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FOR IMMEDIATE RELEASE

**AMCC Announces New Pricing for 3ware
Four Port SATA RAID Controllers**

Popular four-port RAID controllers combine value with extremely competitive feature set

SUNNYVALE, CALIF., May 23, 2005 -- Applied Micro Circuits Corporation (AMCC) [NASDAQ: AMCC], today announced new channel pricing for its 3ware 8500 and 9500 Series four port Serial ATA (SATA) RAID controller kits. The new lower pricing is available to VARs and system builders through AMCC's leading distribution partners. End-users can also purchase the controllers directly through online and retail stores including CDW, Insight, MA Labs, and Monarch Computer Systems.

3ware four port RAID controllers are designed to provide affordable, high performance, scalable storage to a growing market of targeted network storage environments, including video editing, workstations, home/SOHO, and business-class servers. The value-driven four port controllers also feature support for AMCC's industry-leading StorSave Platform, which combines firmware and a Battery Backup Unit (BBU) enabling maximum data protection and high performance.

"Customers have embraced 3ware four port SATA RAID controllers, buying on the strength of AMCC's proven performance, scalability, reliability, and affordable cost," said Michael Joyce, director of marketing for AMCC Storage. "AMCC continues to look for ways to add value, especially in the cost sensitive, entry-level portions of the market. The new pricing is aimed at helping customers build application-specific SATA-based network storage in emerging applications such as home gaming and entertainment, departmental storage and high capacity desktop video editing."

The 8500 and 9500 Series of SATA RAID controllers are available as individual kits or in bulk packaging for large-scale system integration. Prices for the kits are as follows:

- 8506 4LP Kit - \$329 MSRP
- 9500s-4LP Kit - \$359 MSRP

3ware controllers are based on the company's innovative StorSwitch™ switched RAID architecture. The company's advanced hardware RAID architecture features an on-board

processor and an integrated RAID ASIC that offloads RAID controller functions from the host CPU, dedicating the server processing to its core applications and enhancing overall system performance.

AMCC Product Support

The 3ware 9000 Series SATA RAID controllers are available worldwide in 12, 8, and 4-port configurations for VARs, OEMs and system builders through the company's network of distribution partners. The controllers ship with a 3-year warranty and are compatible with Microsoft® Windows® 2003/XP/2000, Red Hat® Linux, SuSE® Linux, and FreeBSD operating systems. For additional information, please visit www.3ware.com.

AMCC Overview

AMCC provides the essential building blocks for the processing, moving and storing of information worldwide. The company blends systems and software expertise with high-performance, high-bandwidth silicon integration to deliver silicon, hardware and software solutions for global wide area networks (WAN), embedded applications such as PowerPC and programmable SOC architectures, storage area networks (SAN), and high-growth storage markets such as SATA RAID. AMCC's corporate headquarters are located in San Diego, California. Sales and engineering offices are located throughout the world. For further information regarding AMCC, please visit our web site at <http://www.amcc.com>.

Forward Looking Statements

The statements contained in this press release that are not purely historical and are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements, including statements relating to the products discussed in this press release are subject to a number of risks and uncertainties, including the risk that the products would not be successfully or timely developed, completed or manufactured or achieve market acceptance, risks relating to general economic conditions, as well as the risks and uncertainties set forth in the Company's Annual Report on Form 10-K for the year ended March 31, 2005, and in other filings of the Company with the Securities and Exchange Commission. As a result of these risks and uncertainties, actual results may differ materially from these forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof and AMCC does not assume any obligation to update any forward-looking statement.