 77% and 71% of our revenues, respectively. Sales outside of the United States may fluctuate in future periods and may continue to account for a large portion of our revenues. In addition, equipment manufacturers who incorporate our products into their products sell their products outside of the United States, thereby exposing us indirectly to foreign risks. Further, most of our semiconductor products are manufactured outside of the United States. Accordingly, we are subject to international risks, including:

- difficulties in managing distributors;
- difficulties in staffing and managing foreign subsidiary and branch operations;
- political and economic instability;
- foreign currency exchange fluctuations;
- difficulties in accounts receivable collections;
- potentially adverse tax consequences;
- timing and availability of export licenses;
- changes in regulatory requirements, tariffs and other barriers;
- difficulties in obtaining governmental approvals for telecommunications and other products; and
- the burden of complying with complex foreign laws and treaties.

Because sales of our products have been denominated to date exclusively in United States dollars, increases in the value of the United States dollar will increase the price of our products so that they become relatively more expensive to customers in the local currency of a particular country, which could lead to a reduction in sales and profitability in that country.

We May Be Required To Record A Significant Charge To Earnings If Our Goodwill Or Amortizable Intangible Assets Become Impaired

Under generally accepted accounting principles, we review our amortizable intangible and long lived assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is tested for impairment annually, during the fourth quarter and between annual tests in certain circumstances. Factors that may be considered a change in circumstances, indicating that the carrying value of our goodwill, amortizable intangible assets or other long lived assets may not be recoverable, include a persistent decline in stock price and market capitalization, reduced future cash flow estimates, and slower growth rates in our industry. We may be required to record a significant charge in our financial statements during the period in which any additional impairment of our goodwill, amortizable intangible assets or other long lived assets is determined, which would adversely impact our results of operations.

Our Principal Stockholders Have Significant Voting Power And May Take Actions That May Not Be In The Best Interests Of Our Other Stockholders

Our executive officers, directors and other principal stockholders, in the aggregate, beneficially own a substantial amount of our outstanding common stock. Although these stockholders do not have majority control, they currently have, and likely will continue to have, significant influence with respect to the election of our directors and approval or disapproval of our significant corporate actions. This influence over our affairs might be adverse to the interests of other stockholders. In addition, the voting power of these stockholders could have the effect of delaying or preventing a change in control of PLX.

The Anti-Takeover Provisions In Our Certificate of Incorporation Could Adversely Affect The Rights Of The Holders Of Our Common Stock

Anti-takeover provisions of Delaware law and our Certificate of Incorporation may make a change in control of PLX more difficult, even if a change in control would be beneficial to the stockholders. These provisions may allow the Board of Directors to prevent changes in the management and control of PLX.

As part of our anti-takeover devices, our Board of Directors has the ability to determine the terms of preferred stock and issue preferred stock without the approval of the holders of the common stock. Our Certificate of Incorporation allows the issuance of up to 5,000,000 shares of preferred stock. There are no shares of preferred stock outstanding. However, because the rights and preferences of any series of preferred stock may be set by the Board of Directors in its sole discretion without approval of the holders of the common stock, the rights and preferences of this preferred stock may be superior to those of the common stock. Accordingly, the rights of the holders of common stock may be adversely affected. Consistent with Delaware law, our Board of Directors may adopt additional anti-takeover measures in the future.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In September 2002, our Board of Directors authorized the repurchase of up to 2,000,000 shares of common stock. In July 2008, our Board of Directors authorized an additional 2,000,000 shares under the repurchase program. At the discretion of the management, we can repurchase the shares from time to time in the open market or in privately negotiated transactions. Approximately 774,000 shares were repurchased for approximately $1.9 million in cash in 2002 and 2003. We did not repurchase any additional shares from January 1, 2004 through December 31, 2007. In 2008 we repurchased 956,000 shares for approximately $6.5 million. We did not repurchase any additional shares during the nine months ended September 30, 2009.

ITEM 6. EXHIBITS

Exhibit Number	**Description**
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, Chapter 63 of Title 18, United States Code, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Finanical Officer Pursuant to 18 U.S.C. Section 1350, Chapter 63 of Title 18, United States Code, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PLX TECHNOLOGY, INC.

Date: November 4, 2009

By /s/ Arthur O. Whipple
Arthur O. Whipple
Chief Financial Officer
(*Principal Financial Officer and duly authorized signatory)*

EXHIBIT INDEX

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32.2	Certification of Chief Finanical Officer Pursuant to 18 U.S.C. Section 1350, Chapter 63 of Title 18, United States Code, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ralph H. Schmitt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PLX Technology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 4, 2009

/s/ Ralph H. Schmitt
Ralph H. Schmitt
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Arthur O. Whipple, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PLX Technology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 4, 2009

/s/ Arthur O. Whipple
Arthur O. Whipple
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of PLX Technology, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2009 as filed with the Securities and Exchange Commission (the "Report"), I, Ralph H. Schmitt, Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: November 4, 2009

By: /s/ Ralph H. Schmitt
Ralph H. Schmitt
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of PLX Technology, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2009 as filed with the Securities and Exchange Commission (the "Report"), I, Arthur O. Whipple, Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: November 4, 2009

By: /s/ Arthur O. Whipple
Arthur O. Whipple
Chief Financial Officer