

IN ANTICIPATION OF THE ANNUAL GENERAL MEETING OF KARO BIO AB APRIL 11, 2007

As indicated in the notice for the annual general meeting of the shareholders, the nominating committee has continued its work. The nominating committee consists of Thomas Ehlin, chairman and representing Nordea's funds; Björn Franzon, Fourth Swedish National Pension Fund; Pernilla Klein, Third Swedish National Pension Fund; and Ragnhild Wiborg, Pecunia; as well as Per-Olof Mårtensson, chairman of the Karo Bio board of directors. Jörgen Vrenning, representing Catella's funds, is adjunct to the nominating committee from February 6, 2007. The work has led to the following proposal.

Number of board directors and deputy board directors (item 11 on the agenda)

The nominating committee proposes that the board of directors shall consist of eight board members with no deputy board members.

Remuneration to the board of directors and auditors (item 12 on the agenda)

The nominating committee proposes that remuneration to the board of directors be paid with SEK 465,000 to the chairman and SEK 170,000 each to the directors elected by the annual general meeting, who are not employed by the company or do not have consulting engagements with the company. It is also proposed SEK 110,000 in remuneration for committee work to be distributed as per resolution by the board of directors. Remuneration to the auditor is proposed to be as per approved invoice.

Board of directors and chairman of the board (item 13 on the agenda)

The nominating committee proposes that Dana Fowlkes, Lars Ingelmark, Laurent Leksell, Ulla Litzén, Per-Olof Mårtensson, Leon Rosenberg and Per Olof Wallström be re-elected as directors as well. The nominating committee also proposes that Birgit Stattin Norinder be elected as new director. Per-Olof Mårtensson is proposed to be chairman.

Birgit Stattin Norinder is a trained pharmacist and born 1948. She has held leading positions within research and development in several international pharmaceutical companies and is chairman of the board at Index Pharmaceuticals AB and director of the board at Antisoma plc UK, Artimplant AB (until May 2007), deCODE genetics Iceland, and Photocure ASA Norway, among others.

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Facts about Karo Bio

Karo Bio is an innovative drug discovery and development company specializing in nuclear receptors for the development of novel pharmaceuticals with focus on metabolic diseases. Karo Bio is listed on the Stockholm stock exchange (Reuters: KARO.ST) since 1998.

The Company has expanded from being a drug discovery company by adding in-house preclinical development resources and competence for development of drugs to treat metabolic diseases. The Company has a strong project portfolio primarily targeting diseases such as diabetes, obesity, atherosclerosis and dyslipidemia.

In addition, Karo Bio has two strategic collaborations with international pharmaceutical companies for development of innovative therapies for the treatment of common diseases.

This press release is also available online at: www.karobio.com and www.waymaker.net.