mesoblast
the regenerative medicine company

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MESOBLAST COMPLETES ENROLMENT FOR FIRST SPINAL FUSION TRIAL
Well funded for product commercialisation

Melbourne, Australia; 30 April 2010: Australia's regenerative medicine company, Mesoblast Limited (ASX:MSB; ADR:MBLTY),today announced it had cash reserves of $12.6 million for the reporting period ended 31 March 2010. The results are in line with expectations and reflect prudent cash management and tight control of resources.

During the current quarter, Mesoblast and its United States-based associate company, Angioblast Systems, have continued to make strong progress in their respective clinical programs for spinal fusion, heart failure, and bone marrow transplantation.

Mesoblast's first trial evaluating its proprietary allogeneic, or "off-the-shelf", stem cells for posterolateral lumbar spinal fusion, at New York's Hospital for Special Surgery, has now completed enrolment, and has been fully reviewed by the Data Safety and Monitoring Board. This trial compared the safety and efficacy of Mesoblast's NeoFuse™ allogeneic stem cell product on one side with the standard-of-care, autograft bone, on the other side in the same patient.

The results showed that implantation of the cells was safe and was associated with earlier generation of new bone formation and fusion which was robust, as determined by CT scan. Patients continue to be followed and to date no cell-related adverse events have occurred. At 6 months of follow-up, 3/5 sites (60%) that received the lowest dose tested of NeoFuse™ demonstrated fusion, as determined by bone bridging between two vertebrae whereas only 1/7 sites (14%) which received autograft demonstrated fusion.

These initial results are very encouraging, and support prior preclinical data which have shown that Mesoblast's allogeneic cells generate faster fusion in the lumbar and cervical spine than the autograft standard-of-care.

Mesoblast's current Phase 2 trial for minimally-invasive posterior lumbar interbody fusion is fully funded and continues to recruit rapidly. The results from this second trial will form the basis for pivotal trial design in support of Mesoblast's activities to commercialise a lumbar spinal fusion product.

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About Mesoblast
Mesoblast Limited (ASX:MSB;ADR:MBLTY) is committed to the development of novel treatments for orthopaedic conditions, including 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 relating to the identification, extraction and culture of adult Mesenchymal Precursor Cells (MPCs). The Company has acquired 38.4% of Angioblast Systems Inc., an American company developing the platform MPC technology for the treatment of cardiac, vascular and eye diseases including repair and regeneration of blood vessels and heart muscle. Mesoblast and Angioblast are jointly funding and progressing the core technology. Mesoblast's strategy is to maximise shareholder value through both corporate partnerships and the rapid and successful completion of clinical milestones. www.mesoblast.com

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