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**PAION AND FOREST LABORATORIES PARTNER IN ACUTE STROKE
DESMOTEPLASE RECEIVES FAST-TRACK DESIGNATION FROM FDA**

AACHEN, GERMANY AND NEW YORK, NY – July 06, 2004 – PAION GmbH and Forest Laboratories, Inc. announced today that the companies have entered into an agreement for the development and marketing of PAION's stroke product, desmoteplase, in the United States (U.S.) and Canada. Desmoteplase, first in a new class of plasminogen activators, is in Phase II and has potential to treat acute ischemic stroke up to 9 hours after onset of symptoms.

Under the agreement Forest will make upfront and milestone payments to PAION. In addition Forest will pay PAION a royalty based on sales and will fund all continuing clinical development activities for the U.S. and Canadian markets. Forest will be responsible for sales and marketing activities and will have development and marketing rights to other indications of the product in these territories. PAION retains development and commercial rights in Europe, Japan and the rest of the world.

Desmoteplase was recently granted fast track status by the FDA, a designation granted for drugs that address an unmet medical need in life-threatening indications. Fast track designation allows the submission of portions of the application for approval in advance of the final section becoming available ("Rolling Biologics License Application"), and serves as the basis of an expedited review by the FDA, generally within six months of the filing date. If the trials are successful, it is possible that a BLA for desmoteplase would be submitted to the FDA as early as 2007.

Wolfgang Soehngen, M.D., Chief Executive Officer of PAION commented, *“The income from this agreement will secure the development for desmoteplase until approval. We have selected Forest for its proven development and regulatory expertise and its track record to successfully bring Central Nervous System products to market. We were especially impressed by the speed and pragmatism of decision making. The enthusiasm for this difficult indication from both the marketing and development colleagues, as well as from the management at Forest, will be a key success factor for the collaboration.”*

Howard Solomon, Chairman and Chief Executive Officer of Forest Laboratories, Inc. said, *“Desmoteplase is another late stage product to add to our pipeline. It is also our first biologic product, an important category of products that we have not participated in heretofore. Above all, desmoteplase is a product that, if successfully developed and approved, can make a very significant difference to stroke patients who presently have much more limited opportunity to ameliorate the potentially severe consequences of ischemic stroke which can be fatal or can severely limit the patient’s mental and physical functioning. We have also been deeply impressed by the scientific creativity and intelligence of the management and personnel of PAION.”*

About Desmoteplase and Stroke

Desmoteplase, first in a new class of plasminogen activators, is a genetically engineered version of a clot-dissolving protein found in the saliva of the vampire bat *Desmodus rotundus*. It possesses high fibrin selectivity, allowing it to dissolve a clot locally without affecting the blood coagulation system, which is thought to potentially reduce the risk of intracranial bleeding (a common risk when administering blood clot-dissolvers) as compared to less fibrin-specific plasminogen activators. PAION presented positive results from a Phase II trial demonstrating the compound’s potential to treat patients up to nine hours after the onset of stroke symptoms at the 29th International Stroke Conference in February 2004.

Stroke is the third leading cause of death in Europe and the United States, behind heart disease and cancer. The treatment of acute stroke and its serious long-term disabilities currently present an extensive unmet need. The only drug currently approved for the treatment of acute ischemic stroke must be administered within three hours after onset of stroke symptoms, thus limiting the potential patient population who can safely benefit from the rapid dissolution of the blood clot and the reperfusion of blood supply to the affected area of the brain.

About PAION GmbH

PAION GmbH, a biopharmaceutical company based in Aachen, Germany, is specialized in the development of innovative therapeutic products for the treatment of stroke. With core competencies in clinical development and international drug registration, PAION is ideally equipped to successfully launch and develop an emerging portfolio of stroke and cardiovascular products. The company today employs 50 people and has raised €51.2 million in four financing rounds since its foundation in the year 2000. An experienced international management team and the support of leading investors are the basis for rapid growth and the fulfilment of PAION's vision to become the "PAIONeer in Stroke". More information: www.paion.de.

About Forest Laboratories and Its Products

Forest Laboratories, rated fastest growing company and no. one on the list of top performers in 2003 by Business Week, develops, manufactures and markets pharmaceutical products principally in the United States and Europe. Forest's primary therapeutic markets include central nervous system disorders, hypertension and pulmonary disorders. Forest Laboratories' growing line of products includes among others: Lexapro®, an SSRI antidepressant indicated for the initial and maintenance treatment of major depressive disorder and for generalized anxiety disorder; Celexa®, an antidepressant; Namenda®, an N-methyl-D-aspartate (NMDA)-receptor antagonist indicated for the treatment of moderate to severe Alzheimer's disease; Tiazac®, a once-daily diltiazem, indicated for the treatment of angina and hypertension; Benicar®,* and Benicar HCT™, an angiotensin receptor blocker and diuretic combination product indicated for the second-line treatment of hypertension. More information: www.frx.com.

*Benicar® is a registered trademark of Sankyo Pharma, Inc.

Except for the historical information contained herein, this release contains "forward-looking statements" within the meaning of the Private Securities Reform Act of 1995. These statements are subject to risks and uncertainties that affect our business, including risk factors listed from time to time in the Company's SEC reports, including the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2004. Actual results may differ materially from those projected.

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