



PRESS RELEASE

PHASE Ib AND IIa STUDIES OF THE ANESTHETIC/SEDATIVE CNS 7056 ON TRACK

- After predefined interim analyses, the Independent Data Monitoring Committees recommended to proceed with the Phase Ib and IIa studies
- More than 50% patients/volunteers already recruited in both trials

Aachen (Germany), 15 July 2009 – The biopharmaceutical company PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange, Prime Standard: PA8) today announces that the respective Data Monitoring Committees (DMCs), after predefined interim analyses, recommended that the Company should proceed as planned with their Phase IIa study as well as Phase Ib of CNS 7056, a new short-acting intravenous anesthetic/sedative.

Following the successful proof of concept study reported in January 2009, a Phase IIa study (single dose) in patients undergoing endoscopy of the upper gastrointestinal tract and a Phase Ib study (multiple dose) in volunteers undergoing a colonoscopy, were started. The Phase IIa study is designed to evaluate the safety and the success of sedation of CNS 7056, as well as the time to full recovery and discharge, in comparison to the 'gold-standard' agent, midazolam. The Phase Ib study will allow PAION to generate additional data on pharmacodynamics and pharmacokinetics. Both studies are aimed to determine dose regimes for the further clinical development. As of today more than 50% of the patients/volunteers, respectively, have been recruited in both trials.

On 11 May 2009 positive results of the first part of the Phase Ib trial were reported. The effect of CNS 7056 can be reversed by an established antagonist, flumazenil; no re-sedation of the volunteers was observed.

"While we have already demonstrated proof of concept in our earlier Phase I first in man study, we are now looking forward to identify the best dose regimes for the next steps of the clinical program for which we are already initiating preparatory work" commented Dr. Wolfgang Söhngen, PAION's CEO.

The studies are being performed in the US and PAION expects to report results before the end of 2009.

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About CNS 7056 / REMIMAZOLAM (pINN)

CNS 7056 is a new short-acting sedative and general anesthetic that acts on GABA_A receptors. The substance was added to PAION's portfolio by acquiring CeNeS who in turn had acquired the substance from GlaxoSmithKline. 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 ongoing Phase II in order to accelerate the further development of CNS 7056 for territories outside Japan, where the compound is partnered to Ono Pharmaceuticals.

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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