

November 8, 2007



Pieris strengthens its management, as it prepares for the clinical development of PRS-050, an Anticalin®-based novel cancer therapy

Freising-Weihenstephan, Germany - November 8th, 2007.

Pieris AG, a biopharmaceutical company developing Anticalins®, a novel class of targeted human protein therapeutics, today announced the appointment of Dr Angelika Stern as Chief Operating Officer to the Company. Pieris has also announced the promotion with immediate effect of Dr Andreas Hohlbaum from the position of Director of Science and Preclinical Development to Chief Technology Officer.

The appointment of Dr Angelika Stern at Pieris coincides with continued progress of the Company's Anticalin® development programs towards the clinic. PRS-050, Pieris' most advanced program addressing the modulation of VEGF for the treatment of cancer, is currently being prepared for a Phase I study in patients with advanced malignancies. Projected to start in 2009, the study aims to assess the safety, pharmacokinetics and immunogenicity of a half-life extended version of the PRS-050 Anticalin®, as well as examining its biological activity.

Dr Stern has considerable experience in the clinical development of biologics in the pharmaceutical industry, specifically Phase I - III development and registration of GM-CSF (Leucomax®) at Novartis in cooperation with Schering-Plough and subsequently as Medical Director for Neupogen® at F. Hoffmann-La Roche. Dr Stern co-founded Hesperion Ltd, a Swiss based international CRO, where she advised emerging biotech companies on development strategy issues.

Commenting on her appointment Dr Stern said: "I am very impressed with Pieris' recent progress and the opportunities in biotherapeutic product development presented by the Anticalin® technology. PRS-050 exemplifies the enormous potential Pieris has in building a broad pipeline of therapeutics across multiple disease areas."

Evert Kueppers, Chief Executive Officer of Pieris, commented: "I am delighted to welcome Angelika Stern to our senior management team at this exciting stage in the Company's evolution. Attracting such an experienced executive is another milestone for Pieris, as we progress our proprietary Anticalin® programs towards the clinic. Furthermore, I am pleased to recognize the tremendous achievements made at Pieris by Andreas Hohlbaum in the past

18 months."

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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 serious 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 ligand binding proteins. Anticalins are selected to have prescribed binding properties with selectivity and affinity fundamentally similar to that of 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 VEGF and PRS-050

Angiogenesis - the development of new blood vessels from pre-existing vasculature - plays an important role in several diseases. Although various pro- and antiangiogenic factors have been identified, Vascular Endothelial Growth Factor (VEGF) has been implicated as the key pro-angiogenic factor in cancer.

The PRS-050 program has been designed to develop Anticalins® that specifically bind and block the signalling activity of VEGF in cancer. PRS-050, an Anticalin with extended serum half-life, exhibits comparable binding and functional *in vitro* activity to currently approved VEGF antagonists. Potent inhibition of VEGF-induced enhanced vascular permeability and angiogenesis, as well as anti-tumour activity, have already been demonstrated by PRS-050 in various well-validated preclinical studies.

Pieris' PRS-050 program exploits a number of favourable characteristics of Anticalins, including compact protein structure, high intrinsic stability, broad formulation flexibility and small molecular size, to develop more effective products for the penetration of neovascularized tumour tissue.

Further information is available at www.pieris-ag.com.

Anticalin® and Duocalin® are registered trademarks of Pieris AG.