

## **SPECIAL GENERAL MEETING OF THE SHAREHOLDERS**

### **New share issue approved at special general meeting of the shareholders.**

At Karo Bio AB's special general meeting on Friday October 14, 2005 the following was resolved.

The special general meeting approved the decision on a new share issue with preferential right to subscribe for existing shareholders. The rights issue includes no more than 46 447 677 shares at a nominal value of SEK 2 each, with the following conditions in summary:

- Every two existing shares entitle to subscribe for three new shares
- The subscription price is SEK 6 per share
- Last date for trading in the Karo Bio share including rights to participate in the share issue is October 19, 2005
- Record date for participation in the rights issue is October 24, 2005
- The subscription period is from October 27 – November 10, 2005
- Trading in subscription rights will take place October 27 – November 7, 2005
- Prospectus, subscription form and issue statement will be distributed to Karo Bio's shareholders beginning around October 26, 2005
- Through the rights issue, the Karo Bio will raise MSEK 278.7 before transaction costs and assuming that the new issue is fully subscribed

**KARO BIO AB**

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### **Facts about Karo Bio**

*Karo Bio is an innovative drug discovery and development company specializing in nuclear receptors for the development of novel pharmaceuticals with focus on metabolic diseases. Karo Bio is listed on the Stockholm stock exchange (Reuters: KARO.ST) since 1998.*



*The Company has expanded from being a drug discovery company by adding in-house preclinical development resources and competence for development of drugs to treat metabolic diseases. The Company has a strong project portfolio primarily targeting diseases such as diabetes, obesity, atherosclerosis and dyslipidemia.*

*In addition, Karo Bio has two strategic collaborations with international pharmaceutical companies for development of innovative therapies for the treatment of common diseases.*

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