

## asx announcement

### **AGREEMENT WITH ABBOTT FOR CATHETER-BASED STEM CELL HEART FAILURE THERAPY**

#### **Key points:**

- Abbott makes equity investment in Mesoblast's US-based sister company
- Mesoblast's ascribed asset value in Angioblast has appreciated over 3-fold
- Abbott to provide funding for collaborative stem cell heart failure program

**Melbourne, Australia; 19 February 2008:** Australia's adult stem cell company, Mesoblast Limited (ASX: MSB), today announced that its United States-based sister company, Angioblast Systems Inc., has entered into a collaborative agreement with Abbott, a major global broad-based healthcare company, for the development and commercialisation of Angioblast's catheter-based cell therapy product for heart failure.

Under the terms of the agreement, Abbott will provide funding for the collaborative program which, upon completion, is expected to result in an Investigational New Drug (IND) submission from Angioblast to the US Food and Drug Administration (FDA) for a Phase 2 clinical trial in heart failure.

In addition, Abbott has made an equity-based investment of USD\$5million in Angioblast.

Under the terms of the Investor Rights Agreement between Mesoblast and Angioblast, Mesoblast has the right to subscribe for further equity in Angioblast on the same terms as Abbott to maintain its 39.2% equity in Angioblast on a fully diluted basis.

The ascribed asset value of Mesoblast's aggregate investment of AUD\$18.1m in Angioblast through two rounds of funding has now appreciated over three-fold.

"Our strategy is to develop close working relationships with leading global cardiovascular companies with a view to establishing definitive commercial arrangements," said company founder Silviu Itescu.

"The relationship with the vascular division of Abbott is indicative of this strategy," he said.

Under the terms of the collaborative agreement, Angioblast will retain all its commercial rights associated with the platform adult stem cell technology.



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### **About Mesoblast**

Mesoblast Limited (ACN 109 431 870) is an Australian biotechnology company committed to commercialisation of novel treatments for orthopaedic conditions, including a unique adult stem cell technology aimed at the regeneration and repair of bone and cartilage. Mesoblast has worldwide exclusive rights to a series of patents and technologies that have been developed over more than 10 years relating to the identification, extraction and culture of adult Mesenchymal Precursor Cells (MPCs). The Company has also acquired a 39.2% interest in 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. Mesoblast's strategy is to maximise shareholder value through both corporate partnerships and rapid product commercialisation.

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