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Aerovance Adds Accomplished Product Commercialization Executive to Leadership Team

David A. Happel Brings Respiratory Disease Product Management Expertise to Company

BERKELEY, Calif., Dec. 18, 2006 – Aerovance, Inc. today announced the addition of David A. Happel, an accomplished product commercialization executive with expertise in the area of respiratory diseases, to the company's leadership team.

Happel, 44, has joined Aerovance as its chief commercial officer. He is responsible for moving toward commercialization the company's portfolio of biologics, including lead candidates Aerovant™, a novel IL4/13 receptor antagonist for the treatment of severe asthma, and Aerolytic™, a recombinant protein for the treatment of cystic fibrosis. Happel reports to Mark L. Perry, Aerovance's executive chairman.

"We own a portfolio of mature drug candidates that are progressing rapidly through Phase 2a clinical trials," said Perry. Our deliberate approach to building the business calls for a near-term focus on portfolio-management activities. With the strong interest in our asthma drug that we're seeing from large pharmaceutical companies at a time that clinical data are arriving, Dave's expertise is a welcome addition. It's complementary to that of our other leadership team members."

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William J. Newell, Aerovance's president, added: "Dave has a proven track record with biotech and Big Pharma companies in our space. He will have an integral role in executing our business plan with an eye toward maximizing the value of our portfolio. We intend to explore strategic partnerships for our asthma drug prior to initiating Phase 2b clinical trials, while we plan for the development and commercialization of our cystic fibrosis drug on our own."

Prior to joining Aerovance, Happel served in executive positions with Chiron Corp.'s biopharmaceuticals division. As vice president, pulmonology, he led the highly successful pulmonary business unit, including the sales and marketing functions for TOBI® tobramycin inhalation solution for the treatment of patients living with cystic fibrosis, Chiron's largest and most profitable pharmaceutical product. Before this, he managed Chiron's worldwide infectious and respiratory disease product portfolio.

Earlier in his career, Happel was the senior director for Intermune, Inc.'s pulmonary business unit, where he launched the company's U.S. commercial initiatives for Actimmune®. In addition, he held several product marketing and sales positions on a global basis with Parke-Davis/Pfizer Inc.

Aerovance, Inc. is a Berkeley, Calif.-based biopharmaceutical company focused on the development and commercialization of breakthrough therapies for the treatment of respiratory and inflammatory diseases. For more information, visit www.aerovance.com.

Editor's Note: Photograph available on request

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