

## News Release

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### **Lonza and Osiris Therapeutics enter strategic product supply agreement**

- **Manufacturing agreement for the production of Prochymal<sup>®</sup>, Osiris Therapeutics' leading stem cell therapy**
- **Lonza to build new production facility at its Walkersville site**
- **Prochymal<sup>®</sup> is being evaluated in Phase III clinical trials for three indications, including acute and steroid refractory Graft versus Host Disease and also Crohn's disease**

Basel, 1 July 2008 – Lonza (SWX: LONN), today announces a clinical and commercial manufacturing agreement with Osiris Therapeutics, Inc. (NASDAQ:OSIR) for the production of Prochymal<sup>®</sup>, their leading adult stem cell therapy.

Concurrent with this announcement, Lonza announces the construction of new facilities including the first commercial-scale allogeneic cGMP manufacturing facility and additional capacity to manufacture cGMP grade cell culture media for therapeutic applications. This multi-million US dollar, state-of-the-art therapeutic cell production facility will provide Lonza the capacity to manufacture the tens of billions of cells per day needed to support its clients' commercialization efforts.

“Our agreement with Osiris solidifies Lonza’s leadership in the cGMP manufacturing of cellular therapeutics and signals Lonza’s commitment to support the commercialization efforts of our cell therapy clients and the patients they serve. Additionally, our considerable investments in R&D and supply chain logistics will deliver substantial value to our clients in terms of clinical and commercial execution”, comments David Smith, Head of Lonza Bioscience Cell Therapy. “We are excited to be a strategic partner with Osiris in bringing this important technology to market”.

Harry Carmitchel, Chief Operating Officer, Osiris Therapeutics, Inc. adds: “We see this as a significant milestone in our efforts to commercialize the world’s first stem cell drug. With Lonza’s help, Osiris will be able to bring these new therapies to market quickly to address patient needs in a variety of indications.”

Prochymal<sup>®</sup> is being evaluated in Phase III clinical trials for three indications, including acute and steroid refractory Graft versus Host Disease (GvHD) and also Crohn's disease. Acute GvHD is a potentially life threatening complication that arises in approximately 50% of all patients who receive a hematopoietic stem cell transplant. Prochymal<sup>®</sup> is also being developed for the repair of heart tissue following a heart attack, the protection of pancreatic islet cells in patients with type 1 diabetes, and the repair of lung tissue in patients with chronic obstructive pulmonary disease.

Terms of the agreement between Lonza and Osiris were not disclosed.

Information on Lonza's Cell Therapy capabilities can be found on [http://www.lonza.com/group/en/products\\_services/custommanufacturing/cell\\_therapy\\_manufacturing.html](http://www.lonza.com/group/en/products_services/custommanufacturing/cell_therapy_manufacturing.html).

### **About Lonza**

Lonza is one of the world's leading suppliers to the pharmaceutical, healthcare and life science industries. Its products and services span its customers' needs from research to final product manufacture. Lonza is the global leader in the production and support of active pharmaceutical ingredients both chemically as well as biotechnologically. Biopharmaceuticals are one of the key growth drivers of the pharmaceutical and biotechnology industries. Lonza has strong capabilities in large and small molecules, peptides, amino acids and niche bioproducts which play an important role in the development of novel medicines and healthcare products. Lonza is a leader in cell-based research, endotoxin detection and cell therapy manufacturing. Lonza is also a leading provider of value chemical and biotech ingredients to the nutrition, hygiene, preservation, agro and personal care markets.

Lonza is headquartered in Basel, Switzerland and is listed on the SWX Swiss Exchange. In 2007, Lonza had sales of CHF 2.87 billion. Further information can be found at [www.lonza.com](http://www.lonza.com).

### **About Osiris Therapeutics**

Osiris Therapeutics, Inc. 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 for regenerating bone in orthopedic indications. Prochymal is being evaluated in Phase III clinical trials for three indications, including acute and steroid refractory Graft versus Host Disease and also Crohn's disease, and is the only stem cell therapeutic currently designated by FDA as both an Orphan Drug and Fast Track product. Osiris also has partnered with Genzyme Corporation to develop Prochymal as a medical countermeasure to nuclear terrorism and other radiological emergencies. Prochymal is also being developed for the repair of heart tissue following a heart attack, the protection of pancreatic islet cells in patients with type 1 diabetes, and the repair of lung tissue in patients with chronic obstructive pulmonary disease. The Company's pipeline of internally developed biologic drug candidates under evaluation also includes Chondrogen for arthritis in the knee. Osiris is a fully integrated company, having developed capabilities in research, development, manufacturing, marketing and distribution of stem cell products. Osiris has developed an extensive intellectual property portfolio to protect the company's technology including 47 U.S. patents each having one or more foreign counterparts. Osiris, Prochymal, Chondrogen and Osteocel are registered trademarks of Osiris Therapeutics, Inc. More information can be found on the company's website, [www.Osiris.com](http://www.Osiris.com). (OSIR-G)

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