Innovative Solutions for a Healthier World

NASDAQ: OMRI

Analyst & Investor Day
March 27, 2008

“PERSPECTIVES IN BIOSURGERY”
SAFE HARBOR STATEMENT

During the course of this presentation the Company or its representatives may make forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, including those relating to future events or the future financial performance of the Company, are based on management’s current expectations and are subject to certain risks and uncertainties that could cause actual events or results to differ materially from those in the forward-looking statements. These documents contain important factors that could cause actual results to differ materially from those contained in any forward-looking statement of the Company made in connection with this presentation. Information on other potential risks and uncertainties not discussed herein may be found in the Company’s filings with the Securities and Exchange Commission.
8:00 am  Introduction & Discussion of Long-Term Strategy  
Robert Taub  
Chief Executive Officer

THE HEMOSTASIS MARKET

8:20 am  A Surgeon’s Perspective  
Grant V. Bochicchio MD, MPH, FACS  
Associate Professor of Surgery,  
University of Maryland School of Medicine

9:10 am  Defining the Market Opportunity  
Robert Friedman  
Managing Director, Easton Associates

10:00 am  Break
WELCOME & AGENDA

10:15 am  Leveraging Our Expertise
Nissim Mashiach
President & Chief Operating Officer

BEYOND HEMOSTASIS

10:35 am  Adhesion Prevention - Adhexil
David Wiseman Ph.D., M.R.Pharm.S.
Synechion, Inc.

11:25 am  Biologic Lung Volume Reduction (BLVR)
David Dove, MD
President & CEO, Aeris Therapeutics, Inc.

12:15 pm  Closing Remarks
Robert Taub, MBA
Chief Executive Officer
Adhesion Prevention – Adhexil

David Wiseman Ph.D., M.R.Pharm.S.  
Synechion, Inc.
An Adhesions Opportunity for Omrix

- What are adhesions and what problems do they cause?
- Why do adhesions form?
- How can we prevent adhesions?
- Why fibrin?
- Does Adhexil™ prevent adhesions in animal models?
- What is the clinical potential of Adhexil™?
- Clinical evaluation of Adhexil™: Program and Study Design
- Adhexil™ project timelines
- Conclusion
What are adhesions, what problems do they cause?

- A scar that forms an abnormal connection between two parts of the body

- Caused by any trauma within the body as a consequence of normal healing (surgery, endometriosis, infection, radiation)

- Adhesions cause severe problems
  - Infertility
  - Chronic abdominal and pelvic pain, dyspareunia
  - Bowel obstruction
  - Complications in subsequent surgery
  - Coalesce into CAPPS – Complex Abdomino-Pelvic and Pain Syndrome
Abnormal connections between tissues
Deaths Associated with Intestinal Adhesions with Obstruction 560.81
Adhesion-related disease (ARD) is underestimated and unappreciated

- **ARD admissions rival those for CABG, appendix, etc.**

- **Women undergoing GYN surgery**
  - About 33% will be admitted about 2 times in the next 10 years for a problem directly related to adhesions or for a procedure that could be complicated by adhesions (open or closed)
  - Pelvic adhesions found in 56-100% of patients undergoing second look laparoscopy
  - Tubo-ovarian adhesions are a recognized cause of infertility and contribute to ectopic pregnancies

- **Adhesion related intestinal obstruction accounts for:**
  - 0.9% of all admissions
  - 3.3% of major laparotomies
  - 28.8% cases of L or S bowel intestinal obstruction

- **Intestinal Adhesions with Obstruction 560.81 (2005)**
  - 73,881 Discharges
  - 9.5 days LOS
  - $46,559 Cost per stay = $3.45 billion.
  - 2119 deaths, 63% female
Main Adhesions Problems

Current U.S. Market Size >$100M

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Problem</th>
<th>‘000s pa USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBGYN</td>
<td>Infertility, pain, obstruction</td>
<td>500</td>
</tr>
<tr>
<td>Hysterectomy</td>
<td>Obstruction, pain</td>
<td>650</td>
</tr>
<tr>
<td>C Section</td>
<td>Reentry</td>
<td>900</td>
</tr>
<tr>
<td>General</td>
<td>Obstruction</td>
<td>1000</td>
</tr>
<tr>
<td>Flexor tendon</td>
<td>Mobility</td>
<td>200</td>
</tr>
<tr>
<td>Cardiac</td>
<td>Reentry</td>
<td>400</td>
</tr>
<tr>
<td>Ocular</td>
<td>Strabismus</td>
<td>50+</td>
</tr>
<tr>
<td>Cranial</td>
<td>Redo</td>
<td>100</td>
</tr>
<tr>
<td>Laminectomy</td>
<td>Pain, paralysis, nerve</td>
<td>400</td>
</tr>
</tbody>
</table>
The patient’s view...
multiple surgery and despair

- **Multiple Surgery**
  - ‘4 adhesion surgeries. …can't find a doctor who believes my pain can be adhesions’
  - ‘pelvic adhesions which attach intestines ….removed 4 times in 4 years …problems again’
  - ‘…had 5 surgeries for very dense adhesions’
  - ‘…had 9 surgeries for adhesion repair’
  - ‘…had 17 surgeries for …adhesions. …had every product for adhesions …with no luck’

- **Despair**
  - "For the suicidal thoughts I have thought of them...."
  - "I am at the end of my rope......I am tired of living my life in pain”
  - “...no hope for me and I am at the end of my rope, barely hanging on by a thread. ...is there ANYTHING I can do to have a life that has quality??.. I need to know that I don't have to live the rest of my life this way.”
Why do adhesions form?

TRAUMA

- Inflammation & exudation
- Fibrin Deposition
- Approximation
- Fibrinous attachments
- Fibroblast migration
- Angiogenesis, collagen deposition

Ischaemia

- Bleeding
- Mesothelial damage
- Fibrinolytic compromise

Fibrous adhesions
What kind of trauma causes adhesions?

<table>
<thead>
<tr>
<th>Category</th>
<th>Causes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microbial</td>
<td>PID, peritonitis</td>
</tr>
<tr>
<td>Chemical</td>
<td>Chemotherapy, plume, reactive sutures</td>
</tr>
<tr>
<td>Abrasion</td>
<td>Handling, traction, lap pads</td>
</tr>
<tr>
<td>Dessication</td>
<td>Wind chill</td>
</tr>
<tr>
<td>Radiation</td>
<td>Heat, X ray</td>
</tr>
<tr>
<td>Inflammatory</td>
<td>Endometriosis, cancer</td>
</tr>
<tr>
<td>Ischaemia</td>
<td>Disease, obstruction, suture</td>
</tr>
<tr>
<td>Foreign body</td>
<td>Glove powder, char?</td>
</tr>
</tbody>
</table>
### How can we prevent adhesions?

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Method</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce Trauma</td>
<td>Gentle tissue handling, cautery</td>
<td>BioGel, Ansell</td>
</tr>
<tr>
<td></td>
<td>Powder-free gloves</td>
<td>Insuflow</td>
</tr>
<tr>
<td></td>
<td>Warm and humid gases</td>
<td>Sepracoat</td>
</tr>
<tr>
<td></td>
<td>Tissue pre-coating</td>
<td></td>
</tr>
<tr>
<td>Reduce inflammation</td>
<td>NSAID, steroids</td>
<td>Tolmetin, Celebrex®</td>
</tr>
<tr>
<td>Reduce exudation</td>
<td>Tissue sealant</td>
<td>FIBRIN</td>
</tr>
<tr>
<td>Reduce fibrin deposition</td>
<td>Heparin, Hemostasis</td>
<td>FIBRIN, heparin, thrombin</td>
</tr>
<tr>
<td>Prevent approximation</td>
<td>Barriers: fabrics, gels, instillates</td>
<td>FIBRIN, INTERCEED®, Seprafilm®, SprayGEL®</td>
</tr>
<tr>
<td></td>
<td>Hydroflotation ADEPT®</td>
<td></td>
</tr>
<tr>
<td>Lyse fibrin</td>
<td>Fibrinolytics</td>
<td>tPA</td>
</tr>
<tr>
<td>Modulate granulation</td>
<td>Interfere with angiogenesis/ collagen</td>
<td>anti-VEGF, halofuginone</td>
</tr>
</tbody>
</table>

Fibrin potentially acts at **three points** in adhesiogenesis.
## Why Fibrin?

<table>
<thead>
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<th>Mechanism</th>
<th>Method</th>
<th>Example</th>
</tr>
</thead>
<tbody>
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<td>Tissue sealant</td>
<td>FIBRIN</td>
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<td>FIBRIN</td>
</tr>
<tr>
<td>Prevent approximation</td>
<td>Barriers: fabrics, gels, instillates</td>
<td>FIBRIN</td>
</tr>
</tbody>
</table>

- Bilgin et al. Gynecol Obstet Invest 1995
- Brands et al. Chirurg 1990
- De Iaco et al. Fertil Steril 1994
- de Virgilio et al. Arch Surg 1990
- Evrard et al. Hum Reprod 1996
- Jahoda et al. Surgery 1999
- Sheppard et al. Am Surg 1993
- Toosie et al. Am Surg 2000
- Wiseman et al. Polymer Site Specific Pharmacotherapy 1994

Mixed results

- Premature tissue approximation
- Source of fibrin
- Method of processing: co-factors
- Concentration of fibrin
- Concentration of thrombin and Ca^{2+}
- Presence of fibrinolytic inhibitors

Determines persistence of barrier effect
## Fibrin (in general) vs. other barriers

<table>
<thead>
<tr>
<th></th>
<th>INTERCEED® J&amp;J</th>
<th>Seprafilm® Genzyme</th>
<th>ADEPT® Baxter</th>
<th>SprayGEL® Covidien</th>
<th>FIBRIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy to apply</td>
<td>Yes</td>
<td>Sticky</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Works in presence of bleeding</td>
<td>No</td>
<td>Yes</td>
<td>?</td>
<td>No</td>
<td>Likely</td>
</tr>
<tr>
<td>Easy to apply laparoscopically</td>
<td>Limited</td>
<td>V. Limited</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Reduces adhesions</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Poor</td>
<td>Moderate</td>
<td>Likely good</td>
</tr>
<tr>
<td>Does not reduce wound healing,</td>
<td>?</td>
<td>No</td>
<td>?</td>
<td>Tissue reaction?</td>
<td>?</td>
</tr>
</tbody>
</table>
Does Adhexil™ prevent adhesions in animal models?

### THE EFFECT OF TRANEXAMIC ACID IN FIBRIN SEALANT ON ADHESION FORMATION IN THE RAT

<table>
<thead>
<tr>
<th>Wiseman DM</th>
<th>Synechion, Inc., Dallas, TX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lyachovetsky Y</td>
<td>Omrix, Nes Ziona, Israel</td>
</tr>
<tr>
<td>Nur I</td>
<td>Omrix, Nes Ziona, Israel</td>
</tr>
<tr>
<td>Keidan I</td>
<td>Tel Aviv University, Israel</td>
</tr>
<tr>
<td>Trout JR</td>
<td>Rutgers University, NJ</td>
</tr>
</tbody>
</table>

Adhexil* in the following animal studies refers to undyed Adhexil
Rat Cecum Abrasion Model

Remove patch of parietal peritoneum
Abrade and air-dry cecal peritoneum
Approximate tissues

7 days

Incidences of Adhesions
Energy to break adhesions

Adhexil*
Tranexamic Acid

Tissucol/Tisseel (Baxter)
Bovine aprotinin
Adhexil* reduces adhesions in rats

- Adhexil* reduces incidence, tenacity and energy of adhesions
- Small effects only of Tissucol
- Tranexamic acid improves efficacy in dose-dependent manner
Adhesions

<table>
<thead>
<tr>
<th>Group</th>
<th>Adhesion free</th>
<th>Statistical grouping p&lt;0.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control</td>
<td>10%</td>
<td>A</td>
</tr>
<tr>
<td>SprayGEL</td>
<td>100%</td>
<td>B</td>
</tr>
<tr>
<td>Adhexil*</td>
<td>90%</td>
<td>B</td>
</tr>
<tr>
<td>ADEPT</td>
<td>0%</td>
<td>A</td>
</tr>
</tbody>
</table>

Adhexil vs. SprayGEL vs. ADEPT in Rats

Control treatment
What is the clinical potential of Adhexil™?

Can we predict clinical outcomes from animal studies?
“There is no animal model that predicts clinical outcome”

Models are often chosen arbitrarily.
What is the best model for postoperative adhesions?

What is the clinical potential of Adhexil™?
What is the best model for postoperative adhesions?

What result would you like?
There is no right model, just the right model for the right question

<table>
<thead>
<tr>
<th>Objective</th>
<th>Type of Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening</td>
<td>Permissive</td>
</tr>
<tr>
<td>Writing patents</td>
<td>Permissive</td>
</tr>
<tr>
<td>Optimize formulation</td>
<td>Challenging*</td>
</tr>
<tr>
<td>Regulatory submissions</td>
<td>Challenging*</td>
</tr>
<tr>
<td>Justify investment</td>
<td>Challenging*</td>
</tr>
<tr>
<td>Product improvement</td>
<td>More challenging:</td>
</tr>
<tr>
<td>Mechanistic Studies</td>
<td>Permissive/Challenging</td>
</tr>
<tr>
<td>Special conditions</td>
<td>Bleeding, ischaemia, contamination etc.</td>
</tr>
</tbody>
</table>

* with clinical correlates
## Animal Model Correlations

<table>
<thead>
<tr>
<th>Model</th>
<th>Species</th>
<th>Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewall</td>
<td>Rat</td>
<td>Generally permissive</td>
</tr>
<tr>
<td>Sidewall</td>
<td>Rabbit</td>
<td>Generally permissive</td>
</tr>
<tr>
<td>Uterine Horn</td>
<td>Rat</td>
<td>Generally challenging</td>
</tr>
<tr>
<td>Uterine Horn</td>
<td>Rabbit</td>
<td>Variable, important technical differences</td>
</tr>
<tr>
<td>Uterine Horn</td>
<td>Rabbit</td>
<td>Most data, most predictive, for devices</td>
</tr>
<tr>
<td>Simple abrasion</td>
<td>Rabbit</td>
<td></td>
</tr>
</tbody>
</table>
Animal-Clinical Correlation: Rabbit Uterine Horn Models

“Past performance is no guarantee of future success”
Rabbit Uterine Horn Model (Simple Abrasion)

- Abrasion
- Mesouterine arcade
- Nicking procedure
- Control 14 days
- Adhexil 14 days
Adhexil* reduces adhesions in the with and without bleeding - Rabbit Uterine Horn

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Adhexil*</th>
<th>Seprafilm</th>
<th>INTERCEED</th>
<th>SprayGEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-bleeding</td>
<td>77.5</td>
<td>15.1</td>
<td>34.1</td>
<td></td>
<td>43.3</td>
</tr>
<tr>
<td>Bleeding</td>
<td>73.7</td>
<td>15.4</td>
<td>38.6</td>
<td>47.6</td>
<td>60.7</td>
</tr>
</tbody>
</table>

* p< 0.05 vs. control
### Does Adhexil™ stack up against the competition?

<table>
<thead>
<tr>
<th></th>
<th>INTERCEED J&amp;J</th>
<th>Seprafilm Genzyme</th>
<th>SprayGEL Covidien</th>
<th>Adhexil OMRIX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy to apply</td>
<td>Yes</td>
<td>Sticky</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Preparation</td>
<td>None</td>
<td>None</td>
<td>Some</td>
<td>Some</td>
</tr>
<tr>
<td>Area coverage</td>
<td>Individual piece</td>
<td>Individual piece</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Efficacy in animals</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Clinical efficacy</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Expected to be good</td>
</tr>
<tr>
<td>Tissue adherence</td>
<td>Moderate-good</td>
<td>Good</td>
<td>Good/ not CO₂</td>
<td>Good</td>
</tr>
<tr>
<td>Works in presence of bleeding</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Easy to apply laparoscopically</td>
<td>Limited</td>
<td>V. Limited</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Does not reduce wound healing, potentiate infection, tissue reaction</td>
<td>?</td>
<td>No</td>
<td>Tissue reaction?</td>
<td>?</td>
</tr>
</tbody>
</table>
Excellent Safety Profile

Low Adverse event rate

158,229 kits supplied: QUIXIL®/CROSSEAL® & EVICEL®. In most instances, 1 kit/patient

16 adverse drug reactions (ADRs) (Oct 2004- Sept 2007)

All ADRs were serious and expected.

- Injury, Poisoning and Procedural Complications: 5
- Infections and Infestations: 5
- Vascular Disorders: 3
- Skin and Subcutaneous Tissue Disorders: 2
- General Disorders and Administration Site Conditions: 1

Total: 16 (in 13 patients, 3 countries)

2 of the cases involved off-label use
Adhexil™ Value Proposition

- Product with most/all ideal product characteristics
- High efficacy in predictive models + bleeding
- Excellent safety profile
- Natural biological polymers, mimic natural repair mechanism
- Can be used in other adhesions indications
- Little/no additional manufacturing investment

Justifies investment in clinical program
Clinical evaluation of Adhexil™: Program and Study Design.
To evaluate the safety and initial efficacy of Adhexil™ in preventing and/or reducing post-operative adhesions in patients undergoing surgery involving the ovaries.
Safety evaluations will include the following parameters:
- Adverse events
- Clinically abnormal laboratory and coagulation assessments

Efficacy evaluation will include the following parameters:
- Incidence
- Extent
- Severity of post-operative adhesions
Phase I/II Clinical study - Study Endpoints

- **Primary endpoint:** incidence of ovaries with adhesions

- **Secondary endpoints:**
  - Incidence of ovaries with adhesions
  - Extent of adhesions
  - Severity of adhesions
  - Stratification by reformed vs. de novo

- **Tertiary endpoints:**
  - Incidence and severity of adhesions at the 21 anatomic sites.
  - Worsening of the number, extent and severity of adhesions to the left and right ovaries
Phase I/II Clinical study - Study Design Overview

- 25 patients with bilateral ovarian disease due to prior surgery, endometriosis and/or inflammation
- 3 investigational sites (US and EU)
- Bilateral study design, internally controlled
- Prospective, randomised, double-blinded
- After the surgical procedure, one ovary assigned to Adhexil™, the other will be left untreated
- Second-look laparoscopy (2LL) 6 (+/- 4) weeks later
- Will define study design for Phase III

Status:

- Recruitment completion EO June 2008
Adhexil™ project timelines

- Phase I/II Gyn
  - Pre-clinical
  - Q3 07
  - Q4 07
  - Q1 08
  - Q2 08
  - Q3 08
  - Q4 08
  - Q1 09
  - Q2 09
  - Q3 09
  - Q4 09

- Phase III Gyn Pivotal
  - Q3 07
  - Q4 07
  - Q1 08
  - Q2 08
  - Q3 08
  - Q4 08
  - Q1 09
  - Q2 09
  - Q3 09

- Gyn BLA
  - Q3 10
  - Q1 10
  - Q2 10

- GYN launch
Conclusion

- Product with most/all ideal product characteristics
- High efficacy, good safety
- Can be used in other adhesions indications
- Sound clinical strategy

Sound business opportunity for Omrix
Q&A Session
Innovative Solutions for a Healthier World

NASDAQ: OMRI

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