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KEY BONE REPAIR PATENT GRANTED IN THE UNITED STATES

Ensures Long-Term, Exclusive Rights and Further Underpins Commercial Opportunities

Melbourne, Australia; 3 March 2010: Australia's regenerative medicine company, Mesoblast Limited (ASX:MSB), today announced that the United States Patent and Trademark Office (USPTO) has granted a key patent that provides exclusive commercial protection for its bone tissue generating products through to at least the year 2019 in the United States, the world's largest market for regenerative medicines.

In conjunction with the company's composition-of-matter and manufacturing patents, US Patents 7,122,178 and 7,399,632, granted, respectively, in 2006 and 2008, this new patent, US Patent 7,670,628, ensures that only Mesoblast can commercialise bone tissue generating products in the United States using the unique adult stem cells termed Mesenchymal Precursor Cells (MPCs).

Mesoblast's potential applications for bone tissue generation continue to broaden, and include products for repair and healing of long bone fractures, spinal bony fusion of the cervical and lumbar intervertebral spaces, treatment of bone defects, and treatment and prevention of osteoporosis-related fractures such as fractures of the hip and vertebral bodies.

The Company's spinal bony fusion product NeoFuse™, currently in the midst of Phase 2 trials in the United States, has the potential to become a major revenue driver for the company since over 500,000 lumbar and cervical spinal fusion procedures are currently performed annually in the United States alone.

Mesoblast's fracture repair product, highly effective in an Australian pilot clinical trial, is targeting the non-union fracture market, which accounts for 5-10% of all long bone fractures. Mesoblast has applied for Australian regulatory approval of this product, and anticipates that a positive outcome will facilitate its United States registration strategy for a bone repair product.

Building upon and continuing to expand a broad-based international patent portfolio is fundamental to Mesoblast's commercial objectives. This bone tissue generation patent further enhances Mesoblast's ability to bring a bone repair product to the United States market and to consolidate strategic partnerships.



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About Mesoblast

Mesoblast Limited (ASX:MSB) 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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