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Company Update

New Facility

PsychoGenics moved into a purpose-built facility in January 2006. The new facility includes 20,000 sq ft of state-of-the-art vivarium space that increases the testing throughput capabilities to better serve its clients and partners. The new site also accommodates the continued growth of the company, currently at more than 80 employees.

PsychoGenics Growth

Along with the increase in space and people, PsychoGenics' expanded its services and increased internal and partnered drug discovery. Highlights include:

- Further growth of the company's portfolio of behavioral models, particularly in the areas of cognition and memory;
- Expansion of the company's drug screening programs utilizing therapeutic models;
- Advancement of internal and partnered drug candidates, including one now in phase II clinical trials;
- Development of new technologies and algorithms to support the company's high throughput behavior driven approach to drug discovery.

PsychoGenics has recruited talented senior research scientists to play crucial roles in advancing our research and service goals.

Dr. Rusiko Bourtchouladze recently joined PsychoGenics as Vice President, Cognition and Discovery Research. Dr. Bourtchouladze has over 30 years experience in developing behavioral models for cognition and memory. Dr. Bourtchouladze is one of the pioneers of modern mouse behavioral genetic research in the US. She has published several landmark papers on the role of cAMP-signaling pathways and CREB in cognition, and mouse models of human cognitive disorders. She is also the author of the popular book *Memories Are Made of This* (Orion Publishing). Dr. Bourtchouladze will play a leading role in developing cognition

tests and in drug discovery. Prior to this appointment, Dr. Bourtchouladze held Senior Scientist positions with Dr. Alcino Silva at Cold Spring Harbor Laboratory, and Dr. Eric Kandel, at Columbia University. Dr. Bourtchouladze was an Adjunct Associate Professor at Cold Spring Harbor Laboratory and Director of Model Systems at Helicon Therapeutics, Inc., where she was responsible for establishing preclinical models of cognition and finding novel targets and drug candidates for memory and cognition.

Dr. Sylvie Ramboz joined PsychoGenics as Director, PreClinical Research. She is working with disease foundations to develop and implement drug screening paradigms. Dr. Ramboz obtained her Ph.D. in Neuropharmacology at the Institute for Genetics and Cellular and Molecular Biology, Strasbourg, France. Dr. Ramboz has extensive experience in the biotechnology industry having worked for Memory Pharmaceuticals, as a Research Scientist, and Xenogen Biosciences Corporation, as a Senior Scientist responsible for creating and phenotyping more than 70 animal models of CNS and sexual function disorders.

Dr. Vadim Alexandrov, Director, BioInformatics is involved in the development of proprietary algorithms and computational chemistry tools to support PsychoGenics' high throughput behavior-driven approach to drug discovery. Dr. Alexandrov received a Ph.D. in Quantum Chemistry from the University of Arizona and a subsequent Ph.D. in BioInformatics from Yale University. He has more than 15 years experience in bioinformatics and computational chemistry including positions at Curagen Corporation as a Senior Bioinformatics Scientist and Sanofi-Aventis Pharmaceuticals as a Senior Informatics Consultant.



Tests for Anxiety

- Elevated Plus Maze
- Fear Potentiated Startle
- Light/Dark Choice
- Novelty Suppressed Feeding
- Open Field
- Stress-Induced Hyperthermia
- Ultrasonic Vocalization
- Conditioned Defensive Burying
- Novelty Induced Hypophagia

Tests for Sexual Dysfunction

- Male and Female Sexual Behavior
- Ejaculation frequency
- Ejaculation latency

News

Agreement Extended to Help Treat Childhood Disease

PsychoGenics and the Spinal Muscular Atrophy (SMA) Foundation have extended their research agreement. SMA is the most common genetic cause of death among infants and toddlers, characterized by the wasting of skeletal muscles caused by progressive degeneration of nerve cells in the spinal cord. The disease leads to increasing muscular weakness, atrophy and premature death due to respiratory problems. There are currently over 50,000 people suffering from SMA in the United States, Europe, and Japan.

PsychoGenics has established self-sustaining transgenic SMA mouse colonies, characterized

the progression of behavioral and motor deficits in these mice over time, and developed a rapid throughput battery of discriminatory tests to evaluate candidate drugs and therapies in these models to treat SMA.

“... an important step forward in therapeutics development ...”

“ This agreement fills a gap in community resources, represents an important step forward in therapeutics development for SMA, and presents an encouraging opportunity for companies wishing to evaluate their compounds of interest.” noted the Foundation’s Executive Director, Cynthia Joyce.

Expanded Collaboration in Huntington Disease Research

PsychoGenics has expanded its research agreement with CHDI Inc. and the High Q Foundation to test potential therapeutics in the R6/2 mouse model of Huntington’s Disease (HD); and to phenotype additional transgenic mouse models of the disease.

HD is a devastating, hereditary, and ultimately fatal neurological condition for which no treatment currently exists. HD gradually and progressively impacts an individual’s capacity to function, which affects their physical and cognitive ability. The transgenic HD models provide a valuable discovery tool to aid in the development of much needed drugs.

“... High throughput approach to compound screening ...”

As part of this collaboration, PsychoGenics has developed standardized and validated protocols that include assessment of motor and cognitive behavior during disease progression in established transgenic mouse models of HD. Using these mouse models and an adaptive allocation approach to experimental design, whereby compounds are screened and actives are re-screened to increase the statistical power, PsychoGenics has developed a high throughput approach to compound screening allowing the company to profile the effects of compounds on multiple behavioral domains.

NEUROSCIENCE
2006

Please visit us at this year’s
Society for Neuroscience meeting
October 14th—18th,
Atlanta, Georgia

PsychoGenics booth # 530

News

PsychoGenics Announces Partnership with Sosei

PsychoGenics and Sosei (Japan) entered into a drug discovery collaboration to rapidly discover and bring to market new CNS therapies, using PsychoGenics' proprietary Drug Discovery Platforms.

Sosei has a portfolio of compounds, licensed from Japanese pharmaceutical companies,

that have been studied in clinical trials but discontinued as development candidates for reasons other than serious toxicity.

PsychoGenics aims to identify new CNS uses and unexploited commercial potential in these discontinued compounds.

New Services

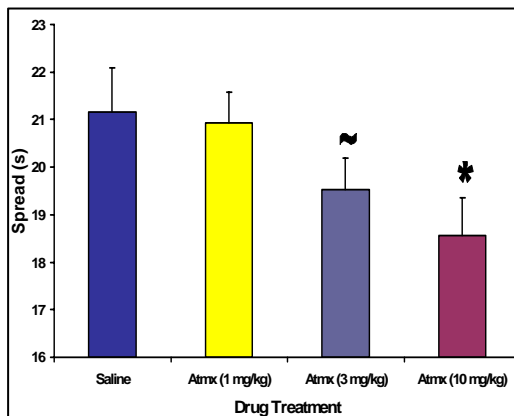
A number of new behavior tests have been validated and added to PsychoGenics' portfolio. A selection of newly added services and capabilities follows:

ADHD / Hyperactivity

Peak Procedure

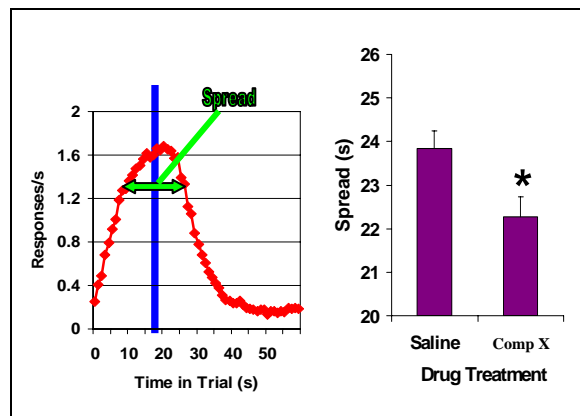
The peak procedure is a popular method for assaying temporal cognition. It assesses impulsivity, attention, and timing perception deficits that are reported in humans with ADHD. Mice are trained to receive a food reward after a fixed amount of time. Mice show a characteristic pattern of responding with a peak around the time food is available. The spread of responding around that peak can be used as a measure of timing precision. Drugs that enhance temporal cognition reduce the timing error and the spread of responding around the peak time.

Effects of Atomoxetine on Accuracy of Time to Respond



Atomoxetine reduces the spread of responding at the time the reward is presented.

Effects of Novel Compound on Accuracy of Time to Respond



Compound X enhances the performance of mice in the peak procedure.

Tests for Cognition

- Active / Passive Avoidance
- Barnes Maze
- Coloboma Mouse (model of ADHD)
- Fear Conditioning
- Holeboard
- Morris Water Maze
- Novel Object Recognition
- Peak Procedure (Time Perception)
- Place Recognition/Y-Maze
- Spontaneous and Delayed Alternation
- Social Transmission of Food Preference

Tests for

Depression

- Differential Reinforcement of Low Rate of Responding
- Fear Potentiated Startle
- Forced Swim in Mice
- Forced Swim in Rats
- Light/Dark Choice
- Novelty Suppressed Feeding
- Olfactory Bulbectomy
- Open Field
- Tail Suspension
- Guinea Pig Vocalization
- Conditioned Defensive Burying

Tests for Obesity

- Food Intake Studies
- Pica Behavior

*Tests for
Neurological &
Other Disorders*

Grip Strength
Home Cage Observation
Irwin Test
Metabolism
PTZ Seizure
MES Seizure
Rotarod
Visual Cliff
Reserpine model for PD
Tremor

Tests for Pain

Formalin and Carageenan
Induced Inflammatory
Pain
Hot Plate and Plantar
Tests
Bennet Model for
Neuropathic Pain
Tail Flick
Chemical -Induced
Writhing

Tests for Psychosis

& Mania

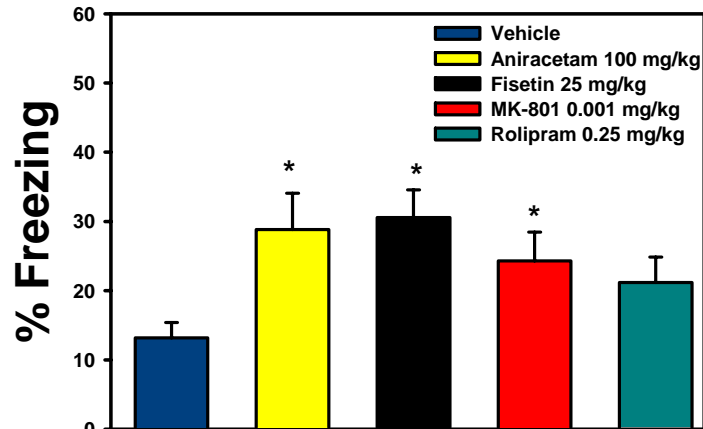
Apomorphine-induced
Climbing
Amphetamine/PCP-
Induced Hyperlocomotion
Prepulse Inhibition of
Startle
Amphetamine + CDP
Induced Hyperlocomotion
DOI Induced Headshakes
in rats / mice

Additional Services

In Vivo Microdialysis
Neuromorphology
Radiotelemetry

Fear Conditioning

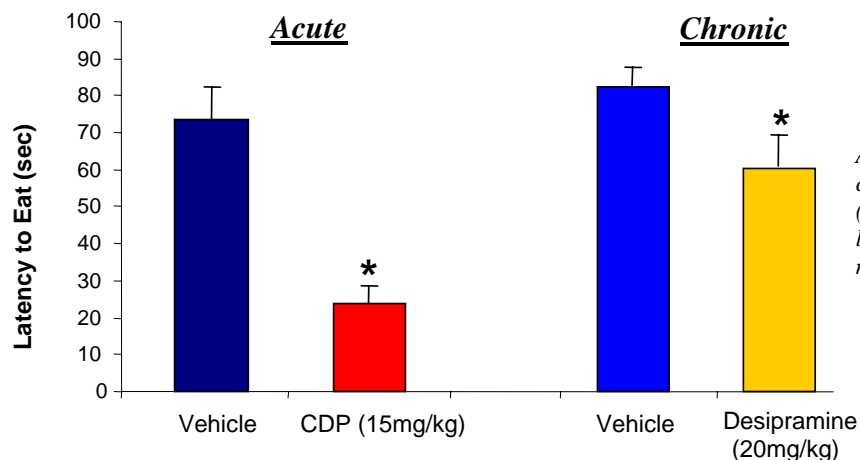
Fear conditioning is a test of learning and memory about highly salient, aversive events. Mice are brought into a new environment and trained that a loud tone predicts an upcoming brief aversive event. Twenty-four hours later, when returned to the training context (contextual) or exposed to the original tone in a different context (cued), normal mice will show a characteristic freezing behavior, indicating a memory of the initial tone-shock pairing. Contextual fear conditioning involves the hippocampus and the level of freezing to the training context can be increased with cognitive enhancing compounds.



The effect of various compounds on the time spent freezing when mice are reintroduced to the same context 24 h after training (Contextual Fear Conditioning)

Anxiety
Novelty Induced Hypophagia (NIH)

NIH is a robust reliable method for assessing acute anxiolytic and chronic antidepressant responses by measuring the latency of mice to approach and eat a familiar palatable food in a novel environment. Mice provided with a highly palatable food in the home cage rapidly approach and consume the food, while mice given the same food in a novel environment show increased response latencies.



Acute benzodiazepine and chronic antidepressant (tricyclic) treatment reduce latency to consume food in the novel environment.

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