



**PAION RECEIVES LICENCE FOR NIPPON SHINYAKU'S
INVESTIGATIONAL NEUROPROTECTIVE DRUG ENECADIN
FOR STROKE TREATMENT**

AACHEN, GERMANY – 7. October, 2004 – PAION, Aachen announced today that it has entered into a licensing agreement with Nippon Shinyaku Co. Ltd., Kyoto, Japan, which grants PAION worldwide development and marketing rights with respect to Nippon Shinyaku's investigational neuroprotective drug Enecadin. This deal adds to PAION's growing portfolio of clinical drug candidates that aim to address the hitherto unmet medical need for the treatment of stroke and other thrombotic diseases.

Under the agreement Nippon Shinyaku grants PAION an exclusive license to develop and market Enecadin in the entire world with the exception of Japan. In Japan, PAION and Nippon Shinyaku will have co-exclusive rights. In return, PAION has agreed to make an upfront payment and various future payments contingent on the achievement of certain milestones. PAION has also undertaken to pay royalties on any future net sales of Enecadin in all territories.

PAION will be solely responsible for the development of Enecadin and the regulatory approval process in all territories with the exception of Japan, where PAION's rights will be co-exclusive. PAION will also have the right to choose a third party sub-licensee, if deemed necessary, as a partner for parts of the later-stage development and marketing. Nippon Shinyaku will be responsible for sourcing the active pharmaceutical drug substance.

For several years the pharmaceutical industry has failed to report any progress in the development of an innovative drug treatment for stroke. Recently PAION achieved positive results in a Phase II trial of its first drug, the clot-buster *Desmoteplase*. Importantly, the results were positive in the treatment of stroke up to 9 hours after the onset of stroke symptoms.

Stroke experts and the National Institute of Neurological Disorders and Stroke in the United States are demanding a combined treatment approach which aims to open clogged arteries and protect brain tissue. With Enecadin and Desmoteplase now in its portfolio, PAION believes it is well on its way to addressing this demand.

Dr. Wolfgang Söhngen, CEO of PAION, commented: “This is a major step in broadening our product pipeline. We analysed various neuroprotective compounds with a view to development and found Enecadin to be an outstanding drug candidate in this area. Nippon Shinyaku has compiled a high quality data package on which we can build. This should significantly reduce the time it will take us to start Phase II clinical trials, which we currently expect to be underway in the coming year.”

About Stroke

Stroke is the third leading cause of death in the industrialised world after heart disease and cancer. The treatment of acute stroke and related serious long-term disabilities currently present an extensive unmet medical need. The only drug currently approved for the treatment of acute ischaemic stroke must be administered within three hours after the onset of stroke symptoms, which limits the potential patient population that 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 Nippon Shinyaku Co., Ltd.

Founded in the ancient capital Kyoto in 1919, Nippon Shinyaku is an R&D-oriented pharmaceutical company specialising in the development, manufacturing and sales of ethical pharmaceuticals. Through the sales of remedies for prostatic hypertrophy and frequent urination, Nippon Shinyaku has built a reputation as a pharmaceutical company specialised in the urological field. Nippon Shinyaku also has developed new chemical entities in gastrointestinal, cardiovascular, allergy & inflammation and other fields and, in addition, has penetrated the functional food field. Nippon Shinyaku employs roughly 1,750 people and annual business sales amount to about 51 billion yen. For more information, access the website at www.nippon-shinyaku.co.jp.

About PAION

PAION, a biopharmaceutical company based in Aachen, Germany, aims to become a leading provider of innovative drugs for the treatment of stroke and other thrombotic diseases for which there is a substantial unmet medical need. With its core competence in advancing purchased or in-licensed drug candidates through the clinical development and regulatory approval process, PAION believes it is well equipped to achieve this goal. The company's most advanced drug candidate, Desmoteplase, has recently received fast-track designation from the U.S. Food and Drug Administration. The company today employs around 50 people and has raised € 51.2 million in four financing rounds since its foundation in the year 2000. More information at: www.paion.de.

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