

## **KARO BIO IMPLEMENTS PLANNED EFFICIENCY MEASURES**

**STOCKHOLM, May 31, 2012 - Karo Bio AB (publ) carries out the planned second phase of its efficiency program and reduces the number of employees by 10 to 44. The goal is for Karo Bio to become a company that is self-financed and has a commercially attractive and broad development pipeline.**

“Karo Bio has undergone a structural transformation. We are well equipped to meet the new demand we see as a result of the cutbacks in R&D activities among large pharmaceutical companies,” says Karo Bio CEO Per Bengtsson.

Parts of Karo Bio’s research activities are currently funded through an agreement with Pfizer, which generates a total of 10-14 million dollars during 2012 and 2013. The aim is to conclude more agreements of this type. In addition to that, there are various opportunities for external project funding.

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**About Karo Bio**

Karo Bio is a pharmaceutical company focused on the research and development of innovative drugs for large medical needs. The company runs a number of drug development projects within the indication areas neuropsychiatry, inflammation, autoimmune diseases, cancer and women’s health. An important foundation for the company’s activities is its unique knowledge of nuclear receptors as target proteins for the development of novel pharmaceuticals, as well as related mechanisms of action. Karo Bio is based in Huddinge, Sweden, has around 54 employees and is listed on NASDAQ OMX Stockholm (Reuters: KARO.ST).

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