

Potentia Pharmaceuticals Enters into Licensing and Purchase Option Agreements with Alcon

- *Alcon takes over development of POT-4 as a treatment for patients with age-related macular degeneration*
- *Deal provides path for Alcon to acquire Potentia*

Louisville, KY – October 23, 2009 – Potentia Pharmaceuticals, a privately-held biotechnology company developing medicines for the treatment of age-related macular degeneration (AMD), announced today that it has entered into licensing and purchase option agreements with Alcon Research, Ltd., a wholly-owned subsidiary of Alcon, Inc. (NYSE:ACL). The agreements provide Alcon with a license to develop Potentia's leading drug candidate, POT-4, for the treatment of AMD. The agreements also provide for Alcon to acquire the shares of Potentia if specified development milestones are achieved and if Alcon elects to continue development of POT-4.

Alcon will make upfront payments to Potentia for the initial license and option rights. The agreements also provide for potential future payments to Potentia's shareholders based on the achievement of multiple clinical and global regulatory approval milestones for several therapeutic indications and on Alcon's decision to proceed with development. They also provide for sales-based royalty payments to Potentia's shareholders on any products that are ultimately approved and commercialized. Financial terms were not disclosed.

"Alcon is the proven leader in the clinical development and marketing of eye care products and compounds. We could not wish for a better company to develop POT-4 into a new treatment option for the millions of patients with macular degeneration" said Cedric Francois, President and CEO of Potentia Pharmaceuticals.

POT-4 was the first complement inhibitor to enter the clinic for ophthalmological use and is being developed as a potential treatment for both dry and wet AMD. Potentia has completed a Phase I trial for POT-4 in patients with wet AMD. The trial was designed to determine the safety and tolerability of an intravitreal injection of POT-4, as well as its stability and depot-forming properties. In the study investigators observed only minimal and mild local adverse events related to the injection with no serious adverse events related the drug itself. The study also found that POT-4 deposits form at doses of 450 µg and greater and that the higher the concentration was the longer the deposits lasted.

"There is a body of science supporting the potential for complement inhibitors in the treatment of retinal disease," said Sabri Markabi, MD, Alcon's senior vice president of research and development and chief medical officer. "Although at a very early stage, Potentia has developed the first complement inhibitor for age-related macular degeneration and positioned it for Phase II trials and we look forward to carrying development forward with the goal of treating patients with AMD."

About POT-4

POT-4 is a complement inhibitor discovered by Dr. John Lambris of the University of Pennsylvania, a leading researcher in the field of complement. POT-4 inhibits complement factor C3 and interrupts the complement activation cascade. Complement activation can lead to local inflammation in the eye that is believed to play a pivotal role in the development of AMD. Potentia has completed a Phase I trial of POT-4 in patients with wet AMD. The rights to the technology underlying POT-4 for application outside of ophthalmology are held by Swiss-based Apellis, AG.

About AMD

AMD is the leading cause of blindness in the elderly in the western world and affects more than 10 million patients in the United States alone. Approximately 10 percent of these patients suffer from the wet form of the disease, while 90 percent suffer from the dry form. The current standard of care for wet AMD relies primarily on angiogenesis inhibitors to reduce or reverse the growth of new blood vessels and bleeding in the back of the eye. No drug has been approved for the treatment of the remaining patients who suffer from the dry form of the disease.

About Alcon

Alcon, Inc. is the world's leading eye care company, with sales of approximately \$6.3 billion in 2008. Alcon, which has been dedicated to the ophthalmic industry for 65 years, researches, develops, manufactures and markets pharmaceuticals, surgical equipment and devices, contacts lens solutions and other vision care products that treat diseases, disorders and other conditions of the eye. Alcon operates in 75 countries and sells products in 180 markets. Alcon's majority shareholder is Nestlé, S.A., the world's largest food company. For more information on Alcon, Inc., visit the Company's web site at www.alcon.com.

About Potentia

Potentia Pharmaceuticals, Inc. is a biotechnology company focused on developing novel therapeutics to address ophthalmological diseases. HealthCare Ventures and MASA Life Science Ventures are lead institutional investors in Potentia in conjunction with a number of long-term individual investors and the Kentucky Science and Technology Corporation. Potentia is among several companies housed under the umbrella of Nucleus, Kentucky's Life Sciences & Innovation Center, established in 2008 by the University of Louisville. WilmerHale and Frost Brown Todd acted as legal advisors to Potentia.

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