Osiris Provides an Update on a Clinical Review by Blue Cross Blue Shield Association

COLUMBIA, Md. – March 16, 2016 - Osiris Therapeutics, Inc. (NASDAQ: OSIR), a leading cellular and regenerative medicine company focused on developing and marketing products to treat conditions in wound care, orthopaedics and sports medicine, announced today that the Blue Cross Blue Shield Association has provided a positive review on Grafix® usage for individuals with diabetic lower-extremity ulcers.

Blue Cross Blue Shield Association reviewed the clinical data on Grafix and stated that there is sufficient evidence to determine that the technology results in a meaningful improvement in the net health outcome. Blue Cross Blue Shield Association, which reviews approximately 500 new medical technologies a year, provides the 36 Blue Cross plans nationwide with documentation that they often rely on to make coverage decisions. Each local Blues Plan, as an independent entity, determines its own medical policies and benefits, and adjudicates its own members' claims.

“We would like to thank the Blue Cross Blue Shield Association (Evidence Exchange) for their thorough review of Grafix for Diabetic Foot Ulcers,” said Dwayne Montgomery, President and CEO of Osiris. “As we continue to expand our products’ scientific and clinical data portfolio, we look forward to providing the Evidence Exchange with additional data in the near future.”

Operating and offering healthcare coverage in all 50 states, the District of Columbia and Puerto Rico, the 36 Blue Cross and Blue Shield companies cover nearly 105 million Americans. Nationwide, more than 96% of hospitals and 92% of professional providers contract with Blue Cross and Blue Shield companies — more than any other insurer.

About Osiris Therapeutics

Osiris Therapeutics, Inc., based in Columbia, Maryland, is a leader in researching, developing and marketing cellular regenerative medicine products that improve the health and lives of patients and lower overall healthcare costs. Having developed the world’s first approved stem cell drug, Osiris works to further advance the medical field. Osiris’ research and development in biotechnology focuses on innovation in regenerative medicine – including bioengineering, stem cell research and viable tissue based products. Osiris has achieved commercial success with products in orthopaedics, sports medicine and wound care, including BIO®, a viable bone matrix, Cartiform®, a viable osteochondral allograft, Grafix, a cryopreserved placental membrane, TruSkin™, a viable human skin allograft and Stravix™, a durable placental allograft.

Osiris, Grafix and Cartiform are registered trademarks of Osiris Therapeutics, Inc.; TruSkin and Stravix are trademarks of Osiris Therapeutics, Inc. BIO® is a registered trademark of Stryker Corporation (NYSE: SYK). 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 may include, without limitation, statements regarding any of the following: our product development efforts; our clinical trials and anticipated regulatory requirements, and our 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 biologic drug candidates and marketed Biosurgery products (including Grafix, BIO®, Cartiform, TruSkin and Stravix); our cash needs; patents, trademarks and other proprietary rights; the safety and ability of our products and potential products to treat disease; our ability to supply a sufficient amount of our marketed products or product candidates and, if approved or otherwise commercially available, products to meet demand; our costs to comply with governmental regulations; our plans for sales and marketing; our plans regarding facilities; types of regulatory frameworks we expect will be applicable to our products and potential products; results of our scientific research; the timing of our amended 2015 filings; and the engagement of our successor accounting firm. 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. 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 other Periodic 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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