



NEWS RELEASE

Contact: Bill Wells
404-281-7490

AerovectRx Corp. Announces Initial Funding to Commercialize New Inhaled Drug Delivery Technology

Technology developed at U.S. CDC targets \$12 billion market

ATLANTA (September 8, 2006) – AerovectRx Corporation, developer of new pain-free, inhaled drug delivery technology, announced that it received its first round of venture funding. The financing was led by Georgia Venture Partners, Inc. of Atlanta, Emergent Growth Fund, LLC, of Gainesville, FL and the Advanced Technology Development Center Seed Fund of Atlanta.

The financing enables AerovectRx to accelerate the commercialization of its proprietary inhaled drug delivery platform technology. The technology was licensed from the U.S. Centers for Disease Control and Prevention (CDC) where it was developed with support from the U.S. government and the Bill and Melinda Gates Foundation. The technology delivers novel therapies and vaccines in an easy to breathe microscopic mist. It utilizes a vibrating mesh nebulizer with a disposable mesh and medication cartridge, and it is the first such technology to receive clearance to market (510k) from the U.S. Food and Drug Administration (FDA).

“The venture financing is a further validation of the technology and our plan to market this unique drug delivery platform,” said Matthew H.J. Kim, J.D., founder and CEO of AerovectRx. “We believe that our technology is attractive to pharmaceutical companies seeking to provide fast and easy delivery of a wide range of therapies and vaccines. Our disposable and customizable drug cartridge provides a business model unique to the industry and the opportunity to open up new markets for existing drugs as well as specialty pharmaceuticals or novel therapeutics in development.”

“We believe that AerovectRx is a good investment because it is uniquely positioned to create important new therapies for patients – and provide a better alternative to existing inhaled drug-delivery solutions,” said Thomas H. Callaway, M.D., M.B.A., Managing Partner of Georgia Venture Partners. “Additionally, AerovectRx is a model of future growth of the Georgia life sciences industry we are fostering. The technology was originally invented in Georgia at the CDC, it is enabling additional critical biomedical research at our leading academic research institutions and as AerovectRx grows, it will create more high-quality jobs and additional life science opportunities in Georgia.”

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“Advances in drug formulation and inhalation device design are creating new opportunities for inhaled drug delivery as an alternative to oral and parenteral delivery methods,” said Lee May, Chairman of Emergent Growth Fund, LLC. “These developments are attracting new players and new investment, and we are confident AerovectRx is at the leading edge of this initiative.”

Pulmonary (or inhaled) drug delivery offers a significant improvement in the administration of certain drugs, and in some instances, provides new therapeutic options for the treatment of disease. Inhaled drugs are rapidly delivered to the bloodstream for treatment of systemic diseases, or to the lung for treatment of local, respiratory diseases. The annual market for inhaled drug delivery is estimated at \$12 billion.

AerovectRx Corporation is an early stage aerosol therapeutic company providing versatile drug delivery solutions and effective, efficient and dosage-controlled therapeutics utilizing the lung as the gateway for better health. Products under development by AerovectRx are designed to deliver a wide variety of therapies through multiple-use mass immunization and as well as personal-use nebulizers. Potential targeted therapeutic candidates for the AerovectRx technology include treatments for asthma, cystic fibrosis, pulmonary hypertension, chronic obstructive pulmonary disease (COPD), diabetes, pain management and for delivery of vaccines and anti-viral drugs. For more information, visit www.aerovectrx.com.

Georgia Venture Partners (www.georgiavc.com) was established in 2004 to make seed and early-stage investments in life sciences enterprises related to Georgia. The Fund’s purpose is twofold: 1) to achieve superior investment returns, primarily in the form of capital gains, by building and investing in debt and equity securities of a portfolio of companies, and 2) to increase economic development of life sciences in Georgia by seed or early-stage investments in life science entities.

Emergent Growth Fund, LLC (www.emergentgrowth.com) is a member-managed angel investment group, focusing on early stage companies developing unique, leading-edge products, or proprietary technologies that possess the potential for rapid growth in significant markets. Its members are actively involved in the venture capital process, and its strength lies in its members - highly successful businesspeople and investors with extensive experience in building companies and selecting investments.