



AD HOC RELEASE / PRESS RELEASE

PAION AG: PAION REDUCES NUMBER OF EMPLOYEES

Aachen (Germany) 22 June 2007 – The biopharmaceutical company PAION AG (FSE: PA8) announced today that the management board and the supervisory board agreed on an action plan to significantly reduce external and internal costs. The decision was taken based on the unexpected results of the Phase III study DIAS-2 which was conducted with the drug candidate Desmoteplase. As part of the extensive package the company will adapt its personnel structure already on short notice and is going to reduce its workforce by 26 employees to a total of 70. Currently PAION is conducting a detailed analysis of the DIAS-2 results after which it will decide on the steps necessary to continue with its pipeline programmes. The personnel reduction affects almost every part of the company and is carried out with the proviso that the development organisation as such remains functional. PAION expects that the adopted action plan will result in cost savings of at least 2 million Euros per year.

End of ad hoc release

"Due to the DIAS-2 results, a potential approval of Desmoteplase will be significantly delayed. This will also hold true after the ongoing in-depth analysis is finished", comments PAION's CEO Dr. Wolfgang Söhngen. "This change of business conditions for PAION unfortunately forces us to reduce our workforce considerably. This was not an easy decision for us, because it leads to the loss of valued employees who made a substantial contribution to the development of the company. However, this step is inevitable in order to secure PAION's future. Furthermore, we have evaluated all external costs and will achieve substantial savings in this area, too."

In addition to Desmoteplase which is partnered with US pharma company Forest Laboratories, Inc. and H. Lundbeck A/S from Denmark, PAION's pipeline currently includes two additional development candidates.

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.

Contact

Dr. Peer Nils Schröder, Investor Relations / Public Relations
PAION AG, Martinstrasse 10-12, 52062 Aachen – Germany
Tel. +49 241 4453 152

E-mail pn.schroeder@paion.de

www.paion.de