

KUROS ANNOUNCES ENCOURAGING PHASE IIA DATA WITH KUR-212 IN PATIENTS WITH BURNS REQUIRING MESH GRAFTING

Zurich, Switzerland, 12th August 2009 - Kuros Biosurgery AG announced today the final results of a Phase IIA clinical trial assessing the potential of KUR-212 (Viz.I-020502) in the treatment of burn patients that require autologous (from the patient) meshed skin grafting. KUR-212 is a novel combination product based on fibrin and a variant of platelet-derived growth factor (PDGF). The study reached its primary endpoint (safety) defined as no treatment-related adverse events 28 days postoperatively, showed encouraging efficacy results and gave no rise to any safety concerns.

This Phase IIA clinical trial was designed to evaluate the safety and give first indications about the efficacy defined as effect on wound closure (full re-epithelialization). The 1 month data was reported in August 2008.

In autologous mesh grafting a thin layer of skin of a patient is taken from an unaffected site on their body, meshed to allow for coverage of a larger area and applied to the burn site. These skin grafts are normally attached with staples or sutures. KUR-212 is applied as a gel on the wound immediately before and after graft placement and aims to replace staples as the standard fixation method and to improve the healing of the tissue. In this trial, a total of 10 patients were treated. The patients served as their own controls with an area of the graft being stapled and another area being treated with KUR-212.

The treatment was well tolerated and no treatment-related adverse events or safety issues were found over the course of the study. No hypergranulation was observed. As reported previously, although the small sample size precluded statistical evaluation of efficacy and patient preference, a difference was observed in the time to wound closure between treatments for the 1:3 meshing ratio, with a shorter time for the KUR-212-treated sites. There was no evidence of systemic absorption of PDGF and no antibody formation against PDGF or the PDGF variant used was observed. The long-term scar appearance outcomes for the KUR-212-treated and stapled sites were similar as assessed by the Vancouver Scar Scale. A preference of both patient and clinician for KUR-212 over staples was found. The results support further investigation of KUR-212 in patients with partial or full thickness burns undergoing skin grafting.

Virginia Jamieson, Chief Medical Officer of Kuros, adds: "We are very pleased with the results of this study. We are optimistic that the potential of KUR-212 as an important new treatment in skin graft procedures will be further demonstrated in the Phase IIb study that we plan to begin later this year."

KUR-212 is one of a family of Kuros combination products and consists of a variant of PDGF incorporated into a fibrin sealant. The product uses Kuros' proprietary TG-Hook technology, which allows linking of biologics to fibrin matrices and control of their subsequent release. The linked growth factor is gradually released during cell infiltration of the matrix, stimulating cell growth and promoting the skin repair process. This mechanism has been shown to lead to improved wound healing in a number of preclinical models. KUR-212 is licensed to Baxter International Inc. under a collaboration and license agreement, which was signed in 2005.

Didier Cowling, Chief Executive Officer of Kuros, said: "Reporting the final data of this study is an important achievement for Kuros. It is not only a big step for this product candidate but also another validation of our proprietary technology. The potential of our technology is highlighted by the continuing progress of our current clinical portfolio which is targeting a range of trauma and wound indications."

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About Kuros

www.kuros.ch

Kuros is a biotechnology company that is focused on the development of novel biomaterials and bioactive-biomaterial combinations for trauma, wound and spinal indications.

Kuros' combination products are designed to mimic the body's natural healing process. The products consist of fusion proteins of naturally occurring bioactive factors, covalently incorporated into fibrin or synthetic matrices. The incorporation of the biologically active molecules into the matrices aims to maximize their activity by retention at the site of action. Kuros products are designed to combine ease of application with localized delivery. Kuros has a number of methodologies to achieve the desired retention and release profiles of the biologically active molecules.

Kuros' has a diverse pipeline of product candidates with its most advanced products being in trauma and wound care.

Since its creation, Kuros has raised over \$100 million. The company is located in Zurich, Switzerland.

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