



## Osiris Announces Pricing of Its Initial Public Offering

**August 4, 2006 – Baltimore, Maryland** - Osiris Therapeutics, Inc. announced today the pricing of its initial public offering of 3,500,000 shares of its common stock at a price of \$11.00 per share. All of the shares are being sold by the Company. Up to an additional 525,000 shares have been made available to the underwriters to cover over-allotments, if any. Osiris' common stock is expected to begin trading on The NASDAQ Global Market on Friday August 4, 2006 under the symbol "OSIR."

The shares are being offered by an underwriting syndicate led by Jefferies and Company acting as the bookrunning manager with Lazard Capital Markets and Leerink Swann and Company acting as the Co-Lead and Co-Manager, respectively. This offering will be made only by means of a prospectus. Copies of the final prospectus relating to the offering may be obtained from Jefferies and Company, 520 Madison Avenue, 12<sup>th</sup> Floor, New York, NY 10022 or by fax request at (212) 284-2208.

A registration statement relating to these securities was declared effective by the Securities and Exchange Commission on August 3, 2006. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction or state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction or state.

### ***About Osiris Therapeutics***

Osiris Therapeutics, Inc. (NASDAQ:OSIR) is a leading stem cell therapeutic company focused on developing and marketing products to treat medical conditions in the inflammatory, orthopedic and cardiovascular areas. Osiris currently markets and sells Osteocel<sup>®</sup> for regenerating bone in orthopedic indications. Prochymal<sup>™</sup> is entering Phase III clinical trials and is the only stem cell therapeutic currently designated by FDA as both an Orphan Drug and Fast Track product. The Company's pipeline of internally developed biologic drug candidates under evaluation also includes Chondrogen<sup>™</sup> for regenerating cartilage in the knee, and Provacel<sup>™</sup>, for repairing heart tissue following a heart attack. Osiris is a fully integrated company, having developed stem cell capabilities in research and development, manufacturing, marketing and distribution. Osiris has developed an extensive intellectual property portfolio to protect the company's technology in the United States and a number of foreign countries including 45 U.S. and 153 foreign patents owned or licensed.

**For additional information, please contact Lisa Rodemann at 410.522.5005, extension 610.**