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APOGEE REPORTS FISCAL 2005 AND FOURTH QUARTER RESULTS

NORWOOD, Mass. (April 3, 2006) — Apogee Technology, Inc. (AMEX: ATA), an emerging micro-electrical mechanical systems (“MEMS”) and nanotechnology company that designs, develops and markets sensors and medical devices, reported its financial results for the fourth quarter and fiscal year ended December 31, 2005.

Revenues for fiscal year 2005 were \$5.2 million, compared to revenues of \$6.2 million for the fiscal year of 2004. The Company’s net income for 2005 was \$3.0 million or \$0.24 per share compared to a net loss of \$3.4 million, or (\$0.29) per share for the previous fiscal year. Revenues for the three months ended December 31, 2005 were \$1.2 million with a net profit of \$7.6 million or \$0.62 per share, compared to revenues of \$0.7 million with a net loss of \$1.8 million or (\$0.15) per share for the same period in 2004. On October 5, 2005, the Company completed the sale of certain assets of the Company’s audio division to SigmaTel, Inc. (“SigmaTel”) for approximately \$9.4 million. As of December 31, 2005, the Company recorded a one-time gain on the transaction, net of expenses of approximately \$8.9 million.

Research and development (“R&D”) expenses for the year ended December 31, 2005 were approximately \$2.7 million compared to \$2.8 million for the previous fiscal year. Selling, General and Administrative (“SG&A”) expenditures were \$4.0 million for fiscal year 2005 compared with the \$2.8 million for the same period in 2004. This increase was primarily due to nonrecurring accounting and legal expenses related to the Company’s financial restatement. Combined R&D and SG&A expenses dropped significantly from \$1.9 million in the third quarter to \$1.2 million in the fourth quarter of 2005. This reduction was the result of reduced human resource expenses related to the sale of the audio division, and the reduction in accounting and legal expenses associated with the Company’s financial restatement.

The Company’s key achievements over the past year were:

- Reorganized the Company into the sensor products and medical products groups and added five experienced scientists and staff in the areas of MEMS design, product development and marketing to support the commercialization of its sensor and medical products.
- Introduced a family of nine new Sensilica™ pressure sensor products and received trademark acceptance of the Sensilica™ brand name.
- Filed a patent application for MEMS based micro-needle device for transdermal drug delivery.
- Testing of the Company's micro-needle delivery system demonstrated significant improvement in drug delivery rates relative to a passive transdermal patch, as well as, the ability to deliver large molecule proteins into a living tissue model.
- Sold audio division, including the DDX® intellectual property to SigmaTel for \$9.4 million plus a potential one year earn-out of \$4.5 million, which cannot be assured. As a result of the sale, working capital increased to \$4.9 million for fiscal year ended December 31, 2005 compared to approximately \$2.2 million for the prior fiscal year.
- Significantly reduced operating expenses with the transition of the audio business design and support staff to SigmaTel. The Company closed its offices in Taiwan, Hong Kong and China and relocated its MEMS Division operations to Norwood and closed its New York office.
- Appointed Paul J. Murphy as Chief Financial Officer, Vice President of Finance and Treasurer.
- Retained Miller Wachman as the Company's new registered independent public accounting firm.

David Meyers, Apogee's Chief Operating Officer said, "The year 2005 was a transition year for the Company. We sold our audio business to SigmaTel because the high efficiency audio IC market was increasingly commodity driven and we could no longer achieve our financial goals. We established ourselves as a technology innovator by designing, developing and marketing our proprietary DDX technology. The strategy going forward is to leverage these core strengths together with the proceeds from the SigmaTel transaction to accelerate the commercialization of our sensor and medical products. Progress has been made with the recent introduction of the Company's family of Sensilica™ pressure sensors into the marketplace as well as the recent demonstration of the feasibility of our MEMS based medical devices for the transdermal drug delivery."

"In December of 2005, we released nine Sensilica pressure sensor die supporting measurement applications up to 1000 PSI. We believe that the competitive advantage of our Sensilica products is derived from the novel manufacturing approach that creates a buried cavity within the silicon, thereby reducing manufacturing cost, sensor size and improved reliability. We are currently marketing these die to sensor and transducer manufacturers and recently displayed our products at a national manufacturing show. In addition, we are designing and developing a family of packaged sensor solutions to increase the value and expand the market acceptance of our

products. We plan to exhibit these new products at the *Sensor Expo and Conference* in June. Based upon our progress to date, we believe that the Sensor Products Group will be the first of our new product groups to generate revenue.”

“In the past year, we internally validated the feasibility of our MEMS based transdermal delivery device by demonstrating improved drug delivery through cadaver and living skin with small molecule drugs and large molecule proteins. We also established manufacturing relationships to produce our future medical products to support additional clinical and biocompatibility testing. With the basic concept and feasibility internally validated, we are now in the process of refining and protecting the technology and selecting the appropriate applications for our transdermal delivery system. We expect to complete this selection in the first half of 2006 and to add the resources to pursue the timely development of our transdermal system. Depending upon the results of our development activities, we may license our technology, or develop and market through distributors our own medical products, or partner with third party pharmaceutical companies to help commercialize and obtain regulatory approval for our products. As the medical regulatory approval process for this type of device is typically long we are working to explore other applications for our technology.”

About Apogee Technology, Inc.

Apogee Technology designs, develops and markets proprietary sensor and medical device products using its MEMS and nanotechnology for the automotive, industrial, consumer and medical markets. The Company has introduced a family of pressures sensors, under the Sensilica™ brand and is currently developing a MEMS based medical device for enhanced transdermal drug delivery. Apogee has significant experience in bringing high-performance and high volume MEMS components to market quickly. Our objective is to provide value-added and cost-savings solutions for our customers, and in so doing, to become a global leader in the field. The Company operates a worldwide marketing and sales organization and has offices in the US and Japan. For more information please visit our web site at: <http://www.apogemems.com>.

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Sensilica™ is a trademark 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," "hope," "estimate," "project," "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 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 reports on Forms 10-KSB and 10-QSB.

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

	December 31, 2005	December 31, 2004
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,512,974	\$ 1,886,883
Accounts receivable, net of allowance for doubtful accounts of \$145,000 and \$105,000, in 2005 and 2004 respectively	152,837	533,113
Inventories, net	1,327,964	2,725,308
Prepaid expenses and other current assets	123,462	252,728
Total current assets	7,117,237	5,398,032
Property and equipment, net	39,932	103,189
Other assets		
Escrow account	409,480	—
Patents, net of accumulated amortization of \$-0- and \$127,442, in 2005 and 2004 respectively	149,536	211,901
	<u>\$ 7,716,185</u>	<u>\$ 5,713,122</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 766,930	\$ 1,107,111
Deferred distributor revenue	1,337,022	1,955,563
Deferred contract revenue	72,686	95,788
Total current liabilities	2,176,638	3,158,462
Commitments and Contingencies		
	—	—
Stockholders' equity		
Common stock, \$.01 par value; 20,000,000 shares authorized, 11,968,332 and 11,838,332 issued and outstanding at December 31, 2005 and 2004, respectively	119,683	118,383
Additional paid-in capital	18,104,423	18,073,223
Accumulated deficit	(12,684,559)	(15,636,946)
Total stockholders' equity	5,539,547	2,554,660
	<u>\$ 7,716,185</u>	<u>\$ 5,713,122</u>

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

	Years Ended December 31,	
	2005	2004
Revenues		
Product sales	\$ 4,502,333	\$ 4,383,912
Royalties	480,468	1,057,867
Consulting	190,000	715,854
	<u>5,172,801</u>	<u>6,157,633</u>
Costs and expenses		
Product sales	3,966,265	3,890,917
Research and development	2,709,487	2,829,612
Selling, general and administrative	4,014,571	2,845,544
	<u>10,690,323</u>	<u>9,566,073</u>
Operating loss	<u>(5,517,522)</u>	<u>(3,408,440)</u>
Other income (expense)		
Gain on sale to SigmaTel	8,862,073	—
Laurus financing costs	(424,000)	—
Interest/other income	70,187	23,334
Interest expense	(38,352)	(93)
	<u>8,469,908</u>	<u>23,241</u>
Net income (loss)	<u>\$ 2,952,387</u>	<u>\$ (3,385,199)</u>
Basic income (loss) per common share	\$ 0.25	\$ (0.29)
Diluted income (loss) per common share	\$ 0.24	\$ (0.29)
Weighted average common shares outstanding—basic	11,869,026	11,523,510
Weighted average common shares outstanding—diluted	12,132,394	11,523,510

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