



AMCC STORAGE DRIVES SATA RAID 6 PERFORMANCE TO NEW HEIGHTS WITH INNOVATIVE FAMILY OF RAID CONTROLLERS

3ware 9650SE More Than Doubles the Performance of Competing Brands; Offers Broadest Line of PCI Express-to-SATA II RAID Controllers

SUNNYVALE, Calif., October 17, 2006 – Applied Micro Circuits Corporation (AMCC) [NASDAQ-GS: AMCC] today announced its high performance 3ware® 9650SE SATA II RAID controller family, featuring RAID 6 with simultaneous double-parity generation for significantly improved fault tolerance. With RAID 6 reads of over 700MB/s and RAID 6 writes of more than 600MB/s, the 3Gb/s SATA II controller delivers more than double the performance of competing offerings. The controller family represents the broadest line of PCI Express-to-SATA II RAID controllers available, with models ranging from two to 24 ports.

“The simultaneous parity calculation and improved RAID architecture is what sets the controller apart and is what drives its record-setting performance,” said Scott Cleland, director of marketing for AMCC. “By calculating the parity simultaneously, AMCC dramatically reduces the RAID 6 write penalty common among other RAID designs, resulting in sustained throughput for the 9650SE more than twice the speed of competing RAID 6 controllers.”

“The double-drive failure protection of RAID 6 is ideal for the massive capacity of today’s SATA drives and arrays utilized in key enterprise applications,” said analyst David Hill of the Mesabi Group. “In eliminating any significant performance penalty, AMCC has made RAID 6 and SATA compelling solutions for customers requiring enterprise performance and reliability.”

Data-Intensive Environments Look to SATA II with RAID 6

The 3ware 9650SE family is ideal for environments that require the highest levels of sustained write and read performance, including NAS storage, web servers, cluster servers, supercomputing, near-line backup and archival, security systems and pro audio and video applications, as well as mid-range database applications and print and file server applications.

Silicon Mechanics, a leading integrator of rack-optimized servers, storage, and high-performance computing products has implemented the 3ware 9650SE into its Rackform iServ R276 storage server. “We have a long history with AMCC’s 3ware products, so we know we can rely on their experience, support and field-proven products,” said Jack Kintz, vice president of product development, Silicon Mechanics. “The 3ware line was first to bring enterprise features into the Serial ATA storage space. We are confident that the 9650SE will continue the tradition of providing leading-edge performance and reliability.”

High Performance, Fault-Tolerant Data Protection

The controller features AMCC’s eighth generation StorSwitch™ non-blocking switch fabric architecture. Designed to offload data I/O processes from the host, it significantly improves system performance, data availability and scalability. Other throughput enhancements include native PCI Express x8 host connections and StreamFusion™, an intelligent cache algorithm which optimizes I/O accesses to maximize application performance under multiple stream loads.

“Serial ATA in the enterprise is becoming an increasingly important solution for customers who seek reliable high-capacity and low-cost-per-gigabyte storage for nearline applications,” said Gregory P. Piligian, business executive, Hitachi Global Storage Technologies. “Through our technology alliance, Hitachi and AMCC work to develop solutions that meet the needs of this fast-growing segment of the storage market.”

Specifications, Pricing and Availability

The AMCC 3ware 9650SE family is available in 2, 4 and 8-port low-profile and 12, 16 and 24-port full-height configurations. All models except the 24 port will be available November 1 through AMCC’s worldwide network of distributors, integrators and VARs. The 24-port model will be available during the first quarter of 2007. Suggested list price for the 4-port configuration starts at \$395, and ranges to \$995 for the 16-port model. Pricing for the 24-port configuration will be announced at shipment.

About AMCC

AMCC blends systems and software expertise to provide the essential building blocks for the processing, moving and storing of data worldwide. The #1 high-port count Serial ATA RAID controller line, AMCC’s 3ware[®] family of SATA RAID storage solutions deliver cost-effective, high-performance, high-capacity storage for enterprises and consumers worldwide in applications such as disk-to-disk backup, near-line storage, network-attached storage (NAS), video, and high-performance computing. The company is headquartered in Sunnyvale, California with offices throughout the world. For more information, visit <http://www.3ware.com> or <http://www.amcc.com>.

###

Media Contact:

Katie Reid/Corey Oiesen

Dovetail Public Relations

+1-408-395-3600

kathryn@dovetailpr.com / coreyo@dovetailpr.com

Company Contact:

Thomas Bayens

Applied Micro Circuits Corporation

+1-408-542-8698

tbayens@amcc.com

Investor Contact:

Scott Dawson

Applied Micro Circuits Corporation

+1-858-535-4217

sdawson@amcc.com

Forward Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as expects, anticipates, plans, believes, estimates, will or words of similar meaning. 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 may 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, and in the Company’s other SEC filings. 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 press release are made as of the date hereof and AMCC does not assume any obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise.

AMCC, 3ware, StorSwitch and Multi-lane are trademarks or registered trademarks of Applied Micro Circuits Corporation. Other trademarks are the property of their respective owners.