
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 12, 2019**

OSIRIS THERAPEUTICS, INC.

(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation)

001-32966
(Commission File Number)

71-0881115
(IRS Employer Identification No.)

7015 Albert Einstein Drive, Columbia, Maryland
(Address of principal executive offices)

21046
(Zip Code)

Registrant's telephone number, including area code: **(443) 545-1800**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01. Other Events.

On March 12, 2019, Osiris Therapeutics, Inc., a Maryland corporation (the “*Company*” or “*Osiris*”), issued a press release announcing entry into an Agreement and Plan of Merger (the “*Merger Agreement*”) by and among the Company, Smith & Nephew plc, an English public limited liability company, Smith & Nephew Consolidated, Inc., a Delaware corporation (“*Parent*”), and Papyrus Acquisition Corp., a Maryland corporation and an direct subsidiary of Parent (“*Sub*”), providing for the merger of Sub with and into the Company (the “*Merger*”), with the Company surviving the Merger as a wholly owned direct subsidiary of Parent. The Company distributed the following materials with respect to the proposed transactions contemplated by the Merger Agreement, the full text of which are attached hereto as Exhibits 99.1 to 99.3 and incorporated herein by reference:

- Press Release (Exhibit 99.1)
- Letter from the Company’s President and Chief Executive Officer (Exhibit 99.2)
- Frequently Asked Questions (Exhibit 99.3)

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>Press Release of Osiris Therapeutics, Inc., dated March 12, 2019.</u>
99.2	<u>Letter from Samson Tom, President and Chief Executive Officer of Osiris Therapeutics, Inc., to Employees of Osiris Therapeutics, Inc., dated March 12, 2019.</u>
99.3	<u>Frequently Asked Questions, dated March 12, 2019.</u>

IMPORTANT INFORMATION

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Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this Current Report on Form 8-K, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve substantial risks and uncertainties, including statements regarding the completion of the transaction with Smith & Nephew plc. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other similar expressions intended to identify statements about the future. These statements speak only as of the date of this communication and involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Meaningful factors which could cause actual results to differ from these forward-looking statements include, without limitation: (i) uncertainties as to the timing of the tender offer and the subsequent merger; (ii) the risk that the tender offer or the subsequent merger may not be completed in a timely manner or at all; (iii) uncertainties as to the percentage of Osiris’ stockholders tendering their shares in the tender offer; (iv) the possibility that competing offers or acquisition proposals for Osiris will be made; (v) the possibility that any or all of the various conditions to the consummation of the tender offer or the subsequent merger may not be satisfied or waived, including the failure to receive any required regulatory approvals from any applicable governmental entities (or any conditions, limitations or restrictions placed on such approvals); (vi) the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement, including in circumstances which would require Osiris to pay a termination fee; (vii) the effect of the announcement or pendency of the transactions contemplated by the Merger Agreement on Osiris’ ability to retain and hire key personnel, its ability to maintain relationships with its customers, suppliers and others with whom it does business, or its operating results and business generally; (viii) risks related to diverting management’s attention from Osiris’ ongoing business operations; (ix) the risk that stockholder litigation in connection with the transactions contemplated by the Merger Agreement may result in significant costs of defense, indemnification and liability; and (x) other factors discussed in the “Risk Factors” and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Osiris’ Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on March 28, 2018, and risks that may be described in Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings by Osiris with the SEC. In addition to the risks described above, other unknown or unpredictable factors also could affect Osiris’ results. As a result of these factors, we cannot assure you that the forward-looking statements in this communication will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. The forward-looking statements in this communication represent our views as of the date of this communication. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this communication. You should read this communication and the documents that we reference in this communication completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OSIRIS THERAPEUTICS, INC.

Date: March 12, 2019

By: /s/ Samson Tom
Name: Samson Tom
Title: President and Chief Executive Officer

Osiris Therapeutics, Inc. Enters Agreement to be Acquired by Smith & Nephew plc

COLUMBIA, MARYLAND, Mar. 12, 2019 — Osiris Therapeutics, Inc. (NASDAQ: OSIR), a regenerative medicine company focused on developing and marketing products for wound care, orthopedics, and sports medicine, today announced that it has entered into an agreement and plan of merger with Smith & Nephew plc pursuant to which Smith & Nephew will acquire Osiris for \$19.00 per share in cash, a total of approximately \$660.5 million in cash. This offer represents a 37% premium to the company's 90-day volume-weighted average stock price. The transaction was unanimously approved by the Boards of Directors of both companies.

Peter Friedli, Chairman of the Board and co-founder of Osiris, said, "This is a very good outcome for Osiris' shareholders. The Board concluded unanimously, after taking into account the requirements needed to take the business to the next level, that entering into this agreement represents the best way to maximize value for our stockholders." Mr. Friedli added, "I am immensely proud of the business we have built from our research into advanced regenerative technologies. I believe Smith & Nephew is the right home for Osiris and will allow our products to reach more customers, helping to restore quality of life for more patients."

"This agreement reflects the significant value that the Osiris team has generated for our shareholders under Peter Friedli's leadership. We believe this transaction will also benefit our customers, employees, and partners," said Samson Tom, President and Chief Executive Officer of Osiris.

Completion of the transaction is expected in the second quarter of 2019, pending the successful completion of the tender offer and all other closing conditions. Osiris' employees are expected to join Smith & Nephew on completion. Until that time, Osiris will continue to operate as a separate and independent company.

Cantor Fitzgerald & Co. rendered a fairness opinion to the Board of Directors of Osiris in connection with the transaction. Hogan Lovells US LLP is acting as legal counsel for Osiris.

Transaction Details

Under the terms of the agreement and plan of merger, Smith & Nephew has formed an acquisition subsidiary, Papyrus Acquisition Corp. ("Purchaser"), that will commence a tender offer no later than April 2, 2019 to purchase all outstanding shares of Osiris for \$19.00 per share in cash, and Osiris will file a recommendation statement containing the unanimous recommendation of the Osiris Board that Osiris stockholders tender their shares to Smith & Nephew. Following the completion of the tender offer, Smith & Nephew expects to promptly consummate a merger of Purchaser and Osiris in which shares of Osiris that have not been purchased in the tender offer will be converted into the right to receive the same cash price per share as paid in the tender offer.

The tender offer and the merger are subject to customary closing conditions, including the tender of at least a majority of the outstanding Osiris shares on a fully diluted basis and the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. The merger agreement includes customary termination provisions for both Osiris and Smith & Nephew, including a right for either party to terminate if the transactions have not been completed by December 12, 2019.

The merger agreement provides that, in connection with the termination of the merger agreement under specified circumstances, including termination by Osiris to accept a superior proposal, Osiris will be required to pay to Smith & Nephew a fee equal to \$18,682,450.

Smith & Nephew plc (LSE: SN, NYSE: SNN) is making a separate announcement regarding the transaction to its investors today.

Annual Report on Form 10-K

Osiris intends to file its Annual Report on Form 10-K for the year ended December 31, 2018 on Friday, March 15, 2019.

About Osiris Therapeutics

Osiris Therapeutics, Inc., based in Columbia, Maryland, researches, develops, manufactures, and commercializes regenerative medicine products intended to improve the health and lives of patients and lower overall healthcare costs. We have achieved commercial success with products in orthopedics, sports medicine and wound care, including the Grafix product line, Stravix[®], BIO⁴[®], and Cartiform[®]. We continue to advance our research and development by focusing on innovation in regenerative medicine, including the development of bioengineered stem cell and tissue-based products. Osiris[®], Grafix[®], GrafixPL[®], GrafixPL PRIME[™], Cartiform[®], and Prestige Lyotechnologysm are our trademarks. BIO⁴[®] is a trademark of Howmedica Osteonics Corp., a subsidiary of Stryker Corporation. More information can be found on the Company's website, www.osiris.com. (OSIR-G)

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Forward-Looking Statements

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For additional information, please contact:

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



Osiris CEO Message to Employees

To: Osiris Employees
From: Samson Tom

Team,

I am pleased to announce that Smith & Nephew has signed a definitive agreement to acquire Osiris. This is exciting news as this acquisition will align our innovative placental technology and regenerative medicine portfolio with Smith & Nephew, a portfolio medical technology business with leadership positions in Advanced Wound Management, Sports Medicine, and Orthopedics. Together, we can offer a continuum of care and create a compelling platform for enhanced success going forward.

Smith & Nephew has already expressed how much they value the expertise of Osiris' employees, and it is planned that all our employees will join Smith & Nephew at closing. I am sure you have many questions about Smith & Nephew and what this acquisition will mean for you personally and professionally. We are committed to communicating frequently and transparently throughout the integration process, beginning with a Town Hall meeting today at 9:30 AM ET at the Columbia, MD headquarters and a conference call at 11:00 AM ET for the sales team.

Subject to legal and regulatory requirements, we hope to close in Q2. Until then, we remain separate companies, and all communication must be done through our integration team. Should customers have a question about the Smith & Nephew product line, please direct them to Smith & Nephew customer service.

Thanks to all, and I look forward to our new journey as part of the Smith & Nephew team.

Sincerely,

Samson Tom
President and CEO

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FREQUENTLY ASKED QUESTIONS

OSIRIS EMPLOYEES

- **When can we expect this acquisition to close?**

We hope to close in Q2.

- **Will there be any job reductions as part of this acquisition?**

This is a common concern with any acquisition. The immediate focus is to limit disruption for either Osiris or Smith & Nephew. Following that, the plan is a measured integration of Osiris into the Smith & Nephew Advanced Wound Management (AWM) organization.

- **What's the plan for the Maryland site?**

Upon closing, Smith & Nephew looks forward to learning more about the Maryland site and reviewing potential synergies with Smith & Nephew's global manufacturing approach and capabilities.

- **When can I get information on Smith & Nephew's benefits?**

Information cannot be shared until the close of the acquisition, which we hope to be in Q2.

- **Who can I contact with questions prior to close?**

Until closing, it is vital that all communication between companies is done through our integration team in order to avoid any anti-trust issues and to make sure information shared is consistent and accurate.

- **What happens to 2018 Performance Reviews?**

These reviews are proceeding as scheduled. In addition, merit, bonus, and long-term incentive awards will be allocated based on performance and awarded on schedule.

OSIRIS SALES AND CUSTOMER SERVICE

- **Can we expect any reductions for the Osiris sales team?**

This is a common concern with any acquisition. The immediate focus is to limit disruption for either Osiris or Smith & Nephew. Following that, the plan is a measured integration of Osiris into the Smith & Nephew Advanced Wound Management (AWM) organization. As stated in the press releases by both parties, Osiris' employees are expected to join Smith & Nephew upon completion of the transaction.

- **When visiting customers, who do I refer Smith & Nephew product inquiries to?**

Please direct customers to contact Smith & Nephew's Wound customer services at 800-876-1261.

- **What is Smith & Nephew's bonus/compensation program like?**

At this time, Osiris and Smith & Nephew are two separate companies. Upon closing, more information will be shared relative to such topics.

- **When will additional information be communicated?**

Until closing, it is vital that all communications between companies is done through our integration team. As soon as additional information can be communicated, we will do so.

- **Are there any plans for Smith & Nephew to visit our site post acquisition? If so, when?**

As soon as additional information is available, we will communicate accordingly.

VENDORS

- **Does Smith & Nephew have a preferred vendor program?**

Yes, Smith & Nephew has a preferred vendor program.

- **Can I (vendor) begin that process now?**

Until close, Osiris and Smith & Nephew remain two separate companies. Therefore, it is not appropriate to begin that process until close.

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Forward-Looking Statements

This communication contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve substantial risks and uncertainties, including statements regarding the completion of the transaction with Smith & Nephew. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions intended to identify statements about the future. These statements speak only as of the date of this communication and involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends

that we believe may affect our business, financial condition and results of operations. Meaningful factors which could cause actual results to differ from these forward-looking statements include, without limitation: (i) uncertainties as to the timing of the tender offer and the subsequent merger; (ii) the risk that the tender offer or the subsequent merger may not be completed in a timely manner or at all; (iii) uncertainties as to the percentage of Osiris' stockholders tendering their shares in the tender offer; (iv) the possibility that competing offers or acquisition proposals for Osiris will be made; (v) the possibility that any or all of the various conditions to the consummation of the tender offer or the subsequent merger may not be satisfied or waived, including the failure to receive any required regulatory approvals from any applicable governmental entities (or any conditions, limitations or restrictions placed on such approvals); (vi) the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement dated March 12, 2019 (the "Merger Agreement"), among Smith & Nephew Consolidated, Inc., Papyrus Acquisition Corp., Osiris and Smith & Nephew plc, including in circumstances which would require Osiris to pay a termination fee; (vii) the effect of the announcement or pendency of the transactions contemplated by the Merger Agreement on Osiris' ability to retain and hire key personnel, its ability to maintain relationships with its customers, suppliers and others with whom it does business, or its operating results and business generally; (viii) risks related to diverting management's attention from Osiris' ongoing business operations; (ix) the risk that stockholder litigation in connection with the transactions contemplated by the Merger Agreement may result in significant costs of defense, indemnification and liability; and (x) other factors discussed in the "Risk Factors" and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Osiris' Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on March 28, 2018, and risks that may be described in Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings by Osiris with the SEC. In addition to the risks described above, other unknown or unpredictable factors also could affect Osiris' results. As a result of these factors, we cannot assure you that the forward-looking statements in this communication will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. The forward-looking statements in this communication represent our views as of the date of this communication. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this communication. You should read this communication and the documents that we reference in this communication completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.