

NEW JAPANESE REGENERATIVE MEDICINE LEGISLATION AND COMMERCIAL OPPORTUNITIES FOR STEM CELL PRODUCTS

Melbourne, Australia; 25 November 2013: Regenerative medicine company Mesoblast Limited (ASX: MSB; USOTC: MBLTY) today gave an update on new legislation which provides a framework for accelerated approval of stem cell products in Japan, the world's second-largest mature healthcare market.

Japan's parliament, the Diet, enacted a Bill last week which revised the existing Pharmaceutical Affairs Law to define new medical products which contain stem cells to be termed regenerative medicine products. The Bill allows the Japanese Government to give conditional approval to such products if their safety is confirmed in clinical trials, as may occur on completion of Phase 2.

Chief Executive Silviu Itescu discussed how the new legislation in Japan could positively impact the Company, during an interview with *Inside Business* on ABC-TV yesterday. To view the interview, please visit:

http://mpepmmedia.abc.net.au/news/insidebusiness/video/201311/INBm_Tx_2411_512k.mp4

As a result of the new legislation, a pathway now exists in Japan for Mesoblast to commercialize its mesenchymal lineage stem and precursor cell products within a significantly shorter timeframe. Mesoblast intends to establish strategic partnerships for its suite of products to facilitate earlier Japanese regulatory approvals and commercial launches.

Mesoblast's first strategic partnership in Japan is with JCR Pharmaceuticals for its culture-expanded mesenchymal stem cell (MSC) product to treat steroid refractory graft-versus-host disease. JCR intends to file for Japanese marketing approval of its MSC product JR-031 before the end of the first quarter 2013 under the existing regulatory framework. If the filing is successful, JR-031 will be the first allogeneic or "off-the-shelf" cell-based product approved in Japan.

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 proprietary technologies include its Mesenchymal Precursor Cell and culture-expanded Mesenchymal Stem Cell technology platforms, Dental Pulp Stem Cells and expanded Hematopoietic Stem Cells. Mesoblast's allogeneic or 'off-the-shelf' regenerative medicine products are being developed for the treatment of conditions with significant unmet medical needs. The lead product candidates use its mesenchymal lineage cells in four major and distinct areas - systemic inflammatory conditions, cardiovascular diseases, orthopedic diseases of the spine, and oncology conditions.

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