asx announcement

mesoblast
the regenerative medicine company

Mesoblast's Strong Cash Position Enables Execution of Late-Stage Clinical Trials

Melbourne, Australia; 29 August 2013: Regenerative medicine company, Mesoblast Limited (ASX: MSB; OTC ADR: MBLTY), today provided its full year financial results. The Company stated that it had total funds of $315.3 million at 30 June 2013, compared with $205.6 million in the financial year ended 2012. Mesoblast recorded total revenue and other income of $34.7 million (2012: $38.3m) and a loss after tax of $61.7 million (2012: $71.1m) in the 2013 financial year.

Mesoblast's working capital enables the Company to execute additional Phase 3 trials, to broaden its clinical development programs in diseases of inflammation and immunity, to access complementary technologies for product diversification, and to ramp up its commercial manufacturing operations.

Mesoblast Chief Executive Professor Silviu Itescu said: "Our scientific, clinical, and financial strengths will continue to provide marketplace differentiation and position Mesoblast as a leading force in the development of cellular-based therapies for a broad range of intransigent diseases."

Highlights of the financial year ended 30 June 2013 year were:

- Completed $170 million financing from targeted global financial investors
- Expanded clinical manufacturing operations to Singapore plant, in addition to continuing operations at United States plant
- Obtained United States Food and Drug Administration (FDA) agreement that clinical manufacturing of cell products at both the Singapore and United States plants meet FDA requirements for commencing Phase 3 trials, including the congestive heart failure trial
- Worked closely with commercial partner Teva Pharmaceutical Industries Ltd to finalize the Phase 3 congestive heart failure protocol and associated documentation for regulatory submission to the FDA
- Obtained positive 12-month results in a Phase 2 trial in lumbar spinal fusion, which will be used in Phase 3 trial discussions with the FDA
- Obtained positive 6-month interim results in a Phase 2 trial for intervertebral disc repair
- Completed recruitment in a Phase 2 trial of patients with inadequately controlled type 2 diabetes
- Received ethics approval and commenced recruitment in an Australian Phase 2 trial for diabetic nephropathy
- Received clearance from the FDA and commenced recruitment in a Phase 2 trial in rheumatoid arthritis patients who have failed biologic therapies
- Continued to strengthen intellectual property portfolio, with key patents being granted in Japan, China and the United States.

Mesoblast Chairman Mr Brian Jamieson said that the Company's robust financial posit ion would support Mesoblast's advancement to a late-stage development company preparing to enter into multiple additional Phase 3 trials, while further developing and expanding its manufacturing footprint and capabilities for commercialization.

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"As Mesoblast grows and progresses, we will continuously reassess our priorities and focus in the context of our broadening opportunities, and ensure that our operations remain in alignment with our commercial goals," added Mr Jamieson.

About Mesoblast

Mesoblast Limited (ASX:MSB; USOTC:MBLTY) is a world leader in the development of biologic products for the broad field of regenerative medicine. The Company's technologies include its proprietary adult Mesenchymal Precursor Cell (MPC)technology platform for bone marrow and adipose tissue derived products, Dental Pulp Stem Cells (DPSCs) and expanded Hematopoietic Stem Cells (HSCs). Mesoblast's allogeneic or 'off-the-shelf' regenerative medicine products focus on repair of damaged issues and modulation of inflammatory responses in conditions with significant unmet medical needs. The lead product candidates use its MPC platform in three major and distinct areas - systemic inflammatory conditions, cardiovascular diseases and orthopedic diseases of the spine. www.mesoblast.com

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