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MESOBLAST NATIONAL TELEVISION COVERAGE

Melbourne, Australia; 6 April 2006: Australian adult stem cell company, Mesoblast Limited (ASX:MSB), today confirmed that national television news items broadcast on Channel 9, ABC-TV and Channel 7 last night focused on its adult stem cell orthopaedic trial at The Royal Melbourne Hospital.

Executive Chairman, Mr Michael Spooner, said the coverage included interviews with the first patient involved in the orthopaedic trial using Mesoblast's specialist mesenchymal precursor cells and the hospital's Director of Orthopaedics, Mr Richard de Steiger.

In line with clinical trial protocols and The Privacy Act, Mesoblast will not publish the patient's name.

In the interests of fair and full disclosure, transcripts of the ABC-TV, Channel 9 and Channel 7 news items follow.

ABC-TV News - 5 April 2006

Newsreader: Australian scientists have started using stem cells to repair fractures in patients whose bones won't heal. The new therapy promises to spare the many painful and often expensive operations.

Reporter: The 21-year-old (patient) fell off his motorbike nine months ago, fracturing his thigh bone. It didn't heal, leaving a five-centimetre gap. The usual treatment would be to graft a new bone from his hip. Instead, he was chosen as the first Australian patient to get an injection of specially treated stem cells.

Patient: I think the benefits outweigh, sort of, the old procedure. Being able to not have big chunks of bone taken out of my hip.

Dr Richard de Steiger, Royal Melbourne Hospital: What's radical is it's the first procedure in the world to use a patient's own stem cells and make them turn into bone forming cells.

Reporter: Stem cells were taken from (the patient's) bone marrow, then treated and purified. Surgeons at the Royal Melbourne Hospital placed a tiny scaffold made of calcium into the bone and injected the cells inside. So far the signs are that the procedure went well.

Mr de Steiger: We won't know the true success of the operation until we find out if his bone has healed. And that will be maybe 12 to 16 weeks away.

Reporter: Nine other patients with bone fractures will have the procedure. A similar technique used stem cells to treat patients with heart failure.

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Channel 9 News – 5 April 2006

Newsreader: A 21-year-old man is the first in the world to undergo radical new surgery using stem cells to mend his broken leg. Surgeons involved in the clinical trial claim the procedure is a promising alternative for patients with problem fractures.

Reporter: Still sore and swollen, (the patient) is showing positive signs of recovery after having surgery to fix his leg, fractured in a motorbike accident last year. He's the first person to ever undergo this type of stem cell procedure.

Patient: Pretty happy to be the first one to do it. I wouldn't say I understand it, but it's all pretty, you know, sort of new, so ...

Dr Richard de Steiger, Royal Melbourne Hospital: What's radical it's the first procedure in the world to use a patient's own stem cells and make them turn into bone forming cells.

Reporter: A titanium rod used to mend his thighbone didn't work and, as a result, a large cavity remained, so surgeons turned to cutting edge science. (The patient's) own stem cells taken from his bone marrow were grown in the lab.

Mr de Steiger: We have to actually take the injection from the pelvis, grow the cells which takes six weeks or so to multiply into millions and millions of cells, before we can go back in and inject them.

Reporter: The specialised cells coat two scaffolding pads made of calcium phosphate to form part of the implant. (The patient) preferred the technique to a hip bone graft.

Patient: I've been able to not have big chunks of bone taken out of my hip.

Reporter: (The patient) is the first of 10 patients to be recruited for the year long trial. The results of his operation won't be known for at least three months. But he's already looking to the future.

Patient: Being able to get fit again.

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Channel 7 News – 5 April 2006

Newsreader: Melbourne doctors have become the first in the world to use stem cells to treat broken bones. The breakthrough could mean the end of painful bone grafts for patients whose fractures refuse to heal.

Reporter: At 21, (patient's name) doesn't know much about stem cells.

Patient: I wouldn't say I understand it.

Reporter: But he does know they could be the remedy for a fractured leg which has refused to heal for nine months. He's undergone a breakthrough stem cell implant at the Royal Melbourne Hospital.

Dr Richard de Steiger, Royal Melbourne Hospital: It's radical and it's the first procedure in the world to use a patient's own stem cells and make them turn into bone forming cells.

Reporter: Surgeons took bone marrow from (the patient's) hip and in the lab grew thirty million stem cells, which were turned into a paste. They were attached to a calcium scaffold and packed into the large hole in his femur.

Mr de Steiger: With time this should then become his own bone.

Reporter: Were it not for this procedure, (the patient) would have undergone a painful graft using bone from his hip. While the 10-person trial has just begun, doctors are excited.

Mr de Steiger: There are many applications hopefully to growing new bone. People have had bone that's died for some reason; we can stimulate new bone growth.

Reporter: The question now is whether the procedure has worked. Doctors will know in three to four months but say early signs are promising. The patient hopes will be his cure.

Patient: Getting back to work, just getting back to have my own life.

End of segments

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About Mesoblast Limited:

Mesoblast Limited (ACN 109 431 870) is an Australian biotechnology company committed to the development of novel treatments for orthopaedic conditions, including the rapid commercialisation of a unique adult stem cell technology aimed at the regeneration and repair of bone and cartilage. Our focus is to progress through clinical trials and international regulatory processes necessary to commercialise the technology in as short a timeframe as possible. Mesoblast Limited, which listed on the Australian Stock Exchange in December 2004, has the worldwide exclusive rights for a series of patents and technologies that have been developed over more than 10 years and which relate to the identification, extraction and culture of adult Mesenchymal Precursor Cells (MPCs). The technology has achieved outstanding results in pre-clinical in vivo studies in the regeneration and repair of large bone fractures. The company has also acquired a 33.3% interest in Angioblast Systems Inc, an American company developing the platform MPC technology for the treatment of cardiovascular diseases, including repair and regeneration of blood vessels and heart muscle. Mesoblast and Angioblast will jointly fund and progress the core technology. Mesoblast's strategy is to maximise shareholder value through both corporate partnerships and the rapid and successful completion of pre-clinical and clinical milestones.

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