



PRESS RELEASE

PAION ANNOUNCES COMPLETION OF PHASE Ib STUDY WITH ITS SHORT ACTING ANESTHETIC/SEDATIVE CNS 7056

- Phase Ib study completed within 5 months
- Headline data will be available by November 2009
- No safety concerns expected

Aachen (Germany), 6 October 2009 – The biopharmaceutical company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange, Prime Standard: PA8) today announces the completion of the Phase Ib clinical trial assessing the new short-acting intravenous anesthetic/sedative CNS 7056 in volunteers undergoing colonoscopy.

The randomized, open, dose-escalation multiple dose Phase Ib study evaluated the sedation and recovery profile of CNS 7056 in two separate parts of the study. Before the second part of the study was started in volunteers undergoing a standard colonoscopy procedure, the reversal of sedation induced with CNS 7056 by the benzodiazepine antagonist, flumazenil, was examined in a double-blind design. The results of this part of the study revealed that a single dose of flumazenil is able to reverse the effects of CNS 7056 within approximately 1.5 minutes in volunteers with deep sedation/loss of consciousness. Re-sedation after administration of flumazenil was not observed.

In the subsequent open part of the trial volunteers undergoing a colonoscopy received three different dosages of CNS 7056 followed by “top ups” (i.e. multiple doses) as required to maintain an adequate sedation level for 30 minutes – a duration which is required for a standard colonoscopy procedure including any short interventions. The study was designed to evaluate the safety of a CNS 7056 multiple dose scheme and the success of the sedation, as well as the time to full recovery and discharge.

From mid April 2009 to end August 2009, a total of 51 volunteers have been recruited in the US Phase I unit. The finalization of the trial was based on the review of the data generated in the third dose cohort by the Data Monitoring Committee on 5 October 2009. The primary objective of the trial, to assess the feasibility of maintaining suitable sedation levels with CNS 7056 for 30 minutes during a colonoscopy procedure has been met. Top line data are expected by November 2009.

"After the timely completion of the Phase Ib and IIa studies in 5 months we look forward to the outcome of the two trials delivering further evidence for a unique profile in the lead indication procedural sedation," commented Dr. Wolfgang Söhnngen, PAION's CEO. "The next value increasing step forward will be the start of a Phase IIb study in colonoscopy patients which is under active preparation."

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About CNS 7056

CNS 7056 is a new short-acting sedative and general anesthetic that acts on GABA_A receptors. CNS 7056 is a water-soluble, rapid and short-acting GABA_A receptor modulator interacting with the benzodiazepine site. The clinical proof of concept study, reported in January 2009, showed that, after intravenous administration, CNS 7056 rapidly induces sedation. Importantly the sedative effects rapidly disappear after cessation of administration. The rapid offset of effect of the compound is due to its metabolism by esterase enzymes that are widely distributed throughout the body. Therefore it is anticipated that CNS 7056 can be clinically developed as a sedative agent for day case procedures, the induction and maintenance of anesthesia and ICU sedation. PAION initiated partnering discussions in parallel to the Phase II study in order to accelerate the further development of CNS 7056 for territories outside Japan, where the compound is partnered to Ono Pharmaceuticals.

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 specialized 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 has a "Search & Develop" business model, which is based on its core expertise in drug development. Where appropriate, particularly during the late stages of the clinical development, PAION seeks to collaborate with experienced partners.

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