

**FOR IMMEDIATE RELEASE**

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## **APOGEE REPORTS FIRST QUARTER RESULTS**

**NORWOOD, Mass. (May 15, 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, today reported its first quarter results ended March 31, 2006. Revenue for the three months ended March 31, 2006 was \$985,000 compared with \$1.1 million for the same period in 2005. The Company’s net loss for the first quarter of fiscal year 2006 was \$729,000 or (\$0.06) per share, compared to net loss of \$1.4 million or (\$0.12) per share for the first quarter of 2005. For the three months ended March 31, 2006 the Company’s net loss was increased by approximately \$75,000 or (\$.01) per share due to the adoption of SFAS 125(R) for the expensing of stock options.

Research and Development (“R&D”) expenditures were \$395,000 for the first quarter of 2006, compared to \$790,000 for the first quarter of 2005. This decrease primarily results from a reduction in R&D staff in conjunction with the sale of the Company’s audio division to SigmaTel, Inc. in October of 2005. Selling, General and Administrative expenditures were \$627,000 in the first quarter of 2006, compared to \$800,000 for the same period last year. This decrease reflects a reduction in the Company’s human resource expenses related to sales and marketing and the savings related to the closing of the Company’s sales offices in Taiwan and Hong Kong in connection with the SigmaTel transaction.

The Company has approximately \$4.7 million of cash and no debt at March 31, 2006. The Company believes that its current working capital is sufficient to fund its capital and operational requirements through at least March 31, 2007. For the year ended December 31, 2005, the Company received a going concern opinion from its independent auditors as a result of recurring operating losses and negative cash flows from operations. The viability of the Company is based upon its ability to successfully further develop and market its technology and raise sufficient funds for such purpose.

David Meyers, Apogee’s Chief Operating Officer said, “We are executing on our strategic plan to build our MEMS/Nanotechnology sensor and medical business. We now have four Ph.D. scientists on staff as well as six

Ph.D. scientific and other senior consultants supporting our research and development activities. We recently announced a Medical Advisory Board and expanded our academic research relationships to six Universities. In order to accelerate and broaden our ongoing sensor development and product qualification testing, we have transferred all testing activities to our headquarters in Norwood and are making investments in additional test equipment. Our strategy is to have a vertically integrated product development capability to support customer applications and reduce time to market.”

“In addition to our Sensilica™ die products, we are completing a family of packaged sensor solutions. The first is a plastic package and the second is a metal package for applications such as automated building control and industrial test equipment. We also combined Bluetooth® wireless capability with our sensor technology to create a wireless solution that can transmit sensor data over 100 meters to a personal digital assistant or computer. We will be exhibiting our new products, including the BlueSensor™ wireless solution, at the Sensor and Test Show in Germany at the end of May and at the Sensor Expo in Chicago in early June.”

Dr. Nevenka Golubovic-Liakopouls, Apogee’s Director of Medical Products said, “We continue to make progress in the development of our MEMS/Nanotechnology based transdermal drug delivery platform. The unique advantage of our technology, we believe, lies in its ability to precisely deliver drugs into specific layers of the skin (epidermis or dermis), based on the novel principle of “*programmable release with optimal tuning*”. With our design we will be able to encapsulate a range of therapeutic drugs, proteins and peptides exceeding 50,000 Dalton and release them instantaneously or over an extended period of time. A Dalton is a measure of molecule size. Small molecule drugs are less than 300 Daltons. Our disposable drug delivery solution has no power requirements, is painless and suitable for self-administration, and it cannot be misused as the drugs are completely released into the body.”

“In order to determine the best applications for our delivery platform, we recently completed a medical needs and market opportunity analysis. The analysis also considered the competitive landscape and recent developments in transdermal drug delivery. We are now focused on demonstrating the feasibility of our drug delivery platform with the selected applications in laboratory and clinical testing. We are also working to scale-up the manufacturing processes in order to meet Good Manufacturing Practices standards. Depending upon the specific applications and products, we may pursue commercialization of our own products both Food and Drug Administration regulated and non-regulated, or we may choose to partner with a pharmaceutical company or license our technology.”

“Our newly formed Medical Advisory Board will help formulate and guide strategic product developments consistent with unmet therapeutic needs. The board consists of Dr. Peter Carroll who has a Ph. D. in immunology and is the founder of Medlen and Carroll, LLP, a leading biotechnology patent law firm, Dr. Joachim Kohn, an expert in polymer synthesis and characterization, Fellow of the American Institute for Medical and Biological Engineering and the Director of New Jersey Center for Biomaterials, and Dr. Sanford Simon, Professor of Biochemistry, Cell Biology and Pathology at Stony Brook University and who is involved in research programs related to cell biology and the development of vaccines and other therapeutics.”

### **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.apogeemems.com>.

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Sensilica™ and BlueSensor™ 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," "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**

	<u>MARCH 31,</u> 2006 (Unaudited)	<u>DECEMBER 31,</u> 2005
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,673,581	\$ 5,512,974
Accounts receivable, net of allowance for doubtful accounts of \$88,074 and \$145,000, in 2006 and 2005 respectively	119,291	152,837
Inventories, net	613,585	1,327,964
Prepaid expenses and other current assets	92,529	123,462
Total current assets	<u>5,498,986</u>	<u>7,117,237</u>
<b>Property and equipment, net</b>	<u>47,687</u>	<u>39,932</u>
<b>Other assets</b>		
Escrow account	411,924	409,480
Patents, net of accumulated amortization of \$-0- and \$-0-, in 2006 and 2005 respectively	154,044	149,536
	<u>\$ 6,112,641</u>	<u>\$ 7,716,185</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 529,299	\$ 766,930
Deferred distributor revenue	625,521	1,337,022
Deferred contract revenue	72,686	72,686
Total current liabilities	<u>1,227,506</u>	<u>2,176,638</u>
<b>Commitments and Contingencies</b>	—	—
<b>Stockholders' equity</b>		
Common stock, \$.01 par value; 20,000,000 shares authorized, 11,968,332 and 11,968,332 issued and outstanding at March 31, 2006 and December 31, 2005	119,683	119,683
Additional paid-in capital	18,104,423	18,104,423
Deferred stock compensation	74,590	—
Accumulated deficit	(13,413,561)	(12,684,559)
Total stockholders' equity	<u>4,885,135</u>	<u>5,539,547</u>
	<u>\$ 6,112,641</u>	<u>\$ 7,716,185</u>

**APOGEE TECHNOLOGY, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**

	<b>THREE MONTHS ENDED MARCH 31,</b>	
	<u>2006</u>	<u>2005</u>
<b>Revenues</b>		
Product sales	\$ 985,398	\$ 1,013,787
Royalties	—	100,953
	<u>985,398</u>	<u>1,114,740</u>
<b>Costs and expenses</b>		
Product sales	725,244	967,342
Research and development	394,576	790,140
Selling, general and administrative	626,709	799,939
	<u>1,746,529</u>	<u>2,557,421</u>
<b>Operating loss</b>	<u>(761,131)</u>	<u>(1,442,681)</u>
<b>Other income (expense)</b>		
Interest/other income	53,715	4,397
Interest/other expense	(21,586)	—
	<u>32,129</u>	<u>4,397</u>
<b>Net income (loss)</b>	<u>\$ (729,002)</u>	<u>\$ (1,438,284)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.06)</u>	<u>\$ (0.12)</u>
<b>Weighted average common shares outstanding - basic and diluted</b>	<b>11,968,332</b>	<b>11,838,332</b>