

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN THE UNITED STATES OR TO U.S. PERSONS, SEE DISCLAIMER AT THE BACK

Mesoblast Enters into Agreements to Raise A\$170million to Drive Advanced Programs To Commercial Outcomes

Targeted private placement to significant new global funds

Melbourne, Australia, 6 March 2013: Mesoblast Limited (ASX: MSB; OTC ADR: MBLTY) today announced it has entered into agreements to raise A\$170 million through an issue of new fully paid shares at A\$6.30, representing a 2.2% discount to the stock's last traded price of \$6.44 on 1 March 2013. The shares will be placed to a select group of existing and new global institutional investors and are expected to be issued and funds received on or around 13 March 2013.

Following the issue of the ordinary shares, the Company will have cash reserves of A\$332 million.

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.

Mesoblast Chief Executive Professor Silviu Itescu said: "We are delighted to have secured agreements to raise these funds from existing and new global institutional investors.

"In addition to the programs that we have already partnered with Teva Pharmaceutical Industries Ltd, once the shares have been placed, we can utilise the funds received to drive our independent programs to commercial outcomes."

Teva President and CEO, Dr Jeremy M. Levin, congratulated Mesoblast on reaching this stage of its financing.

"I see Teva as a partner focused on supporting Mesoblast through our alliance. In particular, we are working closely together to develop an important new treatment for cardiovascular diseases," Dr Levin said.

The issue of shares is within the Company's 15% placement capacity pursuant to ASX listing rule 7.1 and therefore shareholder approval is not sought.

For personal use only

For personal use only

Important Notice

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 other jurisdiction in which such an offer would be illegal. The shares have not been registered under the Securities Act, and may not be offered or sold in the United States to, or for the account or benefit of, U.S. Persons unless the shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

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.

For further information, please contact:

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

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