



PRESS RELEASE

PAION REPORTS POSITIVE RESULTS OF ITS SHORT ACTING ANAESTHETIC/SEDATIVE CNS 7056 IN A PHASE IIA STUDY IN UPPER GI ENDOSCOPY

- Successfully provides short-term sedation in patients
- Dose dependent efficacy and rapid recovery post sedation
- Good tolerability in all dose groups confirms safety profile

Aachen (Germany), 4 November 2009 – The biopharmaceutical company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange, Prime Standard: PA8) today publishes encouraging headline data from the Phase Ila dose finding clinical trial assessing its new ultra short-acting intravenous anaesthetic/sedative CNS 7056 in patients undergoing endoscopy of the upper gastrointestinal tract.

The primary objectives of the trial, which were to further evaluate the safety of CNS 7056, to assess the dose-dependent success of sedation, time to full recovery and discharge in comparison to midazolam (the gold-standard agent), in patients undergoing gastroscopy, were met. The success rate with midazolam was 44 %, with the low dose of CNS 7056 dose 32 %, with the middle dose 56 % and with the highest dose 64 %. This clinically relevant improvement over midazolam has to be confirmed in larger trials, but this study has shown that it is possible to achieve the same or better results as compared to a single dose of the gold standard with a single dose of CNS 7056. The safety profile observed in this trial confirmed the good tolerability also shown in previous data and was anticipated for a benzodiazepine.

"This study along with the recently reported Phase Ib study support our view that CNS 7056 both as a single bolus and as a bolus with top-ups has the potential to become the new gold standard in procedural sedation", commented Dr. Wolfgang Söhngen, PAION's CEO. "Based on a foundation of solid science we have rapidly executed our development programme with only moderate cash consumption and will now endeavour to turn CNS 7056 into a commercial success."

Notes to Editor

About the Phase Ila study

The Phase Ila trial was a randomised, double blind, dose ranging study examining three doses of CNS 7056 compared with midazolam in 100 patients undergoing a diagnostic endoscopy of the upper gastrointestinal tract. The study was conducted in seven sites in the U.S. It was designed to evaluate the safety of CNS 7056, the success of the sedation, as well as the time to full recovery and discharge, in comparison to the gold-standard agent, midazolam. In this study only one bolus of CNS 7056 was administered in order to evaluate if gastroscopy can be achieved with this dose regimen.

The patients received one of the following doses of midazolam or CNS 7056:

- Midazolam - 0.075 mg/kg (25 patients)
- CNS 7056 - 0.10 mg/kg (25 patients)
- CNS 7056 - 0.15 mg/kg (25 patients)
- CNS 7056 - 0.20 mg/kg (25 patients)

The dose of midazolam was selected as one in the normal range used clinically to provide sedation for endoscopies. The doses of CNS 7056 were selected based on the findings of the first in man study (data reported 8 January 2009).

The success of the procedure was a composite endpoint consisting of sedation sufficient to initiate and complete the procedure, no mechanical or manual ventilation and no rescue sedation. The success rate (ITT) with midazolam was 44 %. The success rate with CNS 7056 was 32 % at the lowest dose, 56 % at the middle dose and 64 % at the highest dose. A rapid recovery to alertness and short time to discharge were observed in all CNS 7056 treated groups. Overall, the study showed that it is possible to achieve the same or better results as compared to the gold standard midazolam with a single dose of CNS 7056. The safety profile observed in this trial confirmed the good tolerability also shown in previous data and as anticipated for a benzodiazepine. There were no serious adverse events reported and no unusual findings were observed. Patients did not receive supplemental oxygen routinely and no patient required manual or mechanical ventilation. Overall, there was good cardiovascular and respiratory stability at the doses of CNS 7056 studied.

PAION will host a public conference call (conducted in English) on Wednesday, 4 November 2009 at 2 p.m. CET (1 p.m. GMT, 8 a.m. ET) to present the financial results for the first nine months 2009. The company will also provide further detail on the headline data of the Phase Ib and IIa studies with CNS 7056.

To access the call, participants from Germany may dial +49-69-22223262, from the UK +44-20-70980693 and from the US +1-703-6219129 (other countries: please choose from D/UK/US numbers). The participant pass code is 606556, followed by the hash key (#). To allow for smooth processing we suggest that you dial in ten minutes before the beginning of the call.

The conference call will be supplemented by a webcast presentation which can be accessed during the call under the following link: <https://www.anywhereconference.com>. In the field "Web Login" please enter 107277594 and in the field "Pin Code" 606556. After entering your name in the specified field please click on "Go". The dial-in details for the conference call and the webcast link are also available on PAION's website <http://www.paion.com>

The conference call will be recorded. Details on how to access the replay will be posted on the same web page after the call.

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About CNS 7056

CNS 7056 is a new short-acting sedative and general anesthetic that acts on GABA_A receptors. CNS 7056 is a water-soluble, rapid and short-acting GABA_A receptor modulator interacting with the benzodiazepine site. The clinical proof

of concept study, reported in January 2009, showed that, after intravenous administration, CNS 7056 rapidly induces sedation. Importantly the sedative effects rapidly disappear after cessation of administration. The rapid offset of effect of the compound is due to its metabolism by esterase enzymes that are widely distributed throughout the body. Therefore, it is anticipated that CNS 7056 can be clinically developed as a sedative agent for day case procedures, the induction and maintenance of anesthesia and ICU sedation. PAION initiated partnering discussions in parallel to the Phase Ib and IIa studies that were initiated in April 2009 in order to accelerate the further development of CNS 7056 for territories outside Japan, where the compound is partnered to Ono Pharmaceuticals. A Phase IIb study in patients undergoing a colonoscopy is actively being prepared.

About PAION

PAION is a biopharmaceutical company headquartered in Aachen, Germany. Since the acquisition of CeNeS Pharmaceuticals, which was completed in June 2008, the company has a second site in Cambridge, UK. The company is specialized in developing and commercializing innovative drugs for the hospital-based treatment of central nervous system (CNS) disorders and thrombotic/cardiovascular diseases, indications for which there is a substantial unmet medical need. PAION has a "Search & Develop" business model, which is based on its core expertise in drug development. Where appropriate, particularly during the late stages of the clinical development, PAION seeks to collaborate with experienced partners.

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