FOR IMMEDIATE RELEASE

Pieris Receives BMBF Grant to Fund PRS-110 c-Met Antagonist Anticalin® Program

--Grant Supports Personalized Anti-cancer Approach on Path to Clinic--

Freising, Germany, February 7, 2012 — Pieris AG announced today the receipt of a EUR 1 million grant to support the development of the company's proprietary PRS-110 compound targeting c-Met, a cellular receptor that plays a key role in cancer cell growth and metastasis. The goal of the funded research will be to delineate a biomarker strategy for early clinical development and to aid in the progression of a personalized medicine approach with PRS-110.

"This grant represents a validation of PRS-110's potential as a powerful targeted cancer therapeutic and recognizes the progress we have achieved in moving the program closer to the clinic," stated Stephen Yoder, Chief Executive Officer of Pieris. "We believe we have developed a 'best in class' drug candidate that rivals other advanced targeted therapies addressing the c-Met pathway based on PRS-110's monovalent mode of target engagement and positive developability profile."

Mr. Yoder added that Pieris has been invited to present preclinical results for PRS-110 at the upcoming American Association for Cancer Research (AACR) Annual Meeting being held March 31 to April 4, 2012.

The PRS-110 grant is made possible by the BMBF (Bundesministerium für Bildung und Forschung or German Federal Ministry for Education and Research) Leading Edge Cluster program, which endows grants totaling up to EUR 200 million. The Munich Biotech Cluster, a winner of the BMBF's Cluster Competition in 2010, has brought together a consortium of biomedical companies and academic institutions under the objective: "m4 – Personalized Medicine and Targeted Therapeutics". The grant, managed by BioM, will match Pieris' funding of the PRS-110 project by underwriting the company's internal efforts and collaborative research from additional companies and academic institutions.

"Based on the strengths of companies like Pieris, we are developing the vision of the Munich Biotech Cluster as a model region for personalized and target-oriented medicine," commented Prof. Dr. Horst Domdey, Managing Director of BioM GmbH. "The BMBF's Cluster grants will have a rapid effect on driving the success of innovation not only by providing funding, but also by encouraging collaborations between the leading companies and scientists in the area."

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Anticalins are therapeutic proteins derived from human lipocalins, rationally engineered to solve for the pharmacological and pharmaceutical limitations of both protein and non-protein based drug platforms.

About Pieris

Pieris AG is an independent, clinical-staged biotechnology company advancing its proprietary Anticalin® technology to create differentiated drugs that are safer and more effective than conventional approaches. Exclusive to Pieris, Anticalin-based drugs promise to address high-unmet medical needs and expand the therapeutic potential of current targeted approaches. Pieris' pipeline ranges from its lead compound, PRS-050 (anti-VEGF, oncology) that recently completed a Phase I clinical trial, to multiple Anticalins in preclinical development across a range of therapeutic areas. To date, the company has signed four discovery and development collaborations: Daiichi Sankyo, Takeda San Francisco, the Sanofi Group and Allergan. Privately held, Pieris has been funded by premier biotechnology-focused venture capital, including lead investors OrbiMed Advisors and Global Life Science Ventures. For more information, please visit: www.pieris-ag.com.

About Munich Biotech Cluster

The m4 Leading Edge Cluster is a joint biotech initiative across Greater Munich that pools the strengths of hospitals and scientific institutes, biotech and pharmaceutical companies and the cluster management company BioM.

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For further information, please contact:
Stephen Yoder, CEO
Pieris AG
or
Gretchen Schweitzer
+49 172 861 8540
media@pieris-ag.com

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

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