

## FOR IMMEDIATE RELEASE

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## **APOGEE REPORTS FISCAL 2007 RESULTS**

**NORWOOD, Mass. (April 1, 2008)** — Apogee Technology, Inc. (ATCS.OB) (the “Company”), which is developing PyraDerm™, a proprietary intradermal drug delivery system for vaccines and other pharmaceuticals, and IntellaPAL™, a proprietary sensor based health monitoring system for the elderly care market, reported its financial results for the fiscal year ended December 31, 2007.

Revenues were \$150,000 for fiscal year 2007, compared to revenues of \$1.9 million for fiscal year 2006. The Company’s loss for 2007 was \$3.2 million or (\$0.27) per share compared to a loss of \$3.5 million or (\$0.25) per share for the previous fiscal year. The revenue decline is largely a result of the 2007 decrease in sales of remaining audio IC inventory from the sales of remaining audio IC inventory in 2006. The IC business inventory relates to the Company’s sale of the audio IC business to SigmaTel, Inc. that occurred in October 2005.

Research and development (“R&D”) expenses for the year ended December 31, 2007 were approximately \$1.3 million compared to \$1.7 million for the previous fiscal year. Selling, General and Administrative (“SG&A”) expenditures were \$2.1 million for fiscal year 2007 compared with the \$2.3 million for the same period in 2006. The reduction in operating expenses was primarily the result of lower human resource expenses, reductions in development materials and savings associated with the closing of foreign sales offices related to the former audio IC business. The expense reductions were partially offset by an increase in professional fees.

Apogee’s 2007 and recent significant achievements include:

- Signed an exclusive license agreement with Georgia Tech Research Corporation for the rights to a patent application and know-how related to microneedle-based drug delivery design and associated drug coating processes developed by Dr. Mark Prausnitz, a leading scientist in the field and a member of the Company’s Scientific Advisory Board.
- Completed the installation of a state-of-the-art laboratory at Apogee’s headquarters to facilitate the development and characterization of our novel polymer/drug formulations for Apogee’s *PyraDerm* drug delivery system.

- Developed new drug delivery technologies, such as improved dosage control, high efficiency coating process, and demonstrated important technical milestones, such as validation of improved stability and high encapsulation efficiency.
- Filed two patent applications related to microneedle-based drug delivery, novel drug/carrier formulations and associated coating processes.
- Reorganized Scientific Advisory Board to include:
  - Dr. R. Rox Anderson, a Professor of Dermatology at Harvard Medical School, an affiliated faculty member at the Massachusetts Institute of Technology and a dermatologist and Director of the Wellman Center for Photomedicine at Massachusetts General Hospital.
  - Dr. Mark Prausnitz, an expert in the field of micro-needle based drug delivery and a Professor of Chemical and Biomedical Engineering and the Emerson-Lewis Faculty Fellow at the Georgia Institute of Technology.
  - Dr. Hans Wigzell, a recognized leading expert in the field of immunology and vaccines and the Chief Scientific Advisor to the Swedish Government. He has previously served as President of the Karolinska Institutet, Chairman of the Nobel Committee, Chairman of the Nobel Assembly, Chairman of the WHO-UNAIDS Vaccine Advisory Committee, Secretary-General of the Swedish Institute for Infectious Disease Control, and Director General of the National Bacteriological Laboratory in Stockholm.
- Obtained preliminary validation of *PyraDerm* concept by researchers at Emory University, who showed validity of Apogee's microneedle delivery technology with certain vaccine antigens in animals.
- Initiated in vivo trials to evaluate Hepatitis B vaccine antigen with the Vaccine and Infectious Disease Organization (VIDO), in Saskatchewan Canada, a world leader in the research and development of vaccine and immunotherapeutic technologies.
- Signed agreement with St. Jude Children's Research Hospital, in Memphis Tennessee, a leading research organization, to conduct Pandemic Influenza in vivo trials.
- In August 2007, initiated the development of a sensor based intelligent personal assist link (*IntellaPAL*) health monitoring system designed to reduce care costs while improving the quality of life of the elderly and their families.
- Completed the first hardware prototypes of the *IntellaPAL* health sensor module.
- Initiated trials with leading research organization to evaluate *IntellaPAL* prototype in a clinical and home setting.

Herbert Stein, Apogee's Chairman and Chief Executive Officer, said, "We made significant accomplishments in our Life Science Group by developing data to demonstrate the advantages of our PyraDerm intradermal delivery systems. In the past year, we completed in vitro testing confirming improved dosage control, improved long term drug stability and high drug encapsulation efficiency. We also initiated in vivo trials with important vaccine antigens in conjunction with two leading research organizations. We expect to receive the results from these studies in the second quarter of this year, which if positive, may put us in a position to initiate discussions with strategic partners interested in licensing our drug delivery technologies. We have also made significant progress in the past year in the product development of new sensor based health monitoring systems for the elderly, the disabled and the chronically ill. We completed our first *IntellaPAL* prototype hardware and we have established a relationship with a leading research institution to validate our design."

Dr. Alexander K. Andrianov, Apogee's Vice President of Research and Development, said:

"*PyraDerm* is being designed to be a low-cost, effective, painless delivery system that can be self administered and easily stored while potentially providing pharmaceutical companies a possibility for extending patent position for their current drug formulations. *PyraDerm* consists of an array of microneedles coated with a solid-state drug delivery formulation. When applied, the microneedles penetrate the outer layer of the skin to enable the delivery of drugs into the body. Our focus in the past year has been on in vitro validation of *PyraDerm*'s benefits and the start of in vivo immunization trials with important vaccine antigens.

Our initial application focus for *PyraDerm* is the delivery of vaccines. We believe *PyraDerm* is ideal for the delivery of vaccines because it targets the skin, which is rich in cells whose function is to facilitate the body's protective immune response mechanism. *PyraDerm*'s targeted delivery design may have the potential to reduce the vaccine dose required for an effective immunization, or referred to as "antigen sparing" technology. Antigen sparing technologies could allow a greater number of vaccine doses to be manufactured, which would be especially important for vaccines against widespread outbreaks such as pandemic influenza. In addition, new vaccines that do not currently meet efficacy requirements using an intramuscular injection may become viable using our intradermal delivery approach. Finally, because *PyraDerm* is designed to be stable and self-administered, vaccines can potentially be deployed more efficiently to a large population.

In 2007, we established collaborations with two eminent biomedical research institutions to conduct in vivo immunization studies with *PyraDerm*. In August, we entered into an agreement with Vaccine and

Infectious Disease Organization (VIDO) to investigate the potential of our delivery approach in immunization studies with Hepatitis B using large animals. VIDO is one of the world's leaders in the research and development of vaccine and immunotherapeutic technologies for both human and animal diseases. We recently initiated immunization studies with multiple animal groups at VIDO to compare the *PyraDerm* intradermal delivery system to traditional intramuscular delivery approaches. We expect to report the results of this trial in the next several months. In October, we announced a research agreement with St. Jude Children's Research Hospital, recognized as a leader in public health, epidemiology and influenza vaccines, to conduct immunization studies with influenza vaccine antigen.

In order to support our licensing/partnership business strategy, we have been working to develop a strong intellectual property position. In July 2007, we filed two U.S. patent applications that describe advanced macromolecular formulations and coating methodologies. These applications are intended to help us protect our rights for drug and vaccine delivery formulations, as well as, methods and systems for precise dose control. We believe that if these patents are issued, they will assist us in building a competitive advantage in the field of intradermal drug and vaccine delivery.”

David Meyers, Apogee's Chief Operating Officer said:

“In August 2007, we announced an initiative to develop *IntellaPAL*, an innovative sensor-based monitoring system designed to improve the security, independence and quality of life for the elderly and their families, as well as, reduce overall care cost. We believe that *IntellaPAL* will provide significant advantages over existing personal emergency response systems that only provide a panic button to contact emergency assistance. Our proposed system includes sensors and intelligent software to automatically notify emergency responders and family members when a specific condition occurs, even when the user is unconscious or otherwise unable to initiate a call for help. *IntellaPAL* also adds continuous health monitoring and a secure online information service. Thus, if employed as designed, concerned family members will be able to check the status of their loved ones without disturbing them. This information may also be used proactively to better understand health status, treatment compliance and detect changes in health condition before they become serious and require emergency care.

In the past several months we completed the sensor module electronics and have begun internal testing of our design. In order to evaluate its application to elderly health monitoring we established a relationship with a leading research organization in the Boston area. We are developing trial protocols and plan to start performing the trials during the second quarter of 2008. ”

### **About Apogee Technology, Inc.**

Apogee Technology, Inc. is developing PyraDerm™, a proprietary intradermal delivery system for vaccines and pharmaceutical agents, for the treatment and prevention of local and systemic conditions. PyraDerm™ incorporates structured solid-state formulations designed to penetrate the outer layer of the skin and then release the agent in a controlled manner. The Company is also developing and commercializing IntellaPAL™, a proprietary sensor-based health monitoring systems for the elderly care and other markets that it intends to produce and market to individuals and health organizations. For more information please visit our web site at: <http://www.apogeebio.com>.

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PyraDerm™, Sensilica® and IntellaPAL™ are trademarks of Apogee Technology, Inc. All other product names noted herein may be trademarks of their respective holders.

Certain statements made herein that use the words "anticipate," "may," "hope," "estimate," "project," "will," "intend," "plan," "expect," "believe" and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve those oriented to the Company's continued trading status, capital raising transactions and its interaction with future quotation or listing services in addition to those related to the design, development and production efforts of our PyraDerm™, Sensilica® and IntellaPAL™ technologies, known and unknown risks and uncertainties, which could cause the actual results, performance or achievements of the Company to be materially different from those that may be expressed or implied. Please refer to the company's risk factors as set forth in the Company's filings with the Securities and Exchange Commission, including its report on Form 10-KSB for the year ended December 31, 2007.



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**APOGEE TECHNOLOGY, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS**

	<u>DECEMBER 31, 2007</u>	<u>DECEMBER 31, 2006</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 320,524	\$ 3,051,420
Accounts receivable, net of allowance for doubtful accounts of \$10,570 in 2007 and \$13,245 in 2006, respectively	10,536	11,196
Inventories, net	—	—
Prepaid expenses and other current assets	86,763	69,465
Total current assets	<u>417,823</u>	<u>3,132,081</u>
<b>Property and equipment, net</b>	<u>183,445</u>	<u>117,217</u>
<b>Other assets</b>		
Patents	269,694	208,703
Exclusive licensing, net	26,009	22,574
Construction in progress	—	90,642
	<u>\$ 896,971</u>	<u>\$ 3,571,217</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 745,545	\$ 710,187
Officer and shareholder notes payable	400,000	—
Total current liabilities	<u>1,145,545</u>	<u>710,187</u>
<b>Commitments and Contingencies</b>	—	—
<b>Stockholders' equity (deficiency)</b>		
Preferred stock, par value \$0.0001 per share; 5,000,000 shares authorized, none issued and outstanding.		
Common stock, \$.01 par value; 40,000,000 shares authorized, 11,968,332 issued and outstanding at December 31, 2007 and 20,000,000 shares authorized, 11,968,332 issued and outstanding at December 31, 2006.	119,683	119,683
Additional paid-in capital	18,492,311	18,396,909
Accumulated deficit	<u>(18,860,568)</u>	<u>(15,655,562)</u>
Total stockholders' equity (deficiency)	<u>(248,574)</u>	<u>2,861,030</u>
	<u>\$ 896,971</u>	<u>\$ 3,571,217</u>

**APOGEE TECHNOLOGY, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>YEARS ENDED</b>	
	<b>December 31,</b>	
	<u>2007</u>	<u>2006</u>
<b>Revenues</b>		
Product sales	\$ 150,172	\$ 1,883,534
Royalties	—	1,250
	<u>150,172</u>	<u>1,884,784</u>
<b>Costs and expenses</b>		
Product sales	1,570	1,351,309
Research and development	1,339,324	1,724,255
Selling, general and administrative	2,141,517	2,349,465
	<u>3,482,411</u>	<u>5,425,029</u>
<b>Operating loss</b>	<u>(3,332,239)</u>	<u>(3,540,245)</u>
<b>Other income (expense)</b>		
Gain on sale and earn-out - SigmaTel	—	395,698
Interest/other income	129,014	198,275
Interest expense	(1,778)	—
Other expense	—	(24,731)
	<u>127,236</u>	<u>569,242</u>
<b>Net loss</b>	<u>(3,205,003)</u>	<u>(2,971,003)</u>
<b>Basic and diluted loss per common share</b>	\$ (0.27)	\$ (0.25)
<b>Weighted average common shares outstanding – basic and</b>	<b>11,985,428</b>	<b>11,968,332</b>