

5 April, 2001

Scientific Breakthrough in the Karo Bio and Abbott Collaboration

Karo Bio AB and Abbott Laboratories announce that they have determined the three dimensional structure of the Glucocorticoid Receptor (GR), an important target protein for pharmaceutical development. The receptor mediates the anti-inflammatory effects of steroids and regulates glucose metabolism. This is a discovery that the pharmaceutical industry has been trying to uncover for several years. For this reason the announcement today represents a major achievement.

In a joint collaboration, Karo Bio and Abbott have focused on the glucose regulation properties of GR. Since January 2000, the companies have collaborated on the development of a novel therapy for treatment of Type II diabetes with the glucocorticoid receptor drug. The aim of the collaboration is to develop liver selective antagonists that will normalize the elevated output of glucose from the liver in Type II diabetics. The joint project has entered preclinical development with the identification and optimization of lead compounds. In this phase, understanding the GR structure will be very important.

"This is a major scientific breakthrough," said Torben Jørgensen, president, Karo Bio. "We believe that this discovery will be useful for the success of our collaboration with Abbott and we are enthusiastic about moving forward with Abbott in the further development of the lead compounds."

"Access to the three-dimensional X-ray crystallographic structure of the glucocorticoid receptor is important scientifically in our research efforts in diabetes and metabolic disease," said Terry Opgenorth, Ph.D., divisional vice president, Metabolic Disease Research, Abbott Laboratories. "This discovery gives us important information for the design and development of potent and selective compounds through our strong collaboration with Karo Bio."

1 (2)

For further information contact:

Karo Bio AB

Torben Jørgensen, President, Karo Bio

Direct telephone: +46-8-608 6020

Mobile telephone: +46-70-749 0584

Background

Karo Bio is a company with operations in the United States and Sweden. The Company employs 120 people and has 250 patent cases including 100 approved patents.

Karo Bio has been listed on the Stockholm stock exchange (KARO) since 1998 and has a leading position in the field of drug discovery and nuclear receptors. The nuclear receptors are important and validated drug targets for a number of clinical indications and the Company uses proprietary technologies for the development of novel and improved therapies for major markets. An important base for generation of new therapeutic strategies is Karo Bio's strong academic network.

Therapeutic areas are women's health care, metabolic disorders, cardiovascular disease, diabetes, dermatology, ophthalmology and infectious disease.

Karo Bio collaborates with major pharmaceutical companies for development of products through clinical trials and to the market. In these partnerships Karo Bio receives downpayments, R&D funding and royalties on net sales when products reach the market.

The product pipeline is strong and includes a number of proprietary projects, which will be partnered in different stages. Karo Bio generally collaborates with major pharmas from early drug discovery through clinical trials but also takes the opportunity to bring products to the clinic before partnering. Apart from financial compensations the partners bring competence and resources for drug development and marketing to the collaboration.

Karo Bio has one product in clinical trials and expects to enter clinical trials with partners in the near future.

Karo Bio has a strong financial position and the partnerships include Abbott Laboratories, Bristol-Myers Squibb, Merck & Co., Aventis Pharma, Bayer AG, Boehringer Ingelheim Pharmaceuticals, Inc. GPC Biotech, NovImmune S.A., and Serono International S.A.