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PLX Technology, Inc. Q3 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) Our first question comes from Christian Schwab with Craig-Hallum Capital. Go ahead please.

Christian Schwab – Craig-Hallum Capital

Could you walk us through on the PCI Express strength up 28% given a nice recovery there, how long would you expect Ralph for that to kind of get back to its pre-bust [ph] if you will in the marketplace 11 million to 12 million range?

Ralph Schmitt

Christian, I expected that question and expected it to be the first question. Yes, we expect to see that somewhere between the fourth quarter of this year, the current quarter we are in and the first quarter of next year.

Christian Schwab – Craig-Hallum Capital

Do you really expect PCI Express to recover that much?

Ralph Schmitt

Yes. We believe it will be in that area. I will call it that is a range in there.

Christian Schwab – Craig-Hallum Capital

Fabulous. No other questions.

Ralph Schmitt

Thank you.

Operator

(Operator instructions) And our next question comes from Richard Shannon with Northland Securities. Your line is open.

Richard Shannon - Northland Securities

Hi, guys. How are you?

Ralph Schmitt

Very good, Richard. How are you?

Richard Shannon - Northland Securities

I'm doing fine, thanks. I jumped in perhaps a little bit late. So maybe I missed a couple of your comments Ralph, but regarding the strength you are expecting in PCI Express, I've heard you talk about or at least highlight in the fourth-quarter some opportunities in graphics. Is that fair to say that that is the primary driver of growth coming in the fourth quarter or at least the biggest one?

Ralph Schmitt

Well, right now it is not. The comments that I made on the – was really motherboard comment that is using graphics applications and if you saw in the third quarter we made an announcement with ASUS in regards to supplying switch on the motherboard, which is fairly new. We are not typically on the motherboard. So we're seeing some growth based out of that as well as some other customers hanging on that trend.

What I started to comment out was that we are actually seeing very broad-based growth and diversification. That is really the key to what is happening is, historically we have been very reliant on only server revenue, and now we are seeing three major markets really, communications, storage and embedded fairly evenly split growing very nicely for us, and that is exactly what we have been hoping for is to see this technology go beyond just the server platforms.

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