



PRESS RELEASE

PAION REPORTS SUCCESSFUL START OF PHASE I STUDY WITH ANTICOAGULANT SOLULIN

Aachen (Germany), 24 October 2007 – PAION AG (Frankfurt Stock Exchange, Prime Standard: PA8) announced today that it has advanced its anticoagulant Solulin to clinical Phase I by conducting a first-in-man study. Two dosages have already been tested and were well tolerated. PAION's development candidate is an improved recombinant variant of the human protein thrombomodulin. The study is designed to evaluate safety, tolerability and pharmacokinetics of Solulin and to gain information on pharmacodynamics in response to intravenous doses of the substance. It is being conducted as a single-center, randomized, single-blind, placebo-controlled Phase I study in healthy volunteers. Initial results are expected in early 2008.

"We are very pleased that the Phase I program has started", comments Dr. Mariola Söhnngen, PAION's Chief Medical Officer. "Due to its particular mechanism of action, Solulin can be regarded as an "intelligent anticoagulant". In contrast to direct thrombin inhibitors it does not indiscriminately block thrombin activity but rather prevents excessive second wave thrombin generation during which thrombi grow and may become obstructive. Solulin shows anticoagulant activity with a reduced bleeding risk compared to classical anticoagulants, demonstrated in preclinical experiments and expected in humans."

As potential Phase II indications, PAION evaluates a variety of thrombo-embolic conditions.

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About Solulin

Solulin (soluble thrombomodulin, PAION code PN-02), which was acquired from Schering AG in 2001, is an improved recombinant soluble variant of the human protein thrombomodulin. By modulating the function of thrombin, Solulin exerts inhibitory effects on blood coagulation. As it needs to bind to thrombin to be effective, it acts specifically at sites with a procoagulant setting caused by increased thrombin concentrations. According to preclinical studies it may be useful in thrombo-embolic disorders without a marked bleeding propensity. Its particular mechanism of action also implicates anti-inflammatory potential for the substance.

About PAION

PAION is a biopharmaceutical company based in Aachen, Germany (listed at 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.

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