



## **Ingenuity Systems Licenses Pathways Analysis Software to Avalon Pharmaceuticals**

***Avalon to incorporate Ingenuity Pathways Analysis 3.0 into its gene expression platform to facilitate drug discovery efforts***

**Redwood City, CA and Germantown, Maryland – January 10, 2006** – Ingenuity Systems and Avalon Pharmaceuticals Inc. (Nasdaq and ArcaEx®: AVRX) today announced that they have entered into an agreement whereby Avalon will license Ingenuity Pathways Analysis 3.0, enhancing Avalon's drug and target discovery process.

Avalon has a focused program to harness the power of gene disruption signatures for the isolation of drugs against previously "intractable" targets. The Ingenuity Pathways Analysis 3.0 application is being applied to the AvalonRx® platform in several selected therapeutic areas to identify biomarkers, targets, and novel compounds.

Ingenuity Pathways Analysis 3.0 enables researchers to model, analyze and understand the complex biological systems at the core of life science research. With Ingenuity Pathways Analysis, scientists can integrate their own biological discoveries into Ingenuity networks, providing more effective computation and functional analysis. The application is made particularly powerful because of the Ingenuity Knowledge Base, which contains 1.4 million biological relationships between genes and proteins, cells, tissues, and diseases, ensuring researchers can query multiple reputable resources in a seamless manner.

### **About Ingenuity Systems®**

Ingenuity enables researchers to model, analyze and understand complex biological systems foundational to human health and disease. The Ingenuity products include pathways analysis software and knowledge bases for biologists and bioinformaticians, and enterprise knowledge management infrastructure, content and services for leading pharmaceutical and biotechnology companies. Ingenuity was founded in 1998 and is headquartered in Redwood City, California with offices in Germany, Switzerland, France, the United Kingdom, and Japan. [www.ingenuity.com](http://www.ingenuity.com). Fully functional complimentary trials of the NEW Ingenuity Pathways Analysis 3.0 are available to qualified scientists at [www.ingenuity.com/trial](http://www.ingenuity.com/trial).

**About Avalon Pharmaceuticals, Inc.**

Avalon Pharmaceuticals is a biopharmaceutical company focused on the discovery and development of small molecule therapeutics. Avalon seeks to discover and develop novel therapeutics through the use of a comprehensive, innovative and proprietary suite of technologies based upon large-scale gene expression analysis which it calls AvalonRx®. Avalon Pharmaceuticals was established in 1999 and is headquartered in Germantown, Maryland. <http://www.avalonrx.com>

Avalon Pharmaceuticals, Inc.'s Forward Looking Statements: This announcement contains, in addition to historical information, certain forward-looking statements that involve risks and uncertainties, in particular, related to statements concerning Avalon's research and development activities and its collaboration agreements. Such statements reflect the current views of Avalon management and are based on certain assumptions. Actual results could differ materially from those currently anticipated as a result of a number of factors, risks and uncertainties. All forward looking statements are qualified in their entirety by this cautionary statement and the company undertakes no obligation to revise or update this conference call to reflect events or circumstances after the date hereof.

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