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Massachusetts Life Sciences Center Board Approves $7.4 Million Investment in Expansion of Organogenesis

Grant will help create hundreds of new jobs

Boston and Canton, Massachusetts, (January 27, 2009) –The Massachusetts Life Sciences Center ("MLSC"), a quasi-public agency tasked with implementing the State's $1 billion life sciences initiative, announced today that the Center's Board of Directors has approved a $7.4 million grant to Organogenesis, Inc. to facilitate a major expansion. The Center will provide $3.7 million this fiscal year, and $3.7 million during FY 2010.

Based in Canton, Massachusetts, Organogenesis is a leading regenerative medicine company which was the first to successfully commercialize and mass produce a living cell product. Regenerative medicine is a revolutionary and rapidly developing field of medicine that applies living cells as therapies to restore the structure and function of damaged tissues and organs in order to treat multiple diseases.

To date, Organogenesis has invested more than $10 million to meet its immediate, mid-term and long-term capacity requirements through the purchase of two buildings totaling 175,000 square feet directly across from its current headquarters in Canton. The acquisitions will allow for the construction and operation of a campus to support Organogenesis' forecasted Massachusetts-based employment growth of approximately 280 new jobs (in addition to the company's 220 current employees).

Organogenesis' expansion plans include the construction of a highly advanced, state of the art regenerative medicine research and development and manufacturing plant that the

company expects will be the largest cell therapy manufacturing facility in the world. This planned facility and campus, once completed, will allow the company to leverage its leadership in the regenerative medicine field to attract substantial resources to Massachusetts over the next ten years.

Organogenesis' planned expansion will take place in two phases over the next five to six years. Including the cost of the properties recently acquired, the company estimates its total investment in Phase I at approximately $40 million, including design, construction and validation. The total investment in the two phases of the expansion project will approximate $63 million.

By leveraging Organogenesis' significant commitment, the company forecasts that the Center's investment will bring the following returns to Massachusetts:

1. A return on investment for the Commonwealth of approximately $6 million in annual tax revenue by 2013;
2. A greater than twofold increase in the company's workforce by 2013;
3. A world leading regenerative medicine manufacturing facility as an anchor of the industry within the state;
4. A clear message that Massachusetts is nurturing business development in life sciences;
5. Potential for substantial federal grants directed to Massachusetts; and
6. Significant support to the local vendor community.

Once Phase I is completed – by 2013, Organogenesis expects to double its current Massachusetts-based workforce, with the addition of a number of highly-skilled, high paying life sciences jobs. Organogenesis applies the majority of its research and development budget in Massachusetts and has significant long term collaborations with many of the state's renowned academic and clinical research institutions.

"This is a solid investment in job growth, with a tangible, short-term return for the people of Massachusetts," said Dr. Susan Windham-Bannister, President and CEO of the Massachusetts Life Sciences Center. "Our strategy is to leverage private investment through seeding and acceleration, and this award is a great example of this strategy at work. Through this investment of public funds, we will help create more than two hundred jobs, spur tens of million of dollars in private investment, and substantially increase revenue for the Commonwealth. This is just the sort of investment we need to be making during these difficult economic times."

"Brilliant scientists from Massachusetts-based academic and research institutions were the early pioneers in the regenerative medicine field, and Organogenesis is translating this promising research into actual treatments that are improving the lives of patients today," said Geoff MacKay, CEO of Organogenesis. "Organogenesis looks forward to implementing our expansion plans and continuing to grow and establish the industry within the state."

"This grant is a huge step in the expansion process, and demonstrates what a powerful message state government can send in terms of encouraging business growth here at home," said State Senator Brian Joyce, who represents Canton in the Senate. "Given the uncertain economic prospects, Massachusetts needs to stimulate growth in its most dynamic business sectors, and this will create hundreds of new high-skilled, high-paying jobs for our local economy."

"With the expansion of Organogenesis in Canton, the life sciences industry continues to prove itself as an important economic driver in the Commonwealth," said State Representative William Galvin of Canton. "The jobs being created by this expansion will directly benefit the people of my district especially in this current economic downturn."

About the Massachusetts Life Sciences Center

The Massachusetts Life Sciences Center (MLSC) is a quasi-public agency of the Commonwealth of Massachusetts tasked with implementing the Massachusetts Life Sciences Act, a ten-year, $1 billion initiative that was signed into law in June of 2008. The Center's mission is to create jobs in the life sciences and support vital scientific research that will improve the human condition. This work includes making financial investments in public and private institutions that are advancing life sciences research, development and commercialization as well as building ties between sectors of the Massachusetts life sciences community. For more information, visit www.masslifesciences.com.

About Regenerative Medicine

A new frontier in healthcare, regenerative medicine utilizes living human cells to repair or replace body tissue damaged by injury, disease or even the natural aging process. Regenerative medicine is a multidisciplinary field which brings together biology, medicine, and engineering to empower scientists to grow living cells, tissues and organs in the laboratory, and to safely implant them into the human body for the purposes of healing. Organogenesis was the first company to successfully mass produce living regenerative medicine products – reaching hundreds of thousands of patients in the U.S. and around the world. Its signature product, Apligraf®, is the first regenerative medicine product to have received U.S. Food and Drug Administration (FDA) approvals to close both diabetic foot ulcers and venous leg ulcers.

About Apligraf®

Like human skin, Apligraf contains two layers of living cells: an outer (or epidermal) layer of protective skin cells, and an inner (or dermal) layer of cells. When placed on a wound previously unresponsive to treatment, Apligraf plays an active role by providing cells and proteins that help promote healing. In multiple controlled clinical studies, Apligraf has been shown to be an effective and safe wound care treatment, superior to conventional treatments. It has been used to treat many thousands of patients and is covered extensively by Medicare, Medicaid and by 350 private payers in the U.S.

About Organogenesis, Inc.
Having pioneered the field, Massachusetts based Organogenesis, Inc. is a world leading regenerative medicine company focused in the areas of bio-active wound healing, bio-surgery and oral regeneration. Organogenesis delivers living tissue "on demand," and its mission is to bring the medical marvel of regenerative medicine products to patients and to standardize their use in everyday medical care. For more information, visit www.organogenesis.com.

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