

FOR IMMEDIATE RELEASE**Apogee Investor Contact:**

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FOURTH QUARTER RESULTS*****Announces License Agreement with Georgia Tech for Drug Delivery Technologies***

NORWOOD, Mass. (March 29, 2007) — Apogee Technology, Inc. (AMEX: ATA), an emerging nanotechnology and micro-electrical mechanical systems (“MEMS”) company that designs, develops and commercializes drug delivery and sensor systems, reported its financial results for the fourth quarter and fiscal year ended December 31, 2006.

Revenues were \$1.9 million for fiscal year 2006, compared to revenues of \$5.2 million for fiscal year 2005. The Company’s loss for 2006 was \$2.97 million or (\$0.25) per share compared to income of \$2.95 million, or \$0.25 per share for the previous fiscal year. This comparative decline in revenue and income is directly related to the sale of the Company’s audio division to SigmaTel, Inc. in October 2005 (“SigmaTel Transaction”), for which the Company recorded a one-time gain, net of expenses, of approximately \$8.9 million, and effectively ended its participation in the audio business. Excluding the proceeds from the SigmaTel Transaction, the loss in 2005 would have been \$5.9 million or (\$0.49) per share, compared to \$2.97 million or (\$0.25) per share in 2006.

Research and development (“R&D”) expenses for the year ended December 31, 2006 were approximately \$1.7 million compared to \$2.7 million for the previous fiscal year. Selling, General and Administrative (“SG&A”) expenditures were \$2.3 million for fiscal year 2006 compared with the \$4.0 million for the same period in 2005. This reduction in operating expenses was the result of lower human resource expenses due to the SigmaTel Transaction and the reduction in accounting and legal expenses associated with the Company becoming compliant with its SEC requirements in 2005.

Revenues for the three-month period ending December 31, 2006 were \$50,000, with a loss of \$571,000 or (\$0.05) per share, R&D and SG&A expenses for the period were \$303,000 and \$374,000 respectively. As a point of sequential comparison of its ongoing operations, the Company reported for the prior three-month period ending September 30, 2006, revenues of \$509,000 with a loss of \$739,000 or (\$0.06) per share, and R&D and SG&A expenses of \$421,000 and \$817,000 respectively.

The Company's significant achievements during the past year are:

- Signed today 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 the Company's headquarters. The laboratory facilitates the development and analysis of our novel polymer/drug formulations for the Company's PyraDerm™ intradermal drug delivery system.
- Hired three Ph.D. scientists. Two have expertise in the field of biomedical polymers for drug delivery and one with expertise in the field of MEMS sensor technologies.
- Formed a Scientific Advisory Board consisting of leaders in biomedical polymers, drug delivery technologies and dermatology.
- Filed six patent applications related to microneedle-based drug delivery applications, novel drug/carrier formulations and associated coating processes.
- Signed an exclusive license agreement with the University of Akron for three patents, one patent application and know-how related to the encapsulation of drugs using polymers.
- Conducted laboratory tests (in vitro) utilizing our PyraDerm system to deliver large molecule proteins into a living tissue model.
- Exhibited Sensilica sensor products at several industry trade shows as well as completed new website, supporting sales collateral, and received trademark approval for Sensilica®.
- Shipped first production orders of Sensilica die products.
- Completed the development and shipped samples of the Company's first packaged pressure sensor products.

Herbert Stein, Apogee's Chairman and Chief Executive Officer, said, "We made significant accomplishments in our Medical and Sensor Product Groups in the past year and going forward we intend to increase our investments in research, development and marketing to build these businesses. In 2007, we expect to generate revenue from the sale of our sensor products and complete the development of our delivery system for the cosmeceutical and nutraceutical markets. We also expect to complete initial in vivo testing of our PyraDerm delivery system, which

will put us in the position to initiate discussions with pharmaceutical companies interested in licensing our drug delivery technologies.”

David Meyers, Apogee’s Chief Operating Officer, said, “Our Medical Products group is developing PyraDerm to satisfy the drug delivery needs of patients, health insurers, companies developing pharmaceuticals, as well as governmental and international health organizations. In the past year we have made significant progress toward this goal. We completed the filing of six patent applications and obtained exclusive licensing rights to three patents and two additional patent applications. We expanded our staff with leading scientists and recently began operations of an analytical and formulation laboratory, which will allow us to accelerate the development and protection of our drug delivery technologies. We also initiated efforts to establish pharmaceutical industry compliant manufacturing methods and regulatory strategies and we intend to expand these efforts in 2007. We conducted a series of in vitro testing and we are now in a position to take the initial steps to begin in vivo testing of our PyraDerm system during the first half of 2007.”

Dr. Alexander K. Andrianov, Apogee’s Vice President of Research and Development, said, “PyraDerm is being designed to potentially 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, approximately 1/50th of an inch long coated with a solid-state drug delivery formulation. When applied, its microneedles are expected to penetrate the outer layer of the skin or stratum corneum to enable the delivery of drugs into the body. We anticipate that the coating will dissolve in a controlled way releasing the drug, whereby it will subsequently enter the blood stream. The length and design of our microneedles can be precisely manufactured to meet the needs of the optimal drug delivery depth in the skin. Our approach utilizes manufacturing methods that can be scaled to high volume production. Our solid-state drug formulations may improve the stability of biologically active compounds as compared to liquid formulations. This anticipated characteristic could provide a longer shelf life without loss of efficacy, while at the same time simplifying and reducing the cost of transport and storage. In addition, we believe our formulation technology can utilize both water-soluble polymers, which generally result in quick drug release and hydrophobic biodegradable polymers, which provide more prolonged drug release profiles.

“We believe the benefits of our PyraDerm solution will make it attractive for the delivery of vaccines, high potency protein-based drugs, as well as for the delivery of certain other active ingredients. For the delivery of vaccines, PyraDerm can potentially deliver the vaccine into the layer of skin rich in cells whose function is to facilitate the body’s protective immune response mechanism. This targeted approach may have the potential to reduce the vaccine dose required for an effective immunization. In addition, new vaccines that do not meet

efficacy requirements using an intramuscular injection may become viable using our intradermal delivery approach. Because PyraDerm is designed to be self-administered, vaccines can potentially be deployed quickly to a large population in the event of a flu outbreak. PyraDerm may also be suitable to the delivery of large molecule protein and polypeptide drugs, which are among the most effective treatments available today for certain diseases. These drugs cannot be delivered with traditional passive transdermal patches and are a challenge to deliver orally because they can be deactivated during digestion. Thus these drugs are typically administered by health care professionals intravenously or through intramuscular injection, increasing cost and reducing patient compliance.”

David Meyers continued, “Our Sensor Products Group focused on the marketing of our advanced Sensilica® pressure sensor die and developing complete packaged sensor solutions. Our Sensilica pressure sensors are produced using novel manufacturing technology that we believe reduces size and cost while improving reliability compared to alternative sensor designs. During the first half of 2006, we exhibited our family of Sensilica die products and prototypes of our first packaged sensor products at three industry trade shows. As a result of this exposure, we are supporting design-in activities with potential customers and we have shipped our first production Sensilica die products. In 2006, we initiated and completed the development of our first packaged products, the AST series sensors. This TO-5 base package uses a robust nickel tube connector and is well suited for pressure measurement applications of up to 100 pounds per square inch. In 2007, we plan to develop new standard packaged sensor products, as well as, custom solutions for the medical market. We also plan to transition sensor die production from a 6 inch wafer format to an 8 inch wafer format in order to lower cost and ensure long term product availability.”

About Apogee Technology, Inc.

Apogee Technology designs, develops and commercializes proprietary medical device and sensor products using its MEMS and nanotechnology for the medical, automotive, industrial and consumer markets. The Company is developing its PyraDerm™ solution for enhanced intradermal drug delivery and has introduced a family of pressure sensors under the Sensilica® brand. Apogee’s goal is to provide value-added and cost-saving solutions for our customers and, in so doing, become a global leader in the sensor and medical device fields. For more information please visit our web site at: <http://www.apogeemems.com>.

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PyraDerm™ and Sensilica® 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 the design, development and production efforts of our PyraDerm™ and Sensilica® 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 reports on Forms 10-KSB and 10-QSB.

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

	<u>DECEMBER 31.</u> <u>2006</u>	<u>DECEMBER 3</u> <u>2005</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,051,420	\$ 5,512,974
Accounts receivable, net of allowance for doubtful accounts of \$13,200 and \$145,000, in 2006 and 2005 respectively	11,196	152,837
Inventories, net	—	1,327,964
Prepaid expenses and other current assets	<u>69,465</u>	<u>123,462</u>
Total current assets	<u>3,132,081</u>	<u>7,117,237</u>
Property and equipment, net	<u>117,217</u>	<u>39,932</u>
Other assets		
Escrow account	—	409,480
Patents	208,703	149,536
Exclusive licensing, net	22,574	—
Construction in progress	<u>90,642</u>	<u>—</u>
	<u>\$ 3,571,217</u>	<u>\$ 7,716,185</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 710,187	\$ 766,930
Deferred distributor revenue	—	1,337,022
Deferred contract revenue	—	72,686
Total current liabilities	<u>710,187</u>	<u>2,176,638</u>
Commitments and Contingencies	—	—
Stockholders' equity		
Common stock, \$.01 par value; 20,000,000 shares authorized, 11,968,332 shares issued and outstanding at December 31, 2006 and December 31, 2005	119,683	119,683
Additional paid-in capital	18,396,909	18,104,423
Accumulated deficit	<u>(15,655,562)</u>	<u>(12,684,559)</u>
Total stockholders' equity	<u>2,861,030</u>	<u>5,539,547</u>
	<u>\$ 3,571,217</u>	<u>\$ 7,716,185</u>

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

	YEARS ENDED	
	December 31,	
	2006	2005
Revenues		
Product sales	\$ 1,883,544	\$ 4,502,333
Royalties	1,250	480,468
Consulting	—	190,000
	<u>1,884,784</u>	<u>5,172,801</u>
Costs and expenses		
Product sales	1,351,309	3,966,265
Research and development	1,724,255	2,709,487
Selling, general and administrative	2,349,465	4,014,571
	<u>5,425,029</u>	<u>10,690,323</u>
Operating loss	<u>(3,540,245)</u>	<u>(5,517,522)</u>
Other income (expense)		
Gain on sale and earn-out - SigmaTel	395,698	8,862,073
Laurus financing costs	—	(424,000)
Interest/other income	198,275	70,187
Interest expense	—	(38,352)
Other expense	(24,731)	—
	<u>569,242</u>	<u>8,469,908</u>
Net income (loss)	<u>(2,971,003)</u>	<u>2,952,387</u>
Basic income (loss) per common share	\$ (0.25)	\$ 0.25
Diluted income (loss) per common share	\$ (0.25)	\$ 0.24
Weighted average common shares outstanding –	11,968,332	11,869,026
Weighted average common shares outstanding –	11,968,332	12,132,394