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## **AMCC and Virtutech Announce Expanded Partnership on Fast Simulation Solutions for Power Architecture Based Systems**

### **Simics by Virtutech Improves Customers' Time-to-Market and System Performance**

**Sunnyvale, CA - December 3, 2007** - Applied Micro Circuits Corporation (NASDAQ:AMCC), a global leader in embedded Power Architecture™ processing, optical transport and storage solutions, and Virtutech, Inc. today announced a significant expansion of their partnership to provide high performance and high fidelity system simulation solutions in conjunction with AMCC Power Architecture based processors. Aligned with increased customer needs for high-performance system simulation in AMCC's major markets, AMCC and Virtutech will cooperate to strengthen the availability of Simics™ models for AMCC's customers.

Recognizing a key trend within high-performance embedded markets such as networking, telecom, wireless, printing/imaging and storage, AMCC and Virtutech share a vision on how to best help customers improve their time-to-market while at the same time optimizing the overall performance of complex systems, often comprising multiple processors. These objectives can best be met by a combination of high-performance embedded processors optimized for specific markets together with an advanced system simulation environment that enables early software development, system-level analysis and tuning.

Virtutech™ Simics simulation solutions available today for AMCC PowerPC® 405 and 440 families, enable customers to develop quickly and maximize their software performance and quality throughout their complete software development process. As part of the go-to-market strategy for new embedded processors, AMCC will work closely with Virtutech to ensure that Simics models are available as soon as possible and perhaps even before general availability of new AMCC PowerPC processors to ensure that customers can fully benefit from earlier availability of fast and full system simulation.

"Expanding our partnership with Virtutech is a strategic move in growing and strengthening the ecosystem around our PowerPC processors," said Sam Fuller, Vice President of Marketing at AMCC. "We are seeing a strong trend within our customer base towards a greater use of fast system simulation driven by the increased complexity of their products and the need to analyze complete system-level data flows early in the design cycle. Our customers also need to perform early analysis of their system performance based on real network traffic, which can be achieved through the use of Virtutech's Simics. We welcome this expanded support from Virtutech and are confident that both our companies will gain additional business as a result of this new stage in our partnership."

"Working closely with AMCC, one of the leading Power Architecture vendors, highlights Virtutech's comprehensive product portfolio and provides added value to the current AMCC leadership PowerPC processor family," said John Lambert, CEO of Virtutech. "Expanding this relationship to the future AMCC Power Architecture based product family will be another step in delivering increased benefits to our common customers."

"Embedded systems and their integration into system-level products are becoming more and more complex," noted Linley Gwennap, founder and Principal Analyst of The Linley Group. "There is a strong market need for optimized system simulation tools to help customers in their design cycles. AMCC and Virtutech are well positioned with their combined offering of PowerPC processors and system simulation tools to meet those customer expectations."

Simics is already available for PowerPC 405GP, 440GP, 440GX processors.

#### **About AMCC**

AMCC provides leadership semiconductor solutions to process, transport, and store digital information for the world's wired and wireless networks. As a leading supplier of Power Architecture based processors and with world-class expertise in SONET and Ethernet protocol processing and PHY technology, our products are the foundation of the IP Communications Revolution. For further information regarding AMCC, please visit our website at <http://www.amcc.com>.

**About Virtutech**

Virtutech, Inc. is the leader provider of Virtualized software development solutions. Virtutech's flagship solution Simics models electronic systems with high performance and fidelity, providing a programmer-friendly environment throughout the product lifecycle. Simics eliminates software developers' dependence on hardware and drives concurrent hardware and software development, enabling its customers to optimize productivity, experience lower capital expenditure, accelerate time to market, improve the quality of the released product and reduce project risk. Virtutech serves the needs of the world's leading OEMs, ISV and semiconductor companies in the high-performance computing, aerospace and defense, telecommunications, and networking industries. Their customers include Cisco, Honeywell, IBM and General Electric Aviation. Virtutech is headquartered in San Jose, California. For more information, visit [www.vitutech.com](http://www.vitutech.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.

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SOURCE: Applied Micro Circuits Corporation

**Corporate Contact**

Applied Micro Circuits Corporation  
Gilles Garcia  
(o) 408-542-8687  
[ggarcia@amcc.com](mailto:ggarcia@amcc.com)

**Media Contact**

The Bernard Group  
Tom Price  
(o) 512-327-2195  
(c) 512-415-7744  
[tprice@bernardgoup.com](mailto:tprice@bernardgoup.com)