

MESOBLAST COMPLETES A\$170M PRIVATE PLACEMENT

MELBOURNE, Australia; 14 March 2013: Regenerative medicine company Mesoblast Limited (ASX:MSB, USOTC:MBLTY) today announced that it has completed a private placement of its shares, raising A\$170 million. Mesoblast now has cash reserves of approximately A\$332 million.

Under the placement, 26,970,979 fully paid ordinary shares were issued at A\$6.30 per share, a discount of 2.2 per cent to the closing price of the company's shares on 1 March 2013. The total shares on issue have now increased by 9.4 per cent to 314,811,301.

The shares were placed to a select group of existing strategic investors and new United States and global institutional funds, including M & G Investment Management and Capital Research.

As a result of the placement, Mesoblast's free float has increased by approximately 16.5 per cent, which may positively impact the Company's weighting within the S&P/ASX 200 index.

In determining Mesoblast's free float under S&P/ASX methodology, strategic shareholdings of Mesoblast alliance partner Teva Pharmaceutical Industries Ltd and Mesoblast Chief Executive Silviu Itescu, both of which remain unchanged post the placement, are not included.

The intended uses of these funds are for continued development of Mesoblast's proprietary Mesenchymal Precursor Cell (MPCs) technology platform, specifically:

- a Phase 3 clinical trial using MPCs for treatment of degenerative disease of the lumbar spine
- new Phase 2 clinical trials to broaden the indications for intravenous delivery of MPCs in the treatment of systemic inflammatory conditions
- optimization of MPC manufacturing processes and increased product inventory
- staff and overheads.

Professor Itescu said: "Our strengthened financial position ensures that we can drive our independent programs to commercial outcomes, particularly in the areas of degenerative disease of the lumbar spine and in the treatment of inflammatory and immune-mediated conditions."

Mesoblast Limited

Mesoblast Limited is a world leader in the development of biologic products for the broad field of regenerative medicine. Mesoblast's patented Mesenchymal Precursor Cell (MPC) technology is being developed for an extensive range of major clinical diseases, including inflammatory and immunologic conditions of the joints and lungs, diabetes and kidney disease, orthopedic spine conditions, and cardiovascular disorders. www.mesoblast.com

For further information, please contact:

Julie Meldrum
Global Head of Corporate Communications
T: + 61 3 9639 6036
E: julie.meldrum@mesoblast.com

This ASX announcement does not constitute an offer of shares for sale in the United States, or to any person that is, or is acting for the account or benefit of, any U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act"))("U.S. Person"), or in any jurisdiction in which such an offer would be illegal. The Mesoblast shares under this placement have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States (as defined in Regulation S under the Securities Act) absent registration or an applicable exemption from the registration requirements.

This ASX announcement includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may," "will," "expect," "intend," "plan," "estimate," "anticipate," "believe," "continue," "objectives," "outlook," "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Mesoblast, and its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Mesoblast assumes no obligation to update such information.

Mesoblast Limited
ABN 68 109 431 870
www.mesoblast.com

Corporate Headquarters
55 Collins Street
Level 39
Melbourne 3000
Victoria Australia
T +61 3 9639 6036
F +61 3 9639 6030

United States Operations
505 Fifth Avenue
Level 3
New York, NY 10017
USA
T +1 212 880 2060
F +1 212 220 2061

Asia
20 Biopolis Way
#05-01 Centros
Biopreneur 3
SINGAPORE 138668
T +65 6570 0635
F +65 6570 0176