

## **CHANGED DATE FOR THE ANNUAL GENERAL MEETING AND NOTICE TO EXTRAORDINARY GENERAL MEETING OF KARO BIO**

**STOCKHOLM, 23 March 2012 - Karo Bio AB (publ).**

According to the previous press release of 14 February 2012, Karo Bio has discontinued the clinical phase III-project with the lipid-lowering drug eprotrirome and decided to terminate the project. The decision changes the conditions for the company's continued direction. In order to give the Board of Directors and the executive management the opportunity for a new planning and renewed description of the business, the Board of Directors today has decided to postpone Karo Bio's annual general meeting from 27 April 2012 to 12 June 2012. Notice will be issued no later than four weeks before the general meeting. The annual report of 2011 is expected to be made public no later than on May 22 2012.

In accordance with what appears from the interim report of 8 February 2012, the company's shareholders' equity is less than one-half of the registered share capital as of March 2012. The Board of Directors has therefore decided to convene an extraordinary general meeting on 27 April 2012 for the presentation of a balance sheet for liquidation purposes (initial meeting for liquidation purposes). By consequence of the accounting capital deficiency and that Karo Bio's share capital is considerably higher than what appears to be adequate in light of the current nature, scope and risks of the business, the Board of Directors proposes that the extraordinary general meeting resolves on a reduction of the share capital to cover losses, without payment to the shareholders. The Board of Directors also proposes that the general meeting resolves on a connected amendment of the limits for the share capital. Provided that the general meeting resolves in accordance with the proposal of the Board of Directors the accounting capital deficiency will be restored. After the reduction, the share capital will amount to SEK 7,741,279 and the quota value of the share will amount to SEK 0,02. The reduction will not have any effect on the total shareholders' equity of the parent company.

The Board of Directors' notice to the extraordinary general meeting, including the proposals for resolutions, appears from the notice.

**For further information, please contact:**

CEO Per Bengtsson: cell: +46 76 002 6020 or by e-mail: [per.bengtsson@karobio.se](mailto:per.bengtsson@karobio.se)

**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 cardiovascular and metabolic diseases,

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 52 employees and is listed on NASDAQ OMX Stockholm since 1998 (Reuters:KARO.ST).

*Karo Bio publishes this information in accordance with the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was published on 23 March 2012, at 08:30 am CET.*

This press release is also available online at [www.karobio.com](http://www.karobio.com) and [www.newsroom.cision.com](http://www.newsroom.cision.com).