



PRESS RELEASE

TOPLINE RESULTS OF PHASE III STUDY IN ACUTE ISCHEMIC STROKE (DIAS-2) DO NOT DEMONSTRATE DIFFERENCE BETWEEN DESMOTEPLASE AND PLACEBO

Aachen (Germany), May 31st, 2007 – PAION AG (Frankfurt Stock Exchange, Prime Standard: PA8) and its US partner Forest Laboratories, Inc. (NYSE: FRX) today announced topline results of the DIAS-2 (**Desmoteplase In Acute Ischemic Stroke**) study with the compound Desmoteplase. The Phase III 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 as compared to placebo. The primary efficacy endpoint (difference between active treatment and placebo in percentage of composite responders as defined below) was not met. The blinded, randomized, placebo-controlled, dose-ranging trial was jointly conducted by PAION and Forest Laboratories, Inc., and enrolled a total of 186 patients in Europe, USA, Canada, Australia, Hong Kong and Singapore. Forest Laboratories, Inc., is the partner of PAION for Desmoteplase for North America and H. Lundbeck A/S for the rest of the world.

In this study, patients received either placebo (N=63), 90 mcg/kg (N=57), or 125 mcg/kg (N=66) of Desmoteplase as an intravenous bolus within 3-9 hours after the onset of stroke. Patients were eligible for treatment only in case of a distinct penumbra of at least 20% (insufficiently perfused but still salvageable tissue area around the primary location of stroke), which was confirmed by magnetic resonance imaging (MRI) or perfusion computed tomography (pCT).

The primary efficacy endpoint in the study was clinical improvement at Day 90 defined for each patient as achievement of all three of the following criteria; (1): Improvement of greater than or equal to 8 points from baseline on the National Institutes of Health Stroke Scale (NIHSS) or NIHSS score less than or equal to 1, (2): Modified Rankin Scale (MRS) score of 0 – 2, and (3): Barthel Index (BI) score of 75 – 100. Only patients who simultaneously met the criteria along all three scales were considered responders. Patients defined as responders by such criteria are in general able to function independently, having no or few deficits.

Improvement of clinical outcome was found with 47.4% of patients treated with 90 mcg/kg Desmoteplase and 36.4% of patients treated with 125 mcg/kg Desmoteplase, compared to 46.0% in the placebo group with neither dose of Desmoteplase statistically significantly different compared to placebo.

The rate of symptomatic intracranial bleeding within 72 hours after study drug administration was 0% in the placebo group, 3.5% in the 90 mcg/kg dose group and 4.5% in the 125 mcg/kg group. There were four patient deaths reported in the placebo group, three reported in the 90 mcg/kg dose group and 14 reported in the 125 mcg/kg dose group within the 90 day follow-up period. Ten of the 14 deaths in the 125 mcg/kg dose group were considered

by the investigators as not related to the drug, nine of which occurred 14 or more days after stroke and were from non-neurological causes.

These data are surprising and are not consistent with previously observed patterns in the DIAS/DEDAS trials and larger size, placebo-controlled acute stroke trials. The absence of consistency with previous findings is not easy to explain, but in-depth analyses are planned to better understand the data.

"The study showed an exceptionally high percentage of placebo responders - which is unusual in stroke", said Dr Mariola Söhnngen, PAION's Chief Medical Officer. "Therefore, it is very difficult to interpret these headline results without further evaluation. Together with our partners, we will now take the time to carefully analyze the complete data set from DIAS-2 and define further steps."

Prof. Werner Hacke, co-principle investigator of the study states: *"The structure of the data set generated from the DIAS-2 study is highly surprising and difficult to explain. There does not seem to be one single hypothesis based on our understanding of the physiology of stroke that would explain at least part of the data. Specifically, the high rate of good outcome in the Placebo group and the unusual clustering of late non neurological deaths in study arm. Clearly, a detailed in depth analysis is required to fully understand the data."*

The headline results of the DIAS-2 study will be presented on 1 June 2007 at 10:45 a.m. BST within the "Large Clinical Trials II" session at the XVI. European Stroke Conference in Glasgow, Scotland, U.K.

PAION will host a conference call on 1 June 2007 to discuss the DIAS-2 headline results starting at 01:00 p.m. BST (02:00 p.m. CEST, 08:00 a.m. EDT). To access the call please dial +44 20 7138 0819 UK, +49 69 9897 2634 Germany, +1 718 354 1361 USA. Title: "PAION DIAS-2 results"

A replay of the call will be available until end of June 5, 2007, at +44 20 7806 1970 UK, +49 69 22222 0418 Germany, +1 718 354 1112 USA, Replay Passcode: 4318989#

In addition, a webcast of the conference call (listen-only mode) will be accessible through a link provided on PAION's corporate website at www.paion.de.

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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 Stroke

According to a recent publication by the American Stroke Association (ASA), stroke now is the second leading cause of death worldwide and is a leading cause of serious, long-term disability. In the US alone, 700,000 people suffer a stroke attack each year, and around 20% of them die within four weeks. For the US, the American Heart Association (AHA) expects the financial burden of

stroke due to in-hospital costs, long-term care programs and productivity losses to be 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. Currently PAION employs more than 80 people.

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