Grafix® Cost Comparative Manuscript Reporting Wound Care Cost Reduction is Available Electronically in a Peer-Reviewed Journal

COLUMBIA, Md. – October 26, 2016 - Osiris Therapeutics, Inc. (NASDAQ: OSIR), a leading regenerative medicine company focused on developing and marketing products for wound care, orthopaedics, and sports medicine, announced today that a new peer-reviewed manuscript “Innovative Treatment of Chronic Diabetic Foot Ulcer in a Controlled Randomized Clinical Trial Produces Fewer Adverse Events, Faster Wound Closure, and Lower Costs” has been published in the Journal of Clinical Diabetes and Practice and is available online.

A cost comparative model was applied to patient data from the Grafix multicenter, controlled, randomized, blinded, clinical trial for chronic diabetic foot ulcers (DFUs) (Lavery et al., Int Wound J, 2014, 11: 554-560) by investigators at the Division of Health Care Policy and Research at the University of Colorado, Anschutz Medical Campus. This group evaluated the cost effectiveness and cost benefits of Grafix compared to Good Wound Care (GWC). Data demonstrated that the use of Grafix for the treatment of chronic DFUs is cost effective in comparison to GWC. The estimated savings during the trial based on associated adverse events and serious adverse events were approximately $14,000/patient. There were no Grafix-related reportable adverse or serious adverse events during the trial. When closed and non-closed wounds were compared, the estimated cost savings for closed wounds were also approximately $14,000/patient. Overall, lower costs were associated with patients managed with Grafix, and these patients experienced fewer adverse events, fewer serious adverse events, and fewer hospitalizations due to faster wound closure.

“A DFU is a common complication of diabetes that is costly to treat. Poor or ineffective management of such wounds will lead to the use of intensive services, thus further increasing cost. Cost effectiveness should be an integral part for assessments of all wound care treatment modalities,” says Dr. Eugene J. Nuccio, an Assistant Professor within the Division of Health Care Policy and Research at the University of Colorado, Anschutz Medical Campus, the Principal Investigator of the Grafix cost comparative analysis.

“We were very pleased to see significant reduction of wound related infections in the Grafix DFU trial.” said Dr. Lawrence Lavery, D.P.M., M.P.H., a Principal Investigator and Professor of Plastic Surgery, University of Texas Southwestern Medical Center. “The outcome of this study is critical evidence for every wound care provider and payer to consider. This study shows that adding Grafix in addition to GWC prevents adverse events and reduces the overall cost of care.”
About Grafix

Grafix is a cryopreserved placental membrane comprised of an extracellular matrix (ECM) rich in collagen, growth factors and viable cells native to the tissue. Grafix is processed using Osiris' proprietary BioSmart™ technology; it is flexible and conforming and designed for application directly to hard-to-treat acute and chronic wounds, including but not limited to diabetic foot ulcers, venous leg ulcers and thermal burns.

About Osiris Therapeutics

Osiris Therapeutics, Inc., based in Columbia, Maryland, is a world leader in researching, developing and marketing regenerative medicine products that improve health and lives of patients and lower overall healthcare costs. Having developed the world’s first approved stem cell drug, the company continues to advance its research and development in biotechnology by focusing 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™, Cartiform®, Grafix®, TruSkin™ and Stravix™. Osiris, Grafix, Cartiform, TruSkin and Stravix are registered trademarks of Osiris Therapeutics, Inc., and BIO® is a trademark of Howmedica Osteonics Corp.. More information can be found on the company's website, [www.Osiris.com](http://www.Osiris.com).

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 the anticipated efficiencies, advantages, or cost-savings of products or services, as individual results may vary depending on the circumstances, means of use, costs of goods or services, and other factors. 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. 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.

For additional information, please contact:

Diane Savoie
Osiris Therapeutics, Inc.
(443) 545-1834
[OsirisPR@Osiris.com](mailto:OsirisPR@Osiris.com)