

June 16, 2003

Press Release

Dear Sir or Madam,

Only six months after its acquisition of key assets of German chemoinformatics company CallistoGen AG, The Genetics Company, a Schlieren, Switzerland, based and privately held drug discovery and development company, announces that it has acquired a set of core assets of Abeta GmbH, a Heidelberg, Germany, based biotech company specialized in the research and development of novel therapeutics and diagnostics for Alzheimer's Disease. The Genetics Company acquired Abeta's proprietary tools and assays for the detection of amyloid-beta peptide levels in cells, its diagnostics business, and a promising novel therapeutic target in the amyloid precursor protein pathway in a cash plus shares transaction. As part of the transaction, The Genetics Company will enter into a licensing agreement with a major pharmaceutical company and collaborate with Abeta's scientific founders among who is Prof. Konrad Beyreuther, one of the leading scientists in the field of Alzheimer's Disease.

Please find enclosed our press release. Thank you for your kind consideration.

For further information please contact:

The Genetics Company, Inc.

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Yours sincerely,



Barbara Ambros
Assistant to the Chief Executive Officer

The Genetics Company, Inc. Substantially Strengthens Activities in the Field of Alzheimer's Disease through Acquisition of Key Assets from Abeta GmbH, Licensing Agreement with Major Pharmaceutical Company, and Execution of Collaboration Agreements with Worldwide Leading Scientists in the Field. This is The Genetics Company's Second Transaction of this Type within Six Months.

Zürich, Switzerland - June 16, 2003 -- Only six months after its acquisition of the key components of German chemoinformatics company CallistoGen AG, The Genetics Company, a Schlieren, Switzerland, based and privately held drug discovery and development company announces that it has acquired a set of core assets of Abeta GmbH, a Heidelberg, Germany, based biotech company specialized in the research and development of novel therapeutics and diagnostics for Alzheimer's Disease. The Genetics Company acquired Abeta's proprietary tools and assays for the monitoring of amyloid-beta peptide levels both in Alzheimer patients and in laboratory research, its diagnostics business, and a promising and proprietary novel therapeutic approach targeting the amyloid precursor protein (APP) pathway, in a cash plus shares transaction. As part of the transaction, The Genetics Company will be both assigned a licensing agreement with a major pharmaceutical company and entering into collaboration agreements with Abeta's scientific founders including Prof. Konrad Beyreuther, one of the leading scientists worldwide in the field of Alzheimer's.

"Abeta's research activities directed towards the understanding of the amyloid precursor protein pathway are cutting edge and its diagnostic tools and assays are as best as you can get in the market in terms of specificity, sensitivity and reliability. This transaction will strongly support our very promising activities in the discovery and development of potential small molecule inhibitors of the beta-amyloid converting enzyme and further strengthen our position as a front-runner in the development and commercialization of novel therapeutic and diagnostic approaches for the treatment and monitoring of Alzheimer's Disease" says Harald Eistetter, Chief Executive Officer of The Genetics Company. Adds Christoph Kronabel, Managing Director of Heidelberg Innovation and Abeta's lead investor "Of the various strategic and commercial alternatives Abeta was in a position to choose from, the offer made by The Genetics Company was the most compelling, because they had developed a very clear concept as to how to build on Abeta's promising assets and further develop sustainable value."

The Genetics Company is currently looking for distribution partners in Europe and the US for Abeta's diagnostics business, which has been selling high-end Alzheimer diagnostics to medical labs, hospitals and pharmaceutical companies, likewise. Says Harald Eistetter: "Abeta's diagnostics business is an attractive add-on, which could turn the acquisition cash-positive shortly. In addition, it will provide us with hands-on marketing experience". Part of the transaction is a licensing agreement with a major pharmaceutical company which will use the acquired tools and assays on a non-exclusive basis for its internal research programs on Alzheimer's Disease. The Genetics Company aims at closing similar licensing agreements with major pharmaceutical and biotechnology companies in the near future.

For the further advancement of Abeta's therapeutic approaches, which it also acquired, The Genetics Company will apply its proprietary in silico class-switching and screening technologies combined with its strong expertise in tackling protein-protein interactions, approaches already applied successfully in its two hitherto pursued lead-programs. The Genetics Company also entered into collaboration agreements with Professor Konrad Beyreuther, Professor Gerd Multhaup and Professor Tobias Hartmann who were scientific co-founders of Abeta. Aim of these collaborations is to support The Genetics Company's drug discovery efforts in Alzheimer's Disease and to develop additional diagnostic tools, such as, in particular, a blood plasma based assay for the monitoring of disease progression and therapeutic effects of drug treatment in Alzheimer's patients. Prof. Beyreuther is a world-wide renowned scientist in the field of Alzheimer's Disease. He was the first to discover amyloid-beta. Harald Eistetter comments: "It is a great honor for us that Prof. Beyreuther will be teaming up with us and his support gives us a clear proof for the validity and soundness of our approaches".

About The Genetics Company, Inc. The Genetics Company is a privately held drug discovery and development company active in the areas of cancer and neurodegenerative diseases. The Company has identified small molecule inhibitors of two proprietary targets within the Wnt-pathway, which is believed to play a crucial role in colon cancer. It has also identified small molecule inhibitors of BACE (beta-amyloid converting enzyme). In parallel, the Company has identified and is in the process of further characterizing a series of novel growth-related drug target candidate genes for exploitation in cancer therapy. Headquartered in Zurich-Schlieren, Switzerland, the Company currently has 29 employees.

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