



PRESS RELEASE

FINANCIAL RESULTS

PAION AG REPORTS RESULTS FOR THE FIRST QUARTER 2008

Aachen (Germany), 29 April 2008 - 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 results for the first quarter of its fiscal year 2008.

Cash and cash equivalents increased by EUR 5,676k since 31 December 2007 to EUR 48,578k at the end of the first quarter of 2008. This was primarily due to the non-refundable upfront payment of EUR 8m under the license agreement between PAION and H. Lundbeck A/S for the issue of exclusive global rights to develop and market Desmoteplase. Thus the liquidity situation remains solid.

Revenues for the first quarter 2008 amounted to EUR 1,651k and were slightly higher compared to the same period in 2007 (EUR 1,294k). They primarily include the refund of development expenses by Lundbeck amounting to EUR 1,278k. The remaining revenues resulted mainly from the systematic release of deferred income in connection with the license agreement with Lundbeck (EUR 363k). As part of the outlicensing agreement between PAION and Lundbeck, Lundbeck reimbursed a substantial amount of former production development costs and made a non-refundable upfront payment of EUR 8m, which is disclosed as a deferred income item and is being released over the anticipated development period for Desmoteplase.

Research and development expenses in the first quarter 2008 decreased from EUR 3,552k to EUR 1,637k compared to the same period in 2007. The decrease is primarily due to lower development expenses for the production of the two compounds Desmoteplase and Enecadin.

In contrast, general and administrative expenses in the first quarter 2008 remained at the prior-year period level at EUR 1,035k compared to the same period in 2007 (EUR 1,013k).

The net loss for the first quarter 2008 improved from EUR 4,166k in the same period 2007 to EUR 1,178k in 2008, mainly due to lower research and development expenses but also due to decreased cost of revenues in the first quarter 2008.

The balance sheet total as of 31 March 2008 increased to EUR 51,626k by EUR 6,084k from 31 December 2007, mainly due to the EUR 8m upfront payment by Lundbeck under the licensing agreement for the exclusive development and commercialization rights to Desmoteplase. As of 31 March 2008, the equity ratio fell to 67.0% as compared to 78.3% on 31 December 2007. Accounting for the subordinated loan as economic equity increases the equity ratio by 12.9 percentage points to 79.9%.

On average, PAION had 51 employees in the first quarter of 2008 (fiscal year 2007: 75 employees).

Developments in the first three months 2008

On 29 January 2008, PAION and Lundbeck announced that their expanded license agreement on the stroke compound Desmoteplase dated 21 December 2007 had become fully effective. Consequently, PAION and Lundbeck have significantly expanded their development collaboration for Desmoteplase. Under the new agreement, Lundbeck will be responsible for future studies and the subsequent approval process, with PAION contributing its expertise. In case of an approval, Lundbeck will have global commercialization rights to the compound, while PAION has retained the option to co-promote Desmoteplase in Germany, Switzerland, and Austria.

Under the expanded agreement, PAION received an upfront payment of EUR 8m in the first quarter 2008. Upon successful future development of the compound, PAION will receive an additional EUR 38m in milestone payments prior to approval, and another EUR 25m which are due post approval on first commercial sales and reaching undisclosed sales targets. In addition, PAION will receive double-digit royalties (net) on the sales of Desmoteplase.

On 28 February 2008, PAION announced that its drug candidate Solulin has been successfully tested in a first-in-man study. In single-dose administration, the substance was safe and well tolerated. Furthermore, laboratory tests confirmed for a first time in humans the pharmacological profile observed in preclinical studies. At the same time, these tests did not reveal any relevant change in coagulation factors seen as key indicators for an increased bleeding propensity. Following completion of the single-dose tests, multiple-dose schedules were tested on healthy volunteers. The results are expected in the first half of 2008.

On 10 April 2008, PAION announced a takeover agreement with CeNeS Pharmaceuticals plc (AIM: CEN.L). CeNeS plc is a AIM (London) listed biopharmaceutical company focused on the development of drugs for CNS related interventions. The company has its corporate headquarters in Cambridge, UK.

Following the completion of the acquisition, the group will have two projects in Phase III (Desmoteplase for acute ischemic stroke, and M6G for post-operative pain), two projects in Phase II (CNS 5161 for neuropathic and cancer-related pain, Flovagatran for thrombotic diseases), and one project in Phase I (Solulin for stroke and cardiovascular disorders). Another drug (CNS 7056, a short-acting sedative) will enter Phase I in the near future. In addition, PAION is going to discontinue the development of Enecadin, a neuroprotectant which was originally intended for use in connection with Desmoteplase.

On 23 April 2008, PAION announced the acquisition of the worldwide rights to Flovagatran, a direct thrombin inhibitor, from UK-based Trigen Limited for an upfront payment of approximately EUR 0.3m. PAION will make a milestone payment in the event flovagatran receives regulatory approval or is licensed or sold in a major market.

Flovagatran is a chemically synthesized anticoagulant for intravenous administration. It directly blocks the activity of thrombin, thereby preventing the formation of blood clots. The substance has been tested in two small Phase IIa clinical trials for dialysis and percutaneous transluminal coronary angioplasty (PTCA), which is one of the most common procedures for opening damaged or obstructed coronary arteries.

Outlook

In the first quarter 2008, PAION has successfully implemented important steps of its previously announced strategic realignment. The acquisition of CeNeS Pharmaceuticals plc is intended to create a new international biopharmaceutical company specializing on the development, partnering and, potentially, commercialization of innovative drugs for the treatment of thrombotic diseases and CNS-related interventions in the hospital setting.

Following the acquisition of CeNeS, the group will support Lundbeck in obtaining regulatory approval of Desmoteplase and marketing the drug as an innovative therapeutic for the causal treatment of acute ischemic stroke. In addition, the group will seek to out-license M6G on economically attractive terms. Similarly, the out-licensing of Solulin is envisaged after completion of the Phase I clinical trial, in which the enlarged group expects to demonstrate this drug candidate's mechanism of action in humans, and having reached proof-of-concept. A decision will be made regarding the further clinical development of CNS 5161 on the basis of the results of the currently ongoing Phase II clinical trial. The next step for Flovagatran is to carry out preclinical trials, which will form the basis for the formulation of the further development strategy. In preclinical trials, CNS 7056, an innovative sedative, has shown a superior onset of action and clearance profile than other sedatives currently on the market. The group plans to conduct a Phase I clinical trial with CNS 7056 in 2008.

In the context of the intended takeover, PAION has also decided to reduce the workforce by approx. 20 employees. The total headcount reduction for the group is expected to be approximately 24 employees over the course of 2008.

Overall, the expected completion of the acquisition of CeNeS Pharmaceuticals and the subsequent integration of both companies, as well as the advancement of the new, expanded pipeline within the next months will provide for further important milestones. In addition, PAION will continue to expand its development portfolio in cardiovascular and CNS-related interventions in the hospital setting.

As of 31 March 2008, PAION and CeNeS collectively had cash and cash equivalents of EUR 51m.

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About PAION

PAION is a biopharmaceutical company specializing in developing and commercializing innovative drugs for the treatment of thrombotic diseases, that is, diseases caused by the obstruction of a blood vessel by a blood clot. Currently, PAION's focus is on the causal treatment of acute ischemic stroke. PAION intends to build and expand its portfolio of drug candidates using a "search-and-development" approach. Accordingly, PAION seeks to identify promising new compounds, license or otherwise acquire them and advance them through the clinical development and regulatory approval process. Where appropriate, particularly during the late stages of the clinical development and approval process and the commercialization phase, PAION seeks to collaborate with experienced partners.

Disclaimer

On April 10, 2008, PAION announced a recommended offer for the entire issued and to be issued share capital of CeNeS Pharmaceuticals plc. Therefore the Company is currently in an offer period as defined by the Takeover Code of the UK Panel on Takeovers and Mergers. Because of this, shareholders need to be aware of certain additional reporting requirements regarding transactions in PAION shares. For further information, please see the full text of the acquisition announcement published on April 10, 2008, and the press release explaining the additional reporting requirements published on April 14, 2008, both of which are available on PAION's website at www.paion.de/investors.

This communication is neither an offer to buy securities nor a solicitation for an offer to sell securities. Securities may not be offered or sold in the United States absent registration or an exemption from registration. There will be no public offer of the shares of PAION AG in the United States.

Key consolidated financial figures, IFRS

	Q1 2008 (unaudited)	Q1 2007 (unaudited)
(Figures in EUR k, unless noted otherwise)		
Revenues	1,651	1,294
Research and development expenses	-1,637	-3,352
General and administrative expenses	-1,035	-1,013
Selling and marketing expenses	-15	-208
Net loss for the period	-1,178	-4,166
Earnings per share (in EUR), basic	-0.07	-0.25
Earnings per share (in EUR), diluted	-0.07	-0.25
	Q1 2008 (unaudited)	Q1 2007 (unaudited)
Cash flows from operating activities	5,545	-2,333
Cash flows from investing activities	289	-100
Cash flows from financing activities	-158	-158
Average number of group employees	51	84
	31 Mar. 2008 (unaudited)	31 Dec. 2007 (audited)
Intangible assets	119	462
Cash and cash equivalents	48,578	42,901
Equity	34,572	35,664
Non-current liabilities	12,916	6,746
Balance sheet total	51,626	45,542
Equity ratio	67.0%	78.3%

The complete report for the first quarter 2008 will be available on April 29, 2008, at www.paion.de/reports.

Conference Call and Webcast

PAION will host a conference call on Tuesday 29 April 2008 at 2 p.m. CEST (1 p.m. BST). The conference call will be conducted in English. Participating from PAION will be CEO Dr. Wolfgang Söhngen and CFO Bernhard Hofer. Participants may dial +49 69 2222 2247 (from Germany) or +44 20 7138 0835 (from UK); other countries please choose from German/UK numbers. The participant passcode is 4342555. To allow for smooth processing we suggest that you dial in 10 minutes before the beginning of the call. The conference call will be supplemented by a webcast presentation which can be accessed during the call under the following link:

http://www.thomson-webcast.net/de/dispatching/?paion_080429misc

The dial-in details and webcast link are also available on

www.paion.de/investors.

Please be aware that due to the restrictions under the UK Takeover Rules it will not be possible to provide a replay of the conference call or a download of the presentation.

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