



**PRESS RELEASE  
INCLUDING  
AD-HOC ANNOUNCEMENT ACCORDING TO §15 WPHG  
CONTRACTS**

**PAION EXPANDS AGREEMENT WITH LUNDBECK FOR DESMOTEPLEASE**

- **Lundbeck obtains global exclusive rights to Desmoteplase**
- **New Phase III trial with Desmoteplase in acute ischaemic stroke planned**
- **Lundbeck bearing all future development costs**
- **PAION retains co-promotion rights in certain countries**
- **PAION eligible for up to EUR 71 million in upfront and milestone payments**

Aachen (Germany), 21 December 2007 - PAION AG (Frankfurt Stock Exchange, Prime Standard: PA8) and H. Lundbeck A/S today announced they have entered into an expanded license agreement for Desmoteplase and that a new clinical Phase III trial with Desmoteplase in acute ischaemic stroke is being planned. The agreement is conditional and subject to Lundbeck's final IP due diligence and certain outstanding IP related issues, which will be completed no later than January 2008.

Under the terms of the new agreement Lundbeck obtains global exclusive rights to Desmoteplase (now including North America) with full control of development and commercialisation of the drug while bearing all future development costs. PAION will have a supporting role in the future development of Desmoteplase.

PAION retains an option to co-promote Desmoteplase in Germany, Switzerland and Austria.

Within the new deal structure, PAION will be eligible for a total of up to EUR 71 million in upfront and milestone payments, of which EUR 38 million consist of pre-commercialisation milestones and EUR 25 million are due post approval on first commercial sales and reaching undisclosed sales targets. PAION will receive EUR 8 million upfront. In addition, PAION will receive double-digit net royalties, which have been reduced compared to the previous contract.

+++ End of Ad-hoc Announcement +++

On 31 May 2007 PAION announced topline results of the DIAS-2 (Desmoteplase In Acute Ischemic Stroke) study with the compound Desmoteplase. The DIAS-2 study showed a surprisingly high responder rate in the placebo group with no difference compared to Desmoteplase on the primary clinical efficacy endpoint. In DIAS-2, patients were eligible for treatment only in case of a detectable penumbra (insufficiently perfused but still salvageable tissue area around the primary location of stroke) of at least

20%, as identified by magnetic resonance imaging (MRI) or perfusion computed tomography (pCT).

The patients, however, were not screened for presence of vessel occlusion in the larger brain arteries using angiography. The data from the re-analysis of angiographs from these patients demonstrated that, in contrast to the Phase II studies, almost half of the DIAS-2 patients lacked visible vessel occlusion before treatment.

When analysing patient subgroups using presence of vessel occlusion as treatment criteria, a reduced response rate on the placebo group and a positive effect of Desmoteplase versus placebo is observed, however not statistically significant due to the small sample size. Additionally, pooled results from the clinical Phase II and III studies (DIAS/DEDAS/DIAS-2) show statistically significant efficacy in favour of Desmoteplase if patients without visible occlusions in the large brain arteries are excluded. At the same time the re-analysis also indicates that patients without a visible vessel occlusion in the main arteries but with a large penumbra may also benefit from the treatment with Desmoteplase. These novel findings are encouraging and support continued clinical investigation in patients with acute ischemic stroke within 3 to 9 hours after onset of stroke symptoms.

Lundbeck plans to present data to the regulatory authorities in order to gain acceptance on the planned new clinical Phase III study expected to be initiated by Lundbeck in the second half of 2008.

*"Desmoteplase has the potential to treat patients with acute ischaemic stroke up to nine hours after onset of symptoms. No treatment is available today that allows patients to reach hospital and be diagnosed within this extended time window,"* said Senior Vice President Anders Gersel Pedersen, head of Development at Lundbeck. *"The re-analysis of the DIAS-2 study indicates that patients with a detectable blood clot can benefit from Desmoteplase and we are very pleased to have reached an agreement on the further development of the compound with our partner PAION."*

*"We are glad that Lundbeck shares our enthusiasm for Desmoteplase,"* says Dr Wolfgang Söhngen, CEO of PAION AG. *"We will continue to support Lundbeck in achieving our mutual goal to deliver a new treatment opportunity for stroke patients."* He adds: *"I would like to thank our clinical team for conducting the subgroup analysis which turned out to be the key for the continued development. We are proud that we were able to achieve a turnaround for Desmoteplase and PAION within six months."*

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### **Conference Call**

On Friday, 21 December 2007 at 4 p.m. CET (3 p.m. GMT, 10 a.m. EST) PAION will host a public conference call during on the expanded agreement with Lundbeck. The conference call will be conducted in English. Participants may dial +49 69 9897 2634 (Germany), +44 20 7138 0819 (UK), or +1 718 354 1361 (USA). Upon request, please enter 2621143 as participant pass code. To allow for smooth processing we suggest that you dial in 10 minutes before the beginning of the call. The conference call will be recorded. A replay will be available starting approx. 2 hours after the call until end of day 28 December 2007. The dial-in details for the replay will be published on our website <http://www.paion.de/investors.html>.

### **About Desmoteplase**

Desmoteplase, the most fibrin-specific plasminogen activator known today, is a genetically engineered version of a clot-dissolving protein found in the saliva of the vampire bat *Desmodus rotundus*. It has received fast-track designation from the U.S. Food and Drug Administration for the indication of acute ischaemic stroke.

### **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 a stroke each year, and around 20% of them die within four weeks. For the US, the American Heart Association expects the financial burden of stroke due to in-hospital costs, long-term care programs and productivity losses to exceed 62 billion dollars in 2007 alone.

### **About Lundbeck**

H. Lundbeck A/S is an international pharmaceutical company engaged in the research and development, production, marketing and sale of drugs for the treatment of psychiatric and neurological disorders. In 2006, the company's revenue was DKK 9.2 billion (approximately EUR 1.2 billion or USD 1.6 billion). The number of employees is approximately 5,300 globally. For further information, please visit [www.lundbeck.com](http://www.lundbeck.com)

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### **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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