

News release

Mesoblast and Lonza establish strategic global manufacturing alliance

Melbourne, Australia 27 September 2011 and Basel, Switzerland 26 September 2011 - Global regenerative medicine company Mesoblast Limited (ASX: MSB) and Lonza Group (SWS: LONN), a world leader in biologic manufacturing, today announced that they have entered into a strategic alliance for clinical and long-term commercial production of Mesoblast's off-the-shelf (allogeneic) adult stem cell products.

The alliance will provide Mesoblast with significant commercial advantages, including certainty of capacity to meet long-term global supply of its proprietary Mesenchymal Precursor Cell (MPC) products. Under the agreement:

- Lonza will supply Mesoblast's clinical and long-term commercial MPC product needs globally.
- Mesoblast can trigger a process requiring Lonza to construct a purpose-built manufacturing facility exclusively for Mesoblast's marketed products. In return, Mesoblast will purchase agreed quantities of marketed products from the facility.
- Mesoblast can exercise its right to buy out this manufacturing facility at a pre-agreed purchase price two years after the facility receives regulatory approval.
- Mesoblast will have exclusive access to Lonza's Cell Therapy facilities in Singapore for the manufacture of allogeneic cell therapy products, subject to certain exceptions.
- Lonza will utilize its proprietary intellectual property to facilitate reductions in Mesoblast's manufacturing costs and help enable development of enhanced second generation products.

Mesoblast Chief Executive, Professor Silviu Itescu, said that having access to Lonza's best of breed manufacturing capabilities will give Mesoblast significant commercial advantages globally. "It is in line with our growth strategy to deliver the highest quality and most effective cell therapy products worldwide," he added.

"Lonza is very excited to work under this significant strategic relationship with leading cell therapy company Mesoblast," said Stefan Borgas, CEO of Lonza. "The cell therapy market is anticipated to become a major growth industry with the potential to mirror the growth we have seen in monoclonal antibodies over the past 20 years."

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About Mesoblast

Mesoblast Limited (ASX: MSB) is a world leader in commercializing biologic products for the broad field of regenerative medicine. Mesoblast has the worldwide exclusive rights for a series of patents and technologies developed over more than 10 years relating to the identification, extraction, culture and uses of adult Mesenchymal Precursor Cells (MPCs). www.mesoblast.com

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About Lonza

Lonza is one of the world's leading suppliers to the pharmaceutical, healthcare and life science industries. Products and services span its customers' needs from research to final product manufacture. It is the global leader in the production and support of active pharmaceutical ingredients both chemically as well as biotechnologically. Biopharmaceuticals are one of the key growth drivers of the pharmaceutical and biotechnology industries. Lonza has strong capabilities in large and small molecules, peptides, amino acids and niche bioproducts which play an important role in the development of novel medicines and healthcare products. In addition, Lonza is a leader in cell-based research, endotoxin detection and cell therapy manufacturing. Furthermore, the company is a leading provider of value chemical and biotech ingredients to the nutrition, hygiene, preservation, agro and personal care markets.

Lonza is headquartered in Basel, Switzerland and is listed on the SIX Swiss Exchange. In 2010, the company had sales of CHF 2.680 billion. Further information can be found at www.lonza.com.

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