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ACQUISITION OF US COMPANY RATIFIED BY MESOBLAST SHAREHOLDERS Mesoblast to Acquire 100% of Adult Stem Cell Technology Platform

Melbourne, Australia, 22 September 2010: Shareholders of Australian regenerative medicine company, Mesoblast Limited (ASX:MSB; USADR:MBLTY), today overwhelmingly approved the acquisition of its United States associate company, Angioblast Systems Inc.

Approximately 99.6 per cent of votes cast 69,904,415 voted in favour of increasing Mesoblast's equity in Angioblast by 67.4 per cent to 100 per cent. There were 9,123 votes against the resolution and 265,268 abstentions.

Mesoblast Chairman, Mr Brian Jamieson, said that the "strategic acquisition will transform Mesoblast from a biologics company focused on orthopaedic applications to a global leader in the broader regenerative medicine industry".

He told shareholders that the transaction brought many commercial advantages, which included:

- Mesoblast shareholders would gain full commercial benefits from the breadth of applications of the MPC adult stem cell technology platform, including cardiac, eye, diabetes and oncology.
- Bringing the technology platform and assets into one company would enable streamlining of corporate operations, strengthening of the global leadership team, and rational allocation of resources based on maximal return.
- A single company with access to 100 per cent ownership of the technology platform would be greatly strengthened in its ability to establish strategic partnerships across a range of product indications.
- A significant increase in the issued share capital will result in Mesoblast having a market capitalisation in excess of \$600 million; this will position Mesoblast as the world's largest stem cell company and Australia's fourth largest biotechnology company, after pharmaceutical and device companies CSL, Resmed and Cochlear.
- A simplified corporate structure with a larger base of issued share capital would be expected to create greater shareholder value through greater liquidity, inclusion in indices, exposure to new investors, and ultimately access to greater pools of capital.

Similarly, votes cast for the other three ordinary resolutions were passed by a clear majority.

About Mesoblast Limited

Mesoblast Limited (ASX: MSB; ADR: MBLTY) is a world leader in commercialising biologic products for the broad field of regenerative medicine. Mesoblast has the worldwide exclusive rights for a series of patents and technologies developed over more than 10 years relating to the identification, extraction, culture and uses of adult Mesenchymal Precursor Cells (MPCs). www.mesoblast.com

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