



PRESS RELEASE

PAION'S PARTNER LUNDBECK INITIATES CLINICAL PHASE III TRIALS WITH DESMOTEPLASE IN ISCHAEMIC STROKE

Aachen (Germany), Copenhagen (Denmark), 17 December 2008 - The biopharmaceutical company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange Prime Standard: PA8; London AIM: PAI) reports that its licensing partner H. Lundbeck A/S today announced the initiation of a clinical Phase III programme with Desmoteplase in the treatment of acute ischemic stroke. The programme consists of two Phase III clinical placebo-controlled trials, each enrolling approximately 320 patients.

Today, approximately 80% of stroke patients are not diagnosed and ready for treatment until more than three hours after the stroke. The only currently approved medical treatment for patients suffering from stroke must be applied within a maximum of three hours after the stroke takes place.

Following consultations with health authorities, the trials have been designed with the aim of measuring efficacy of one dosage of Desmoteplase (90µg/kg) administered in a window of between three and nine hours after the stroke has occurred. The two trials will enrol patients internationally at sites in Europe, USA, Canada, South America and Asia. The efficacy of Desmoteplase will be assessed after 90 days.

"Desmoteplase has the potential to treat patients with acute ischaemic stroke up to nine hours after onset of symptoms. That is up to six hours more than existing treatment and will allow a large group of patients time to reach the hospital and be treated", said Executive Vice President Anders Gersel Pedersen, Head of Development at Lundbeck. *"Desmoteplase has the potential to become a significant benefit to patients in an area with substantial unmet medical needs."*

"We are impressed with the effort and commitment that our colleagues at Lundbeck have put in realising the relaunch of Desmoteplase", said PAION CEO Dr Wolfgang Söhngen. *"As the enthusiasm in the stroke community remains at a high level about Desmoteplase we are positive to see rapid progress in the studies. We will continue to provide our expertise to our partner Lundbeck."*

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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 ischemic stroke.

Patients in an earlier clinical Phase III trial with Desmoteplase were eligible for treatment only in case of a detectable penumbra (insufficiently perfused but still salvageable tissue area around the primary location of stroke) of at least 20% of the affected area and were not screened for presence of vessel occlusion in the larger brain arteries using angiography. The data from the re-analysis of angiographs from these patients demonstrated that, in contrast to the Phase II studies, 70 % of the patients in the Phase III trial lacked visible vessel occlusion before treatment.

When analysing patient subgroups using presence of vessel occlusion as treatment criteria, a reduced response rate on the placebo group and a positive effect of Desmoteplase versus placebo is observed, however not statistically significant due to the small sample size. Additionally, pooled results from the clinical Phase II and III studies show statistically significant efficacy in favour of Desmoteplase if patients without visible occlusions in the large brain arteries are excluded. These novel findings are encouraging and support continued clinical investigation in patients with acute ischemic stroke within 3 to 9 hours after onset of stroke symptoms.

In January 2008, Lundbeck has obtained worldwide rights to Desmoteplase from PAION AG in Germany. Lundbeck gained full control of development and commercialisation of the drug while bearing all future development costs. PAION received an upfront payment of EUR 8 million and will be eligible to EUR 38 million of pre-commercialisation milestones and up to EUR 25 million post approval milestones on first commercial sales and reaching undisclosed sales targets. In addition, PAION will receive double-digit net royalties on sales and retained an option to co-promote Desmoteplase in Germany, Switzerland and Austria. PAION has been supporting in the planning of the new trials.

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, approximately 700,000 people suffer an ischemic stroke each year, and around 8-12 % of them die within 30 days. For the US, the American Heart Association estimates the financial burden of stroke due to in-hospital costs, long-term care programmes and productivity losses to approximately USD 66 billion in 2008.

About PAION

PAION is a biopharmaceutical company headquartered in Aachen, Germany. Since the acquisition of CeNeS Pharmaceuticals, which was completed in June 2008, the company has a second site in Cambridge, UK. The company is specializing in developing and commercializing innovative drugs for the hospital-based treatment of central nervous system (CNS) disorders and thrombotic/cardiovascular diseases, indications for which there is a substantial unmet medical need. PAION intends to further expand its portfolio of drugs by exploiting its core expertise in identifying high-potential compounds, licensing or otherwise acquiring them and advancing 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.

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