

MESOBLAST JAPAN STRATEGY HIGHLIGHTED AT AUSTRALIA-JAPAN BUSINESS COUNCIL ANNUAL MEETING

New York, USA, and Melbourne, Australia; October 12, 2016: Mesoblast Limited (ASX: MSB; Nasdaq: MESO) yesterday gave a strategic update on its product commercialization plans in Japan. Mesoblast was the sole life sciences or healthcare company invited to participate in the 54th annual meeting of the Australia-Japan Joint Business Council, held in Melbourne from October 9-11.

Mesoblast Chief Executive Silviu Itescu told more than 400 business leaders from Japan and Australia that the Company's strategy is to leverage results from its global Phase 2 and 3 clinical trials to support regulatory filings for conditional and full product approvals by its commercial partners for the Japanese market.

In February 2016, Mesoblast's Japan licensee for acute graft versus host disease, JCR Pharmaceuticals Co. Ltd., launched TEMCELL[®] HS Inj., in Japan. TEMCELL is the first allogeneic cell-based medicine to receive full regulatory approval in Japan. Mesoblast is entitled to receive royalties and other payments at pre-defined thresholds of cumulative net sales.

Mesoblast's most advanced product candidate, MPC-150-IM, with blockbuster potential for the treatment of heart failure, is well positioned to meet criteria for conditional approval under the new Japanese Pharmaceuticals, Medical Devices and Other Therapeutic Products Act for regenerative medicines, and for full approval.

MPC-150-IM is currently in an advanced Phase 3 trial across multiple sites in North America with an interim analysis of the trial's primary endpoint planned for the first quarter of 2017. Results from this trial could support Japanese regulatory filings and product launch, in conjunction with data in a limited number of Japanese patients. Mesoblast is engaged in active discussions with potential commercial partners for the Japanese and global heart failure markets.

It is estimated that the total heart failure patient population in Japan in 2016 is 1.45 million, with the annual direct medical cost for heart disease estimated at ¥800 billion.

About Mesoblast

Mesoblast Limited (ASX:MSB; Nasdaq:MESO) is a global leader in developing innovative cell-based medicines. The Company has leveraged its proprietary technology platform, which is based on specialized cells known as mesenchymal lineage adult stem cells, to establish a broad portfolio of late-stage product candidates. Mesoblast's allogeneic, 'off-the-shelf' cell product candidates target advanced stages of diseases with high, unmet medical needs including cardiovascular diseases, immune-mediated and inflammatory disorders, orthopedic disorders, and oncologic/hematologic conditions.

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Forward-Looking Statements

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