

MARCH 25, 2010

**THE ANNUAL REPORT FOR 2009 NOW AVAILABLE ON
KARO BIO'S WEB SITE**

As of today, Karo Bio's annual report for 2009 is available on the company's web site, www.karobio.com

The printed version of the annual report will be distributed to shareholders and others specifically subscribing to the printed version. It can also be ordered from Karo Bio by mail to Karo Bio AB, att.: Eva Kruse, Novum, 141 57 Huddinge, Sweden, by fax to +46 8 774 52 80, or by e-mail to investor@karobio.com.

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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 Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was published on March 25, 2010 at 4pm CET.

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