



Osiris Therapeutics Announces Accelerated Transfer of Osteocel Product Line

Columbia, Maryland – March 30, 2009 – Osiris Therapeutics, Inc. (NASDAQ:OSIR) today announced that it has agreed with NuVasive, Inc. (NASDAQ:NUVA) to accelerate transfer of the Osteocel business. Under the terms of amendments to the existing Asset Purchase and Manufacturing agreements between the parties, NuVasive will assume responsibility for Osteocel processing by April 10, 2009 and has removed contingencies applicable to \$30 million of the \$45 million in remaining milestone payments. Osiris is now scheduled to receive \$30 million in cash or NuVasive common stock according to the following schedule:

Date of Payment	Amount
March 31, 2009	\$5 M
June 30, 2009	\$12.5 M
September 30, 2009	\$12.5 M
Total	\$30.0 M

The terms applicable to the remaining \$15 million milestone payment are unchanged. This additional payment becomes due and payable when NuVasive achieves \$35 million in cumulative Osteocel sales. To date Osiris has received from NuVasive \$40 million in upfront and milestone payments.

Effective April 10, Osiris will cease all operations associated with Osteocel processing. Concurrent with the amendments to the Asset Purchase and Manufacturing agreements, Osiris will transfer its Osteocel inventory to AlloSource, of Centennial, Co., which had been processing quantities of Osteocel for Osiris and has now agreed to produce Osteocel solely for NuVasive. NuVasive has entered into a separate outsourcing supply agreement with AlloSource for the continued manufacture of Osteocel. AlloSource is one of the nation's largest non-profit providers of skin, bone, and soft tissue allografts for use in surgical procedures.

About Osiris Therapeutics

Osiris Therapeutics, Inc. is the leading stem cell therapeutic company focused on developing products to treat serious medical conditions in the inflammatory, orthopedic and cardiovascular areas. The Company's pipeline of internally developed biologic drug candidates under evaluation includes Prochymal for inflammatory, autoimmune, and cardiovascular indications, as well as Chondrogen for arthritis in the knee. Osiris is a fully integrated company, with capabilities in research, development, manufacturing, and distribution of stem cell products. Osiris has a partnership with Genzyme Corporation for the development and commercialization of Prochymal and Chondrogen in countries outside the United States and Canada. Osiris has developed an extensive intellectual property portfolio to protect the company's technology including 48 U.S. patents each having one or more foreign counterparts. Osiris, Prochymal and Chondrogen are registered trademarks of Osiris Therapeutics, Inc. More information can be found on the company's website, www.Osiris.com. (OSIR-G)

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements include statements about our expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate," "believe," "continue," "ongoing," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. Examples of forward-looking statements include, but are not limited to, statements regarding the following: our product development efforts; our clinical trials and anticipated regulatory requirements and the ability to successfully navigate these requirements; the success of our product candidates in development; status of the regulatory process for our biologic drug candidates; implementation of our corporate strategy; our financial performance; our product research and development activities and projected expenditures, including our anticipated timeline and clinical strategy for Prochymal, Chondrogen and our other MSC and biologic drug candidates; our cash needs; patents and



proprietary rights; the safety and ability of our potential products to treat disease and the results of our scientific research; our plans for sales and marketing; our plans regarding our facilities; types of regulatory frameworks we expect will be applicable to our potential products; and results of our scientific research. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Risks and uncertainties related to the sale of our Osteocel assets and related transactions include typical business transactional risks, the risk of changing relationships with customers, suppliers or employees; and the risk that we may not be able to fully perform or generate or receive milestone payments. Our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the factors described in the section entitled "Risk Factors" in our Annual Report on Form 10-K and Quarterly Reports filed on Form 10-Q, with the United States Securities and Exchange Commission. Accordingly, you should not unduly rely on these forward-looking statements. We undertake no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this press release or to reflect the occurrence of unanticipated events.

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