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AGTC Announces Initiation of New Phase 1 Clinical Trial

February 23, 2006 - Applied Genetic Technologies Corporation (AGTC), a private clinical-stage biotechnology company, announced today the initiation of a Phase 1 clinical study to test the safety of AGTC-0106, its investigational gene therapy product for patients with Alpha-1 Antitrypsin deficiency ("Alpha-1"). Alpha-1 is a form of congenital emphysema that causes degradation of a patient's lung tissue due to inadequate production of alpha-1-antitrypsin (AAT). Current treatment requires weekly intravenous infusions of a human blood derived product containing AAT. AGTC-0106 is designed to replace those infusions by providing patients with a correct version of the AAT gene in order to restore natural levels of the AAT protein.

John Walsh, the President and CEO of the Alpha-1 Foundation, who himself suffers from the disease, said, "We are extremely excited about the progress being made on the development of this potential life-saving therapy for Alpha-1. Individuals with Alpha-1 have great hope that AGTC's clinical study will result in more efficacious treatment and improve the quality of life for those of us suffering from Alpha-1 related lung disease".

AGTC-0106 is a gene therapy product which uses a modified version of a safe, naturally-occurring virus to deliver the AAT gene to patients. The virus, adeno-associated virus, has never been associated with illness in humans and more than 50% of the population is exposed normally to this virus. Twelve patients are expected to participate in the clinical study to test the safety of AGTC-0106 with a secondary goal of determining the minimum dose required to achieve effective levels of AAT in the blood.

"We are delighted to take this next step in our development of this important new product," said Sue Washer, CEO of AGTC. "We appreciate the support of the Alpha-1 community and the Alpha-1 Foundation. We all look forward to a treatment which will provide patients with the safe and reliable levels of AAT to protect their lungs."