



PRESS RELEASE

FOR IMMEDIATE RELEASE

KARO BIO AB ANNOUNCES STRATEGIC ALLIANCE WITH AVENTIS PHARMA FOR GENOMICS-BASED DRUG DISCOVERY

Durham, NC, USA, October 23, 2000 –Karo Bio AB (Stockholm, Sweden; Stockholm Stock Exchange: KARO) has announced today that its US subsidiary (Karo Bio USA, Durham, NC, USA) has entered into a strategic alliance with Aventis Pharma, the global prescription drugs business of Aventis S.A. (NYSE:AVE). Through the alliance, Karo Bio has agreed to provide Aventis with access to the company's proprietary BioKey drug discovery technology for targets identified through Aventis' genomics programs. The program aims to discover novel pharmaceuticals for combating infectious diseases. Aventis has an option to extend the initial one-year term for three additional years. The value of the agreement to Karo Bio can exceed \$32 million, excluding royalty income, assuming the development and approval of two compounds.

Torben Jørgensen, President of Karo Bio, said, "We are pleased to be working with a company of the caliber of Aventis. By combining Karo Bio's BioKey Assay technology with the research capabilities and the large number of novel targets of Aventis, we are solidifying our position as the assay technology of choice for genomics-derived targets. With eight licensees for the BioKey Assays, Karo Bio has developed a robust technology access business."

Francois Meyer, Ph.D., Senior Vice President and Head of Drug Innovation & Approval in France for Aventis Pharma, noted, "Gaining access to the BioKey Assay technology will further accelerate our genomics-based discovery program in anti-infectives. Our alliance with Karo Bio is a part of our overall strategy for acquiring the best discovery technologies available through alliances and partnerships."

During the collaboration, Karo Bio will develop, qualify, and deliver drug screening assays for genomics-derived research targets designated by Aventis. Aventis will pay Karo Bio research funding, license fees, technology milestones, clinical milestones, and royalties on product sales.

Due to the agreement Karo Bio will arrange a telephone conference today at 11.00 am CET. To participate, please call Annika Wågensand in advance, +46 8 696 12 40 between 9.00 - 10.30 am CET.

Based in Durham, NC, Karo Bio USA is the U.S. operation of Karo Bio AB. Karo Bio is a leading company within the field of nuclear receptors and genomics-based drug discovery. The company uses its state-of-the-art technologies for the development of tissue selective and receptor specific drugs for major markets. Through the Company's technology access and therapeutic programs, Karo Bio USA is creating a pipeline of novel pharmaceuticals that act on the wealth of targets coming from genomics. On May 10, 2000, Novalon merged with Karo Bio AB to become Karo Bio USA. The company's BioKey[®] assay technology enables the quick identification of small molecule leads and is the subject of alliances with Bayer AG (BAY.FSE), Novartis Research Foundation, Boehringer Ingelheim Pharmaceuticals, Inc., Millennium Pharmaceuticals Inc. (MLNM.NAS), Ares Serono (AREBE.ZRH), GPC Biotech AG (GPC.FSE), NovImmune S.A., and Aventis Pharma AG (NYSE:AVE). Karo Bio AB, based in Stockholm, Sweden, is a global drug discovery company with a leading position for drugs acting on nuclear receptors. Karo Bio has strategic alliances in the nuclear receptor area with Merck & Co (MRK.NYS), Bristol-Myers Squibb (BMY.NYS) and Abbott Laboratories (ABT.NYS). In addition, Karo Bio has a strong pipeline of projects owned solely by Karo Bio that will be further reinforced with the BioKey[™] technology. Karo Bio has 96 issued patents and more than 250 patent applications. The company has 120 employees in its facilities in Stockholm, Sweden and Durham, NC.

Aventis (NYSE: AVE) is a world leader in life sciences. Focused on two core business areas - pharmaceuticals and agriculture - Aventis is dedicated to improving life through the discovery and development of innovative products in the fields of prescription drugs, vaccines, therapeutic proteins, crop production and protection, animal health and nutrition. With global corporate headquarters in Strasbourg, France, Aventis employs around 95,000 people in more than 120 countries and recorded pro forma sales in 1999 of 20.5 billion euros. Aventis was launched in December 1999 through the merger of Hoechst AG of Germany and Rhône-Poulenc SA of France.

For more information: www.aventis.com

Aventis Pharma AG is the prescription drugs business of Aventis S.A. and conducts business in the United States as Aventis Pharmaceuticals. Aventis Pharma focuses on important therapeutic areas such as cardiology, oncology, infectious diseases, arthritis, allergies and respiratory disorders, diabetes and the central nervous system disorders. Aventis Pharma has its corporate headquarters in Frankfurt, Germany. Aventis Pharma also encompasses Aventis Pasteur, a world leader in vaccines based in Lyon, France, and Aventis Behring, a world leader in therapeutic proteins headquartered in King of Prussia, Pennsylvania, USA.

This press release contains forward-looking statements, including statements concerning the success of the collaboration, anticipated funding, the ability to develop safe and effective drugs and the advancement of both Aventis' and Karo Bio's current drug discovery programs. Actual results may differ materially due to many factors, including the likelihood of receiving any necessary regulatory approvals, successful completion of clinical trials and the commercialization of any resulting products.

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