



## **MESOBLAST REPORTS SIGNIFICANT ACHIEVEMENTS AND STRONG FINANCIAL POSITION**

### **Well resourced to execute clinical and commercial goals**

**Melbourne, Australia; 28 August 2008:** The regenerative medicine company, Mesoblast Limited (ASX: MSB, USOTC: MBLTY), today announced its financial results for the year ending 30 June 2008. Mesoblast is well positioned with sufficient cash reserves for its ongoing clinical trial activities and near-term strategic objectives.

Following the successful completion of an institutional placement in December 2007, Mesoblast's cash reserves at 30 June 2008 were \$14.1 million. The Company's operating cash use was \$6.2 million, in line with expectations and consistent with FY2007.

Significant achievements for the financial year ending June 30 2008 include:

- Completion of pilot clinical trial for non-healing, long bone fractures with strong positive outcomes
- Encouraging safety data obtained in Phase 2 trial for spinal fusion, using Mesoblast's allogeneic or "off-the-shelf" adult stem cells
- Outstanding results of preclinical cartilage trials, showing that a single injection of Mesoblast's allogeneic cells into knee joints damaged by osteoarthritis can both prevent further deterioration and protect cartilage tissue lining the damaged joint.
- Heart disease pilot clinical trial showed positive outcomes at six months with no cell-related adverse events
- Successful IND submission to the FDA, which cleared commencement of a Phase 2 clinical trial using allogeneic stem cells in patients with congestive heart failure
- Successful IND submission to the FDA which cleared commencement of a Phase 2 clinical trial using allogeneic stem cells in patients with heart attacks
- Broadening of new clinical applications, including age-related macular degeneration and diabetic retinopathy

The Company remains on track to achieve its commercial goals for bringing to market multiple adult stem cell-based products for repair/regeneration of bone, cartilage and other musculoskeletal tissues.

Mesoblast has increased its equity holding in United States-based sister company Angioblast Systems Inc. to 39.1 per cent. Angioblast is simultaneously advancing the platform stem cell technology towards commercialisation of novel treatments for cardiac, vascular, and eye conditions.

During the financial year, Angioblast entered into an important new collaborative arrangement with Abbott, a major healthcare company. Abbott is providing funding for a collaborative program in heart failure, and has made an equity-based investment of \$US 5 million.

Commenting on the results, Mesoblast Chairman Brian Jamieson said: "We are delighted to report on the significant progress made by the Company during the last financial year. Mesoblast's significant achievements, together with its continued strong financial health, underpin the ongoing progress towards successful commercial outcomes in the near term."



## asx announcement

### **About Mesoblast**

Mesoblast Limited (ASX: MSB; USOTC: MBLTY) is committed to the rapid commercialisation of a unique adult stem cell technology aimed at the regeneration and repair of bone and cartilage. Our focus is to progress through clinical trials and international regulatory processes necessary to commercialise the technology in as short a timeframe as possible. Mesoblast has the worldwide exclusive rights for a series of patents and technologies developed over more than 10 years and which relate to the identification, extraction and culture of adult Mesenchymal Precursor Cells (MPCs). The Company has also acquired 39.1% of Angioblast Systems Inc., an American company developing the platform MPC technology for the treatment of cardiovascular diseases including repair and regeneration of blood vessels and heart muscle.

*For further information, please contact:*

Julie Meldrum  
Corporate Communications Director  
Mesoblast Limited  
T: + 61 (03) 9639 6036  
M: +61 (0) 419 228 128  
E: [julie.meldrum@mesoblast.com](mailto:julie.meldrum@mesoblast.com)  
W: [www.mesoblast.com](http://www.mesoblast.com)