

Empire State Development News

Press Office

(716) 856-8111

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ROCHESTER BUSINESS PLEDGES 60 NEW JOBS

AAC receives \$300,000 grant from Empire State Development

Empire State Development Upstate Chairman Daniel C. Gundersen today announced that a \$300,000 grant was committed to American Aerogel Corporation of Rochester. The grant will be used toward the company's \$4.5 million investment to take the existing pilot plant to full-scale manufacturing. AAC pledges to add 60 new jobs over three years and retain 11 jobs.

"The growth and expansion of American Aerogel in the Rochester region is key to the area's economic development and as such ESD fully supported their goals to expand to full-scale manufacturing," said Chairman Gundersen. "This innovative high-tech company has created a niche for itself in the growing temperature sensitive biopharmaceutical transport market and has a bright future in Rochester as it continues its R&D efforts. The company obviously shares in our belief that Upstate New York is a great place to do business."

Located in Rochester since 2002, the company manufactures its patented Aeroblack[®], an aerogel foam material, for thermal insulation applications. Labeled a "Technology to Watch" by *Fortune Magazine*, aerogel exhibits R values (a measure of thermal insulation) as much as 10 to 15 times greater than current competitive insulators, such as polystyrene or polyurethane, and in an environmentally friendly manner. It is used for temperature sensitive biopharmaceutical transport, such as drugs, vaccine and tissues, which need to be shipped under tightly controlled temperature ranges, possibly over extended periods of time.

Aerogels are considered difficult and expensive to mass reproduce. American Aerogel Corporation has developed and patented the only known method to cost-effectively mass produce panels of this extraordinary foam material.

The market for thermal insulated shipping containers for temperature sensitive biomedical products and transportation is growing and estimated at \$2 billion, with over 130,000 overnight shipments of temperature sensitive medical products per day. AAC began selling its aerogel panels to a large, multi-national pharmaceutical company in late 2004, which allowed the company to grow from two to 11 employees. The company's existing customer purchases all the aerogel panels produced, and would buy more, if AAC could make more.

"American Aerogel has worked hard to develop high performance aerogel insulation solutions initially into the critical market for shipping temperature-sensitive bio-pharmaceuticals along with a broad range of other insulation applications," said Dennis Young, CEO of AAC. "This investment represents New York's acknowledgment of our success and confidence in our vast potential to provide unique, 'green' products that substantially reduce energy usage and allow for dramatically higher performance solutions at lower costs than previously available in the insulation market. It also highlights New York's desire and commitment to support in-state business development and we are very excited to work with ESD."

Under the project, AAC will expand its production in temperature sensitive shipping materials thus allowing the company to achieve profitability and allow it to continue research and development into the many new product areas – thermal insulation, chemical process and filtration components, impact absorption (helmets), acoustic insulation, and electrical componentry - for which the material is also well suited.

Empire State Development is New York's chief economic development agency, encompassing business, workforce and community development. ESD also oversees the marketing of "I LOVE NY," the State's iconic tourism brand. For more information, visit www.nylovesbiz.com.

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