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## **MILESTONE REACHED IN THE KARO BIO – MERCK & CO., INC. COLLABORATION**

**A significant preclinical milestone has been achieved in the estrogen receptor collaboration between Merck & Co., Inc and Karo Bio. The event is associated with an undisclosed milestone payment from Merck & Co., Inc. to Karo Bio.**

The collaboration with Merck & Co., Inc. was initiated in November 1997 with the objective of developing new treatments in the field of estrogen receptors, which may be particularly relevant in women's health care. The collaboration is based on the discovery of the estrogen receptor beta, which offers the potential for the development of selective drugs that can target either the alpha-receptor or the beta-receptor. Such selective compounds may have the potential to address unmet clinical needs.

"We are very happy to achieve this important milestone," says Björn Nilsson, President & CEO of Karo Bio. "It is a key event toward clinical trials and we are very pleased to have Merck & Co., Inc. as a partner in the field of women's health where they have strong capabilities in clinical development and marketing".

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### ***Background***

*Karo Bio has operations in Sweden and the United States. The Company employs 140 people.*

*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 400 patent cases including 128 granted patents.*

*Karo Bio has drug discovery programs in several therapeutic areas including men and women's health care, metabolic disorders such as obesity, cardiovascular disease, diabetes, dermatology and ophthalmology.*

*Karo Bio collaborates with major pharmaceutical companies for the development of products and marketing. In these partnerships 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 partnerships with Abbott Laboratories, Bristol-Myers Squibb, Merck & Co., Inc. and Wyeth Pharmaceuticals.*