



## AD-HOC ANNOUNCEMENT ACCORDING TO §15 WPHG

### PRODUCTS

#### PAION'S PARTNER FOREST TERMINATES CO-DEVELOPMENT ON DESMOTEPLASE

Aachen (Germany), 30 August 2007 – PAION AG (Frankfurt Stock Exchange, Prime Standard: PA8) today announced that Forest Laboratories, Inc. has informed them about the termination of the co-development partnership regarding the compound Desmoteplase. Based on the results of the Phase III study DIAS-2 (Desmoteplase in Acute Ischemic Stroke) and the anticipated delay in development as well as the additional investments necessary, Forest has decided to return all rights to Desmoteplase for North America to PAION. A detailed analysis of the study data is still ongoing.

As previously reported, the primary efficacy endpoint of the recently completed DIAS-2 study was not met due to a lack of improvement in the Desmoteplase groups over placebo while observing an unexpectedly high response rate in the placebo group. Since the presentation of top-line results in late May this year, the partners have been conducting an in-depth analysis of the available study data.

In a joint effort, PAION and its other licensee, H. Lundbeck A/S are currently finalizing the analysis in order to discuss further steps and their commercial implication. Lundbeck has not yet announced their decision on the partnership due to the ongoing analysis. Furthermore, PAION is evaluating additional options to proceed with the program.

As already stated in detail in the financial report for the first half-year 2007, the termination of the cooperation by Forest leads to a one-time profit in the amount of EUR 4.3m (based on the amounts stated on 30 June 2007) which includes, among others, the derecognition of the provision for the repayment obligation towards Forest resulting from the reimbursement of development expenses. The termination of the cooperation has no impact on the cash and cash equivalents. These effects will be reflected in the financials for the third quarter 2007.

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#### **About Desmoteplase**

Desmoteplase, the most fibrin-specific plasminogen activator known today, is a genetically engineered version of a clot-dissolving protein found in the saliva of the vampire bat *Desmodus rotundus*. It has received fast-track designation from the U.S. Food and Drug Administration for the indication of acute ischaemic stroke.

#### **About DIAS-2**

The DIAS-2 (Desmoteplase in Acute Ischemic Stroke) study was designed to investigate the improvement of clinical outcome in patients with acute

ischemic stroke treated with Desmoteplase within 3 to 9 hours after onset of stroke symptoms. The blinded, randomized, placebo-controlled, dose-ranging Phase III study was jointly conducted by PAION and Forest and enrolled a total of 186 patients in Europe, USA, Canada, Australia, Hong Kong and Singapore.

#### **About stroke**

Stroke is the third leading cause of death in the industrialised world and a leading cause of serious, long-term disability. In the US alone, 700,000 people suffer a stroke each year, and around 20% of them die within four weeks. For the US, the American Heart Association expects the financial burden of stroke due to in-hospital costs, long-term care programs and productivity losses to exceed 62 billion dollars in 2007 alone.

#### **About PAION**

PAION is a biopharmaceutical company based in Aachen, Germany (listed at Frankfurt Stock Exchange, Prime Standard, ISIN DE000A0B65S3). It aims to become a leader in developing and marketing innovative drugs for the treatment of stroke and other thrombotic diseases for which there is a substantial unmet medical need. PAION's activities are focused on the development of the three drugs Desmoteplase, Enecadin and Solulin.

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