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PROSPECTUS FOR KARO BIO'S RIGHTS ISSUE NOW AVAILABLE

The prospectus is available on Karo Bio's website www.karobio.se.

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About Karo Bio

Karo Bio is a drug discovery and development company specializing in endocrinology and targeting nuclear receptors as target proteins for the development of novel pharmaceuticals. The company has a project portfolio with innovative molecules that primarily target dyslipidemia, CNS-disorders, inflammation, and women's health. In these areas, there are significant market opportunities and a clear need for pharmaceuticals with new mechanisms of action. Karo Bio develops compounds aimed at treating broad patient populations up to clinical proof of concept before out-licensing. In therapeutic niche areas, Karo Bio has the capacity to bring selected compounds into late stage clinical development and, potentially, to the market. In addition to the proprietary projects, Karo Bio has three strategic collaborations with international pharmaceutical companies for development of innovative therapies for the treatment of common diseases. Karo Bio is listed on NASDAQ OMX Stockholm since 1998 (Reuters: KARO.ST).

Karo Bio may be required to disclose the information provided herein pursuant to the Securities Markets Act. The information was published on November 11, 2009 at 10:00 CET.

This press release is also available online at: www.karobio.com and www.newsroom.cision.com

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