

KARO BIO STRENGTHENS ITS INTELLECTUAL PROPERTY FOR ITS THYROID HORMONE RECEPTOR PLATFORM

STOCKHOLM, SWEDEN, September 17, 2009. The Swedish biotech company Karo Bio (Reuters: KARO.ST) today announced that it has expanded and further strengthened the intellectual property portfolio for its thyroid hormone receptor (TR) platform by entering into an agreement that provides Karo Bio with an exclusive license to a US patent from Pfizer Inc.

The agreement strengthens Karo Bio's intellectual property rights around its library of proprietary compounds targeting the thyroid hormone receptor, including eprotirome for the treatment of dyslipidemia, currently in clinical phase II development. Financial terms of the transaction were not disclosed. Karo Bio's intellectual property estate in the TR area currently includes 63 issued patents and 183 pending patent applications.

"This licensing deal confirms our commitment to this exciting area and adds even broader protection of our TR platform", commented Per Olof Wallström, President and CEO of Karo Bio.

Karo Bio's TR platform includes a great number of compounds, of which the most advanced compound, eprotirome, has concluded three clinical phase II studies. The company is currently conducting two supportive human pharmacological studies on eprotirome to complement the documentation needed for start of phase III.

The first of these studies aim at carefully documenting how the body handles metabolites of eprotirome, a type of study that is routinely performed during clinical drug development. The second clinical study intends to document the pharmaceutical formulation to be used through the phase III studies.

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Notes to editors

About Karo Bio

Karo Bio is a drug discovery and development company specializing in targeting nuclear receptors as target proteins for the development of novel pharmaceuticals. The company has a project portfolio with innovative molecules that primarily target dyslipidemia, diabetes, inflammation, and women's health. In these areas, there are significant market opportunities and a clear need for pharmaceuticals with new mechanisms of action. Karo Bio develops compounds aimed at treating broad patient populations up to clinical proof of concept before out-licensing. In therapeutic niche areas, Karo Bio has the capacity to bring selected compounds into late stage clinical development and, potentially, to the market. In addition to the proprietary projects, Karo Bio has three strategic collaborations with international pharmaceutical companies for development of innovative therapies for the treatment of common diseases. Karo Bio is listed on NASDAQ OMX Stockholm since 1998 (Reuters: KARO.ST).

This press release is also available online at: www.karobio.com and www.newsroom.cision.com