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FOR IMMEDIATE RELEASE

**AMCC Continues SATA RAID Leadership with new
AMCC StorSave Platform for Data Protection**

AMCC raises the bar for RAID 5 data protection without sacrificing performance

SUNNYVALE, CALIF. Oct. 18, 2004 -- Applied Micro Circuits Corporation (AMCC) [NASDAQ: AMCC], today announced the availability of its new AMCC StorSave Platform for its line of 3ware 9000 series RAID controllers, enabling maximum data protection and high performance Serial ATA (SATA) network storage solutions. The AMCC StorSave Platform combines firmware and a Battery Backup Unit (BBU) that maximizes data protection without sacrificing performance.

The AMCC StorSave Platform supplies power to the cache memory module in the event of a system power loss and includes proprietary features that utilize a write journaling technique. AMCC delivers this ability for SATA RAID, allowing the controller to use controller and drive's write caching for best performance while still preventing data loss in the event of a system power failure. When fully charged, the battery preserves the contents of the controller cache memory for up to 72 hours. When power is restored, cached data is then written to the disk array providing uninterrupted data storage.

"Our innovative, AMCC StorSave Platform, represents another breakthrough for the evolution of SATA-based network storage and positions AMCC as the data protection leader in the SMB and enterprise-class SATA RAID markets," said Scott Cleland, director of marketing at AMCC Storage Business Unit. "AMCC now delivers high performance, capacity and maximum protection, enabling SATA RAID to become a truly viable enterprise storage solution."

Traditionally in RAID 5 environments without BBU, manufacturers recommend setting controller cache to "write-through" and disabling "disk cache." This practice mitigates system and drive resets and/or power failures that may put the data in disk cache and controller cache at risk. However, with "cache off," system performance suffers during standard I/O operations. Disk "cache off" also contributes to lower system performance during RAID 5 degraded mode operations and rebuilds.

AMCC StorSave Platform-enabled products protect data that has not been committed to disk media in both controller and disk caches and increases the reliability of a 3ware SATA RAID subsystem environment. The AMCC StorSave Platform enhances performance by enabling "disk cache" to remain on during all RAID operations and also maintains the controller cache setting to "write-back." AMCC recommends controller cache and disk cache remain on during SATA RAID operations as well as providing increased levels of array performance during degraded RAID 5 operations.

The AMCC StorSave Platform includes proprietary, advanced data protection features such as disk drive power on reset protection, dynamic sector repair, extensive drive timeout recovery, out of band signaling retry, write journaling and BBU.

About 3ware SATA RAID Controllers

3ware SATA controllers, based on AMCC's innovative StorSwitch™ switched RAID architecture, provides scaleable capacity up to 4.8 TB per controller, using 400GB drives, and total system capacity limited only to available PCI slots. The 3ware 9000 series, available in 12, 8 and 4 port configurations, delivers substantial performance increases over previous industry leading 3ware RAID controllers. AMCC'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 also offers the 12 and 8 port 3ware 9000 Series controllers with Multi-lane Internal (MI) connectors for high capacity industrial environments. This innovative design increases reliability, and simplifies installation and routing via a SATA approved cabling solution for large-scale configurations.

About AMCC

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, storage area networks (SAN), and high-growth storage markets such as Serial ATA (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 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, 2004, 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.

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