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Pieris progresses proprietary asthma program: validation of pulmonary delivery of Anticalin®-based protein product candidate

Freising-Weihenstephan, Germany - July 10th, 2007.

Pieris AG, a biopharmaceutical company developing Anticalins[®], a novel class of targeted human protein therapeutics, today announced significant progress in validating novel, effective products for the potential treatment of asthma. In studies of its proprietary PRS-060 Anticalin[®] candidate, the Company reports that the protein can be effectively delivered to its target of action via the lungs.

PRS-060 has been selected by Pieris as being specific for a target implicated in a mechanism underlying asthma and other atopic diseases. The mode of action of the Anticalin[®] candidate is via modulation of the site of binding for multiple ligands.

"This important milestone demonstrates the exciting potential of Anticalin[®]-based products for the treatment of respiratory disease," said Dr Andreas Hohlbaum, Director of Science and Preclinical Development of Pieris. "In a simple preclinical biodistribution study quantitating PRS-060 Anticalin[®] delivered via a microspray device, we have already observed about 10-fold higher PRS-060 uptake than that typically obtained with monoclonal antibodies. Our findings have demonstrated the potential to deliver Anticalins[®] through alternative routes to injection and thereby exploit their intrinsic robustness and stability."

"This study confirms the ability of PRS-060 to be formulated in a way ideally suited to its application in asthma, namely in an inhaled preparation for home use," noted Evert Kueppers, Pieris Chief Executive Officer. "These findings continue to support the view that our Anticalin[®] platform, including its recent validation for dual targeting purposes, has enormous potential for application to human diseases that are currently inadequately treated."

The data will be presented for the first time on August 9th 2007 at IBC's Drug Discovery Technology Conference in Boston, MA, USA.

Pieris is now actively seeking development partners for this program with specialization in

product development for respiratory diseases, including asthma.

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Notes to editors

About Pieris AG

Pieris is a biopharmaceutical company engaged in the discovery and development of Anticalins[®], a novel class of targeted human proteins designed to diagnose and treat life-threatening human disorders. Exploiting extensive know-how in protein engineering as part of a broad intellectual property portfolio, the Company applies a balanced risk business model to the development of Anticalin[®] product candidates.

About Anticalin[®] technology

Anticalins are engineered by Pieris from the scaffold of human lipocalins, a family of natural binding proteins. Anticalins are selected to have prescribed binding properties with selectivity and affinity fundamentally similar to monoclonal antibodies. Being human in origin, Anticalins are predicted to have minimal immunogenicity in man. Where Anticalins benefit compared to conventional antibodies is in their small size (20 kDa), their robust physicochemical properties and their simple composition that together allow highly soluble, predictably stable products to be manufactured from bacteria. Anticalins are amenable to further engineering to balance their favorable tissue penetration with adjustable serum clearance. Moreover, Anticalins have been developed as Duocalins[®], whose dual targeting format allows multiple targets to be bound and modulated through a single molecule.

Pieris and its collaborators are not only able to develop superior biotherapeutics, but can do so outside the complex patent landscape that encumbers the development of conventional antibody products.

About PRS-060 and Pulmonary Delivery

PRS-060 targets an undisclosed, clinically validated target that represents a key mediator in allergic asthma. The mode of action of PRS-060 is unique compared to currently available asthma treatments, meaning the product has development potential in treating patients whose disease is not well controlled through standard therapies. Furthermore, the compact structure, intrinsic stability and small molecular size of PRS-060 presents Pieris with a number of formulation options for delivering the product via either inhaled or subcutaneous routes.

Further information on Pieris AG is available at www.pieris-ag.com.

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