



KURO MEETS PRIMARY EFFICACY ENDPOINT IN PHASE IIB STUDY WITH KUR-111

RESULTS PROVIDE FIRST CLINICAL PROOF OF PRINCIPLE FOR KURO'S BIOACTIVE-BIOMATERIAL PRODUCT PLATFORM

Zurich, Switzerland, 15th March, 2010 - Kuros Biosurgery AG announced today the results of a Phase IIb clinical trial assessing the potential of KUR-111 (Viz.I-0401) in the treatment of patients with tibial plateau fractures that require fixation and grafting. The study achieved its primary efficacy endpoint, which was the demonstration of statistical non-inferiority to autograft with respect to the proportion of patients who achieved radiological fracture union at 16 weeks after grafting. This is the first large scale clinical study to demonstrate the efficacy of a product based on Kuros' proprietary bioactive-biomaterial technologies.

The repair of tibial plateau fractures often requires the replacement of bone lost by compaction with autologous bone taken from another site in the patient. Harvesting of autologous bone has implications for the patient in terms of risk of infection and additional morbidity, as well as requiring additional surgery. KUR-111 is designed to promote bone healing that is considered to be as good as autograft, which is the gold standard in many orthopedic procedures.

KUR-111 is composed of a variant of parathyroid hormone (vPTH), fibrin sealant and hydroxyapatite/tri-calcium phosphate (HA/TCP) granules. The product is applied directly to the fracture site as a mouldable putty able to form to the shape of the bone defect. KUR-111 utilizes Kuros' "TG-hook" technology for covalently binding vPTH into the fibrin sealant.

This Phase IIb trial is a randomized, controlled, open-label (dose-blinded), multi-center, dose-finding study. The study treated 183 patients at 30 centers across Europe and Australia. At 16 weeks, 84% of autograft treated patients and 84% of patients treated with the higher dose of KUR-111 had radiological fracture healing defined by an independent radiology panel using CT Scans at 16 weeks post surgery. In addition, a substantial difference was observed between the two doses of vPTH tested in this study, with the higher dose giving the higher efficacy (p value = 0.033). Secondary endpoints related to efficacy were consistent with the primary endpoint. For example a composite endpoint of CT scan and clinical healing gave 72% for the higher dose of KUR-111 and 64% for autograft. There were no indications of any safety issues.

Virginia Jamieson, Chief Medical Officer of Kuros, commented: "We are extremely pleased with the outcome of this study. The product was well tolerated, with good bone healing. It demonstrated similar efficacy to autograft, and it showed a difference in the bone healing response between the two concentrations of vPTH tested".

KUR-111 is the first of a family of product candidates based on Kuros' "TG-Hook" technology that are designed to improve bone repair or to generate bone. These positive clinical results are not only supportive of this product candidate but also of others that are based on the same or similar technologies.

Didier Cowling, CEO of Kuros, stated: "These positive results further support the strength of Kuros' product development activities based on bioactive-biomaterial combinations. We look forward to progressing this program, and others, with our partners and to bringing products to market that make a valuable contribution to patient treatment".

KUR-111 is licensed to Baxter International Inc. under a Collaboration and Licence Agreement which was signed in 2005. Baxter has the right under the Collaboration and Licence Agreement to assume responsibility for further development of KUR-111.

About tibial plateau fractures

The tibial plateau refers to the upper end of the shin bone that articulates with the femur in the knee joint. Tibial plateau fractures are usually the result of high impact trauma, for example those caused by falls or road traffic accidents. They are challenging fractures for the orthopaedic surgeon, as the fracture needs very careful placement of the fragments to re-establish the articular surface of the knee joint in order to prevent the development of osteoarthritis of the knee or leg axis deviations.

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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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