

## **KARO BIO AND WYETH EXTEND RESEARCH COLLABORATION AND ADVANCE LEAD COMPOUND**

**Wyeth Pharmaceuticals, a division of Wyeth (NYSE:WYE), has advanced into predevelopment a lead compound for atherosclerosis from the joint collaboration with Karo Bio. This event is a significant step in the three-year old collaboration and will result in a milestone payment to Karo Bio. In addition Wyeth and Karo Bio have agreed to extend the research term of their collaboration an additional year until August 31, 2005.**

In the fall of year 2001 Karo Bio and Wyeth initiated a three-year research collaboration for discovery of novel treatments for atherosclerosis targeting the Liver X Receptor (LXR). LXR is a rather new member of the nuclear receptor protein family that was discovered by Professor Jan-Åke Gustafsson and his team at Karolinska Institutet, Huddinge in Sweden. LXR has evolved as a most promising target for treatment of metabolic disorders, including atherosclerosis. Compounds modulating LXR function have the potential to become new pharmaceuticals for treatment and prevention of atherosclerosis.

Further, Wyeth and Karo Bio have agreed to extend research terms of the collaboration project for another year to continue discovery efforts for compounds acting on LXR, primarily for treatment of atherosclerosis, but also to explore additional clinical areas.

"I am very pleased that our successful collaboration with Wyeth Pharmaceuticals has reached to predevelopment stage in less than three years", says Dr. Björn O. Nilsson, President & CEO of Karo Bio. "The extension year will be important to utilize the strong momentum in the project for discovery of additional compounds beyond the candidate now moving towards the clinic."

KARO BIO AB

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***Background: Atherosclerosis***

*Atherosclerosis results from cholesterol and fat attaching to artery walls and creating obstructions. The artery narrows, leading to blood flow being restricted or blocked. The condition can lead to a number of disorders, including high blood pressure, vascular spasm, cardiac insufficiency, chest pain, and thrombotic events, of which heart attack and stroke are the most dangerous forms. At present, no drug is available which is able to give hardened arteries back their elasticity. Certain cholesterol-reducing drugs, so-called statins, can be used in a preventative manner. Diseases resulting from atherosclerosis are very common in the Western world. In the United States, more than 500,000 people die annually of myocardial infarction alone. More than 50 million people in the United States are candidates for some form of dietary and/or drug treatment to modify their lipid profile.*

*\*Source: eMedicine, June, 2004*

***Facts about Karo Bio***

*Karo Bio has operations in Huddinge, Sweden. The Company has 95 employees.*

*Karo Bio has been listed on the Stockholm stock exchange (Reuters: KARO.ST) since 1998 and maintains a leading position in the field of drug discovery focused on nuclear receptors. Nuclear receptors are 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.*

*Karo Bio has drug discovery programs in several therapeutic areas including women's health care, cancer, cardiovascular disease, atherosclerosis and diabetes.*

*Karo Bio collaborates with major pharmaceutical companies for the development of products and marketing. In these collaborations Karo Bio receives upfront payments, R&D funding and milestone payments, as well as royalties on net sales when products reach the market.*

*Karo Bio has strategic pharmaceutical drug discovery collaborations with Merck & Co., Inc. and Wyeth Pharmaceuticals.*

*This press release is also available online at [www.karobio.se](http://www.karobio.se) and at [www.waymaker.net](http://www.waymaker.net).*