



PRESS RELEASE

PAION SHIFTS START OF PHASE I STUDY WITH ANTICOAGULANT SOLULIN TO Q4 2006

GENERATION OF ADDITIONAL DATA FOLLOWING BFARM RESPONSE

Aachen (Germany), 30 June 2006 – Biopharmaceutical company PAION AG (Frankfurt Stock Exchange, Prime Standard: PA8), today announced that it shifts the start date of the first-into-man study for its drug candidate Solulin. The company has received detailed feedback from German authority BfArM (Federal Institute for Drugs and Medical Devices) on their CTA (Clinical Trial Application), which will require the generation of additional data that were originally planned to be available for the Phase II regulatory package only. In its response, BfArM has requested additional data mainly regarding pre-clinical and production related issues. PAION has initiated the necessary programme and will resubmit as soon as the data are available. Under the revised schedule the first Phase I study with this recombinant human soluble thrombomodulin is now anticipated for Q4 2006 instead of mid-year as originally scheduled.

“Because of the recent increased sensitivity in the EU towards first-into-man studies the additional questions do not come as a complete surprise – however we had completed our package before this happened. Our original development plan included generation of the now requested data at a later point in time” comments PAION spokesperson Dr. Peer Nils Schroeder. “From a clinical perspective all was set to go. We received consent by the responsible independent IRB (Institutional Review Board, Ethics Committee) as early as last year and since then we have been successfully pre-screening for possible participants in the study. With full support granted from our external research partners we will pursue the earliest possible date for resubmission.”

The planned first-into-man Phase I study aims at exploring safety and tolerability and pharmacokinetics with various intravenous doses of Solulin administered to healthy volunteers. PAION plans to develop Solulin for the treatment stroke but is also evaluating other cardiovascular indications.

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, 700,000 people suffer from a stroke attack each year, and around 20% of them die within four weeks. For the US, the American Stroke Association expects the financial burden of stroke due to in-hospital costs, long-term care programs and productivity losses to be 58 billion dollars in 2006 alone.

About Solulin

Solulin is an improved, soluble variant of the human membrane protein thrombomodulin. PAION acquired this biotechnologically produced thrombin

modulator from Schering AG. In preclinical settings, Solulin effectively inhibited venous and arterial thrombosis in various animal models at doses that did not reveal any marked bleeding propensity. It acts specifically at sites with increased thrombin concentrations where it reduces thrombus formation as demonstrated in animal models.

About PAION

PAION is a public biopharmaceutical company based in Aachen, Germany (Frankfurt Stock Exchange, Prime Standard, ISIN DE000A0B65S3). It aims to become a leader in developing and marketing innovative drugs for the treatment of stroke and other thrombotic diseases for which there is a substantial unmet medical need. PAION's activities are focused on the development of the three drugs Desmoteplase, Enecadin and Solulin. PAION's most advanced drug candidate, Desmoteplase, is partnered with Forest Laboratories, Inc. and H. Lundbeck A/S and currently being tested in an international multi-centred Phase III study in the indication of acute ischaemic stroke. Currently PAION employs on average more than 75 people.

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