



PRESS RELEASE

FINANCIAL RESULTS

PAION AG REPORTS RESULTS FOR THE FIRST QUARTER 2007

Aachen (Germany), 9 May 2007 – The biopharmaceutical company PAION AG (FSE PA8, ISIN DE000A0B65S3), which specializes in the treatment of stroke and other thrombotic diseases, today announced its consolidated financial result for the first quarter of fiscal year 2007.

The revenues of the first quarter 2007 in the amount of EUR 1,294k were only slightly below the corresponding prior year's period (EUR 1,357k) and, as in the prior year's period, exclusively result from the reimbursement of development costs by Forest and Lundbeck.

The research and development expenses of the first three months 2007 decreased by EUR 1,084k to EUR 3,352k compared to the corresponding prior year's period. The reduction is primarily due to lower development expenses in connection with the production of the substance Desmoteplase.

Compared to the prior year's period the general and administrative expenses in the first quarter 2007 changed only slightly and amounted to EUR 1,013k (prior year's period: EUR 1,092k). Sales and marketing expenses amounted to EUR 208k which is slightly below the corresponding figure for the prior year's period (EUR 261k), too. Due to these effects, also the operating expenses for the first quarter 2007 were lower than in the corresponding prior year's period (EUR 5,687k) and amounted to EUR 4,553k.

The lower revenues and the reduced research and development costs of the first quarter 2007 led to a net loss for the period of EUR 4,166k (previous year's period: loss EUR 5,263k).

Compared to 31 December 2006, the cash and cash equivalents decreased in the first quarter 2007 by EUR 2,591k. This was mainly due to the expenses related to the operating activities. As of the balance sheet date, 31 March 2007, PAION's cash and cash equivalents amounted to EUR 54,598k which exceeded the amount of the corresponding prior year's cut-off date, 31 March 2006, by EUR 2,408k. Thus, PAION maintains a good financial position.

Outlook:

The future development of the PAION Group in 2007 will largely depend on the results of the clinical Phase III trial with Desmoteplase in the indication acute ischemic stroke (DIAS-2). PAION and its cooperation Partner Forest plan that headline results of the DIAS-2-study will be presented on 1 June 2007 at the European Stroke Conference in Glasgow. After the initiated measures showed an improvement of the recruitment of patients in the clinical Phase IIa study TEST with Enecadin, the further course of this study depends on whether the measures taken are sustainably effective. The start of the

Phase I study with Solulin is dependent upon the regulatory approval process and, as such, no specific date can be given.

In comparison to 2006, PAION expects lower revenues in the fiscal year 2007 due to three main changes. Patient recruitment in the DIAS-2-study is completed and therefore significantly lower development expenses will be reimbursed by our cooperation partners compared to the prior year. Furthermore, PAION will contribute considerably to the costs of the upcoming Phase III study with Desmoteplase and for which PAION does not expect to receive any cost reimbursements in 2007. In addition, in context of the production development PAION's cooperation partner Lundbeck will enter the contractual relationship between PAION and the manufacturer (CMO) and therefore directly assume the corresponding portion of costs. This means that in contrast to the last two years, the corresponding portion will neither be considered as revenues nor as cost of revenues at PAION. Accordingly, this change does not have any impact on the result of the period. As in 2006, no milestone payments from the cooperation partners are expected in 2007. High operating costs are again expected due to the continuation of the development projects Enecadin and Solulin and further investments in marketing and sales activities. Consequently, a high loss is also expected for 2007 while PAION continues to be sufficiently funded.

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About Stroke

Late in 2006 the American Stroke Association (ASA) reported that stroke is now the second leading cause of death worldwide. Moreover, it is 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 be approx. 63 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. PAION's most advanced drug candidate, Desmoteplase, is partnered with Forest Laboratories, Inc. (USA and Canada) and H. Lundbeck A/S (Europe, Japan, Rest of World). In the first quarter of 2007, PAION employed an average of 84 employees.

Consolidated key financial figures, IFRS

(all figures in EURk unless otherwise noted)	Q1 2007 (unaudited)	Q1 2006 (unaudited)
Revenues	1,294	1,357
Research and development expenses	-3,352	-4,436
General and administrative expenses	-1,013	-1,092
Selling and marketing expenses	-208	-261
Net result for the period	-4,166	-5,263
Earnings per share in EUR for the period (basic)	-0.25	-0.33
Earnings per share in EUR for the period (diluted)	-0.25	-0.33

	Q1 2007 (unaudited)	Q1 2006 (unaudited)
Net cash from operating activities	-2,333	-4,850
Net cash from investing activities	-100	-117
Net cash from financing activities	-158	-1,213
Average number of group employees	84	75

	03/31/2007 (unaudited)	12/31/2006 (audited)
Intangible assets	513	524
Long-term refund claims resulting from the assumption of development costs	9,044	8,011
Cash and cash equivalents	54,598	57,189
Equity	41,541	45,471
Non-current liabilities	20,603	19,212
Balance sheet total	67,048	70,050
Equity ratio	62.0%	64.9%

The full report will be available on 10 May 2007 at www.paion.de/reports.

To present the results of the first quarter 2007 PAION will host a public conference call on Thursday 10 May 2007 at 3 p.m. CEST (2 p.m. BST, 9 a.m. EST). The dial-in numbers for listen-only access of the conference are +49 (0)69 9897 2633 (Germany), +44 (0)20 7138 0816 (UK) and +1 718 354 1171 (USA). Dial-in numbers for Q&A access of the conference call are available through the company. The call will be conducted in English.

The conference call will be recorded and replay dial-in numbers will be provided at www.paion.de/investors.

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