

August 14, 2006

Press Release

Dear Sir or Madam,

The Genetics Company, Inc., a Schlieren, Switzerland, -based and privately held drug and diagnostics discovery and development company announces today the issuance of European Patents EP 1'410'245 and EP 1'388'009 covering PHATS™ and Surf2Lead™, two fundamental technologies in computational chemistry.

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



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PRESS RELEASE

The Genetics Company announces today the issuance of European Patents EP 1'410'245 and EP 1'388'009 covering PHATS™ and Surf2Lead™, both fundamental technologies in computational chemistry.

Zurich, Switzerland – August 09, 2006 -- The Genetics Company, Inc., a Schlieren, Switzerland, -based and privately held drug and diagnostics discovery and development company announces today the issuance of European Patents EP 1'410'245 and EP 1'388'009 covering PHATS™ and Surf2Lead™, two fundamental technologies in computational chemistry.

Computational chemistry is nowadays widely used and crucial for the effective discovery of new drugs. It enables and supports in silico the identification and optimization of biologically active small chemical molecules, while substantially reducing the need for classical high-throughput screening

The discovery of small molecule modulators of a drug target via in vitro screening is a tedious and costly endeavor requiring libraries of thousands to millions of chemical compounds, robust biological assays, sophisticated equipment, expensive reagents and a complex logistics. With the increasing knowledge about the three-dimensional structure of proteins, however, the computer-aided modeling of e.g. enzyme-substrate interactions has become possible and allows for the detailed virtual analysis of the corresponding binding modes as well as the rapid and cost-effective in silico screening of millions of chemical compounds for potential modulators of such interactions.

The Genetics Company has developed Surf2Lead™ and PHATS™, two technologies decisive for successful in silico screening. By analysis and conversion of the key characteristics of protein surfaces into pharmacophoric features, Surf2Lead™ is especially useful for the identification of novel hits, whereas PHATS™ enables the fast identification of compounds with similar characteristics and therefore supports the lead optimization process. The patents describe the corresponding methods and principles.

Harald Eistetter, The Genetics Company's Chief Executive, comments: "The issuance of these patents is a milestone for the further exploitation of the two technologies, which form an integral and indispensable component of our drug discovery platform and for which we have been able to demonstrate that they reproducibly deliver excellent results. As these patents cover basic principles of in silico chemical modeling and screening broadly used within the

pharmaceutical and biotech industry, we look forward to talking to interested parties about the further commercialization of these assets."

About The Genetics Company

The Genetics Company, Inc. is a dedicated team of entrepreneurs and scientists focusing on the research, development and commercialization of innovative products for the diagnosis, therapy and treatment monitoring of patients suffering from neurodegenerative diseases and cancer. Apart from a set of worldwide unique diagnostic kits and 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) for use in the treatment of Alzheimer's disease. It has also 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 has 25 employees.

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