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Morphochem and The Genetics Company announce the successful resolution of the X-ray structure of β -secretase with a novel inhibitor compound.

Munich (Germany), 14 June 2005... The Genetics Company, Inc. a privately held drug discovery and development company focusing on research, development and commercialization of products for the diagnosis, monitoring and therapy of patients suffering from neurodegenerative diseases and cancer, and Morphochem AG, a leader in the evolutionary discovery of small molecule drugs have announced that they have successfully achieved an important milestone in their research collaboration using Morphochem's structural biology tools to support the β -secretase program of The Genetics Company.

Morphochem applied its protein expression, purification, crystallization and structure determination capabilities, all part of Morphochem's MOREsystem®, to generate biostructural information for further optimization of inhibitor compounds against β -secretase identified by The Genetics Company as potential new therapeutic agents for Alzheimer's Disease.

Commenting on the collaboration, Dr Sijmen de Vries, Chief Executive Officer of Morphochem said: "We are delighted that Morphochem could rapidly and successfully provide the necessary tools to The Genetics Company for this very challenging target. It provides further validation to Morphochem's technology platform and underlines the importance of our biostructural tools for developing novel lead compounds against important disease-related targets. We are well placed to explore such collaborations with other biotech companies, to help drive drug discovery programs."

Benno Schindelholz, Manager of The Genetics Company's β -secretase program, said: "This collaboration with Morphochem will be a major step for the further development of The Genetics Company's small molecule β -secretase inhibitors into new therapeutic agents for Alzheimer's Disease treatment. The structural information provides new insights and understanding of our lead compounds and will help to optimize the lead candidates in this program."

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Morphochem AG (www.morphochem.com) a privately owned company based in Munich and Basel has developed a unique and highly integrated fast chemical genomics Drug Discovery Engine that it is applying in several 3th party research programs and for building its own fully owned pipeline. The current lead products in this pipeline; MCM 17 a novel oral anti-thrombotic (Factor Xa inhibitor) and MCB3837 a unique Oxaquin® Dual Action IV Hospital Antibiotic are planned to enter Clinical Trials towards the end of 2005.

In addition, as the fast Discovery Engine enables "Fast Follower" development projects on "hot targets", in addition, the Morphochem pipeline also contains a number of original lead- stage projects against various proven targets.

The Genetics Company (www.the-genetics.com) is a dedicated team of entrepreneurs and scientists focusing on the research, development and commercialization of innovative products for the diagnosis, therapy and therapy monitoring of

patients suffering from neurodegenerative disease and cancer. In addition to a set of worldwide unique diagnostic kits and research tools for the diagnosis and monitoring of patients suffering from Alzheimer's disease (AD), the Company has identified small molecule inhibitors of BACE (beta-amyloid converting enzyme). The Company has furthermore identified small molecule inhibitors of two proprietary targets within the Wnt-pathway, which is believed to play a crucial role in colon cancer. Headquartered in Zurich-Schlieren, Switzerland, the Company currently employs 30 people.