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the regenerative medicine company

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Address by Mesoblast Chairman Brian Jamieson
Extraordinary General Meeting
Mesoblast Limited

Ladies and gentlemen,

It is with great pleasure that the Board of Directors of Mesoblast Limited welcomes you to this important Extraordinary General Meeting.

Having recently completed the pivotal acquisition of our United States associate company, Angioblast Systems Inc., Mesoblast shareholders now benefit from 100% ownership of what we believe is the world's leading adult stem cell technology platform.

Through hard work and diligence, strategic clarity, and strict adherence to milestones, the Mesoblast management team has unlocked significant value from this proprietary platform technology, and has identified many commercial opportunities and markets which can be addressed by products derived from this technology. We have just recently announced outstanding clinical trial results of our stem cell product Revascor™ in patients with congestive heart failure, an application with multibillion dollar revenue potential.

The strength of our results underpinned our company's ability to successfully enter into a major strategic alliance with global biopharmaceutical company Cephalon Inc. in December 2010. Today is the final component which concludes this important transaction.

Our first-rate clinical results, together with completion of this strategic alliance, underscore Mesoblast's position as the world's leading stem cell and regenerative medicine company. Mesoblast will now have a market capitalization of approximately $1.5 billion, $280 million cash on hand, increasing numbers of new strategic domestic and international institutional investors, and a growing number of commercial opportunities.

The Mesoblast - Cephalon alliance delivers significant value to both companies. Cephalon brings to the table a proven execution capability in major global markets and an ability to drive our established cardiovascular and bone marrow regeneration programs. With Cephalon as a partner, we are uniquely equipped to develop additional therapeutics for a range of neurological conditions.

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On the other side, Cephalon has accessed exclusive commercial rights to market a number of Mesoblast's valuable products, and has acquired a significant holding and ownership stake in Mesoblast, emphasizing the company's belief in the value of the entire range of product servings. This strategic alliance has the potential to transform Cephalon into one of the world's leading biopharmaceutical companies in the cardiovascular space.

This first commercial partnership marks the beginning of a new and even more exciting phase in Mesoblast's history. The company will continue to deliver on its vision to develop a range of valuable and paradigm-changing medical treatments using our proprietary adult stem cell technology.

To put our strategy into perspective, I would like to ask our Chief Executive, Professor Silviu Itescu, to elaborate on what promises to be another year of great achievements and remarkable progress for our company.

Melbourne, Australia **9 February 2011**

About Mesoblast Limited
Mesoblast Limited (ASX: MSB; OTC ADR: MBLTY) is a world leader in the development, manufacture, and commercialization of biologic products for the broad field of regenerative medicine. Mesoblast has the worldwide exclusive rights to 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). More information - www.mesoblast.com

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Leading the world in novel adult stem cell therapies

Extraordinary General Meeting
9 February 2011

Safe Harbor Statement

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This announcement may contain forward-looking statements made pursuant to the "safe harbor" provisions of the US Private Securities Litigation Reform Act of 1995. Investors are cautioned that statements in this presentation regarding potential applications of Mesoblast's adult stem cell technologies constitute forward-looking statements that involve known and unknown risks and uncertainties which could cause the actual results, performance or achievements of the Company to be materially different from those which may be expressed or implied by such statements, including, without limitation, risks inherent in the development and commercialization of potential products, uncertainty of clinical trial results or regulatory approvals or clearances, government regulation, need for future capital, dependence upon collaborators and protection of our intellectual property rights. Actual results may differ materially from the results anticipated in these forward-looking statements.

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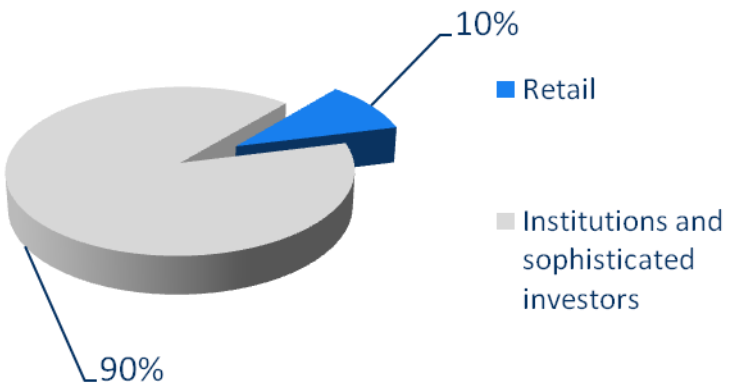
Investment snapshot

	Current	Post EGM¶
Issued shares	254m	279m
Current share price	$5.65	
Cash available (approx)¶	A$140m	A$280m
Market cap	A$1,435m	A$1,575m

¶ *Additional Cephalon investment and balance of upfront payment is subject to approval at 9 February 2011 EGM.*

Capital raisings	A$m
IPO @ 50 cents	21.0
Equity placements	
Jul-06	17.4
Dec-07	13.4
Apr-09	10.8
May-10, 2nd tranche Sep/Dec-10	35.8
Options & US raisings	18.2
Cephalon equity investment	106.8
Total funds raised	**223.4**

Mesoblast ownership



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Cephalon strategic alliance

- Cephalon receives exclusive worldwide commercialization rights to selected Mesoblast products
- alliance to focus on degenerative conditions of cardiovascular and neurologic systems, and bone marrow transplantation
- Mesoblast to receive upfront fee of US$130 million and up to US$1.7 billion in milestone payments
- Cephalon to acquire 19.9% stake in Mesoblast
- Mesoblast cash balance of $280 million to fund other major indications including
  - diabetes
  - immunologic conditions (eg rheumatoid arthritis)
  - inflammatory diseases of various tissues (eg lungs)
  - ophthalmic indications
  - orthopedic cartilage and bone conditions
- Mesoblast retains manufacturing rights, share of revenue

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The Mesoblast value proposition – the three pillars

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1. **The Cephalon alliance**
   - delivers proven execution capability in major global markets
   - drives clinical programs in key therapeutic areas – experienced team
   - cash from milestone payments to fund Mesoblast pipeline
2. **Intravenous product pipeline**
   - systemically delivered cells
     - diabetes
     - immunologic conditions (eg rheumatoid arthritis)
     - inflammatory diseases of various tissues (eg lungs)
3. **Orthopedic pipeline**
   - intervertebral disc repair
   - stress fractures
   - spinal fusion

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The foundation – our proprietary adult stem cells

- potent, purified adult mesenchymal precursor cells
  - strong safety profile – no immune reactions
  - avoid ethical and safety issues associated with embryonic stem cells
  - backed by strong patent position

- "off the shelf" – just like classic pharmaceutical drugs
  - batch to batch consistency
  - clear, rapid regulatory pathway

- easy to expand in large numbers
  - low cost of goods, no supply constraints
  - high margin business model

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We own the intellectual property on Mesenchymal Precursor Cells (MPC)

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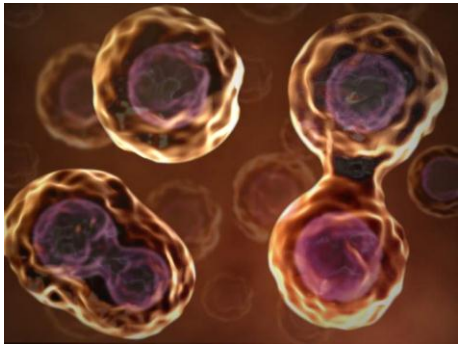
Bone marrow + antibody

Magnetic beads



MPC highly-expandable + non-immunogenic

Isolated cells

US composition patent granted

Culture-expanded cells

US manufacturing process patent granted

- Heart muscle
- Blood vessels

Products for cardiovascular diseases

- Pancreas
- Immune system

Products for diabetes & immunologic/ inflammatory conditions

- Bone
- Cartilage

Products for orthopedic diseases

Global use patents filed

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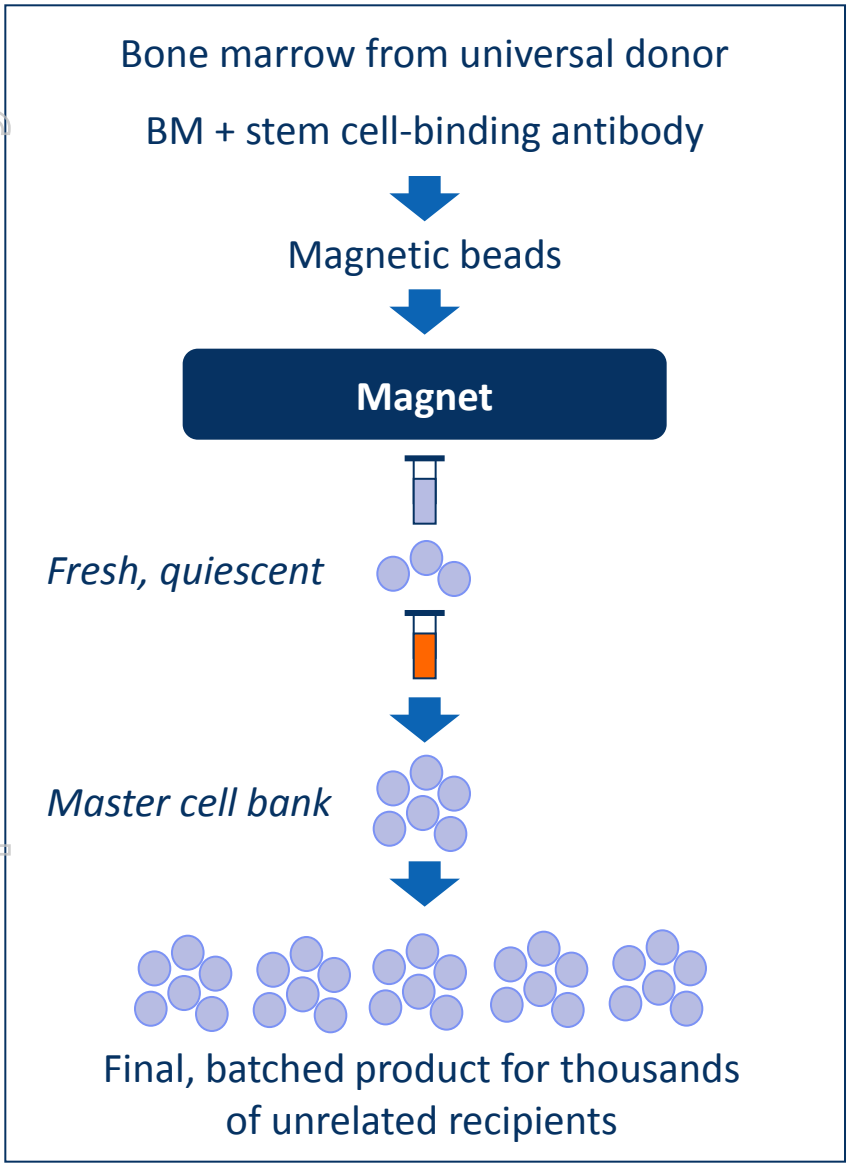
Our industrial scale manufacturing process



- homogeneous cell population
- well-controlled cell expansion
- efficient large-scale expansion
- lower costs of cell culture process
- batch-to-batch consistency
- stringent release criteria
- greater potency of expanded product

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Manufacturing strategy is central to maximising value

1. **State-of-the-art manufacturing plant via strategic alliance**
   - cost neutral
   - tax effective geographical location
   - best of breed, cutting edge technology

2. **Retain control of manufacture for all products**
   - product delineation for distribution partners
   - maintain optimal product pricing differences

3. **Commercial benefits**
   - reduced COGS, increased margins
   - R&D support for new product pipelines
   - leverage new technologies

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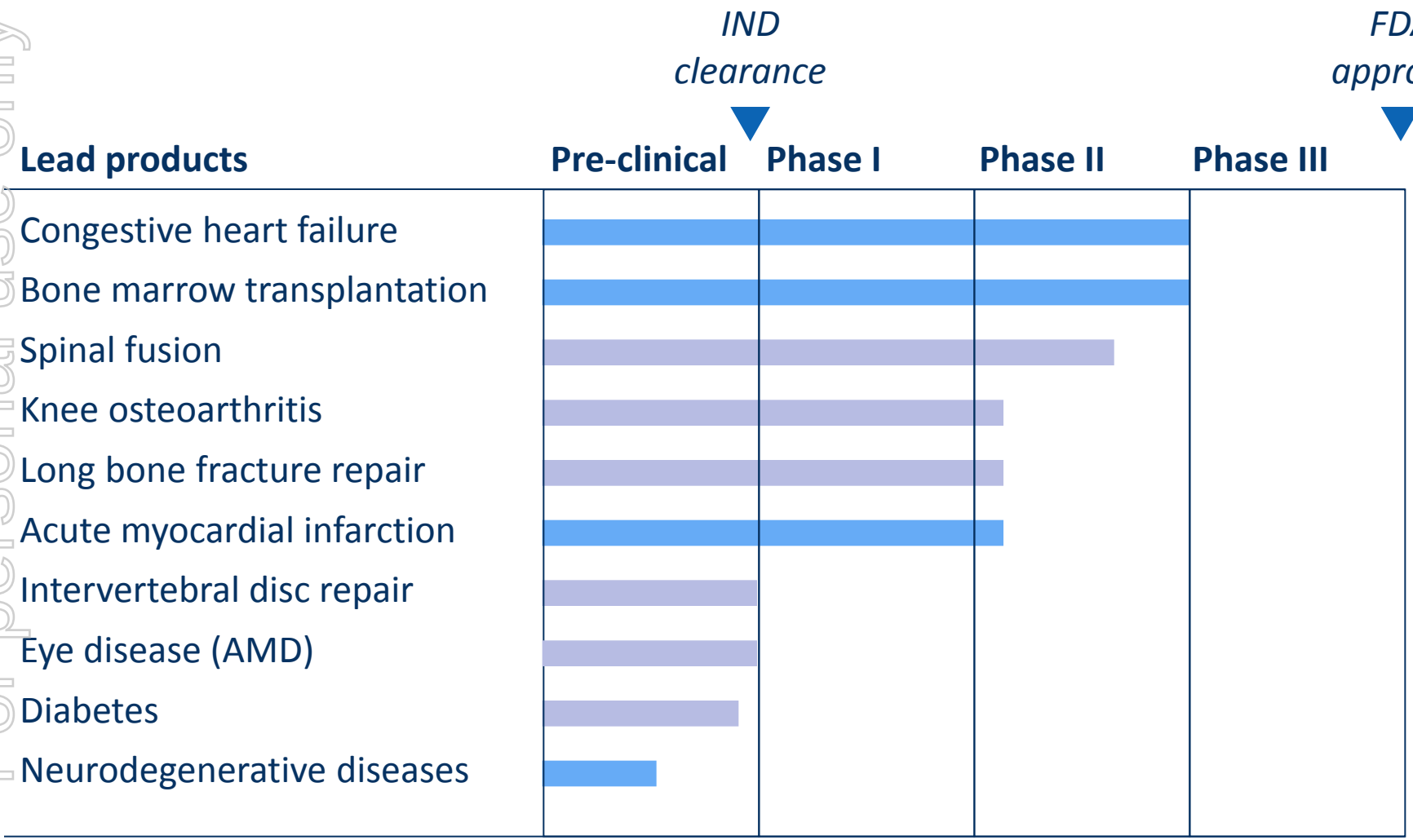
“Off-the-shelf” product portfolio driving value creation



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Key indications – US markets

1 . Cardiovascular diseases

- congestive heart failure (CHF)
  - 6.2 million in US alone, > 670,000 new patients annually
- acute myocardial infarction (AMI)
  - 1.2 million new patients annually

2. Bone marrow transplantation, expansion of umbilical cord blood

- orphan drug designation (< 200,000 patients per annum)
- fast-track approval, pricing premium
- total number of procedures can be increased three-fold

3. Age-related macular degeneration (AMD) and diabetic retinopathy

- > 150,000 new patients annually

4. Diabetes

- > 200 million worldwide, 800,000 new US patients p.a.

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Other target US markets

5. **Intervertebral disc repair/regeneration**
   - > 4 million patients affected

6. **Knee osteoarthritis**
   - > 15 million patients affected

7. **Spinal fusion**
   - > 500,000 procedures each year

8. **Repair of non-union long bone fractures**
   - 5-10% of all long bone fractures fail to unite (non-union)

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“Off the shelf” cells in congestive heart failure (CHF)

- 60 patient multi-center, randomized, controlled Phase 2 trial
- Class II-IV CHF, ejection fraction < 40% (high 6- and 12-month mortality)
- randomized 3:1 controls to MPCs at 25M, 75M or 150M cell doses
- cells injected by J&J NOGA Myostar catheter

- primary endpoint of safety already met:
  - no adverse events associated with MPCs at any dose
- secondary endpoints evaluate effects of MPCs on:
  - cardiac/heart failure hospitalization events over time
  - cardiac-related mortality over time
  - cardiac functional parameters after all patients complete 12 months follow-up

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MPC treated patients have fewer cardiac-related events, hospitalizations, and deaths than controls

Event	MPC treatment (N=45) No. patients with event (%)	Controls (N=15) No. patients with event (%)	p value
Any Serious Adverse Cardiac Event (SAE)	20 (44.4%)	14 (93.3%)	0.001
Repeat SAEs	5 (11.1%)	5 (33.3%)	0.102
Any hospitalization for heart failure	5 (11.1%)	3 (20.0%)	0.4
All cause deaths	2 (4.4%)	2 (13.3%)	0.26
Cardiac deaths	0 (0.0%)	2 (13.3%)	0.059
Any Major Adverse Cardiac Event (MACE*)	3 (6.7%)	6 (40%)	0.005
MACE or any hospitalization for heart failure	6 (13.3%)	6 (40%)	0.056

Interim data analysis December 2010, after all patients have reached 6 months follow-up

***MACE defined as composite of MI, revascularization, or cardiac death**

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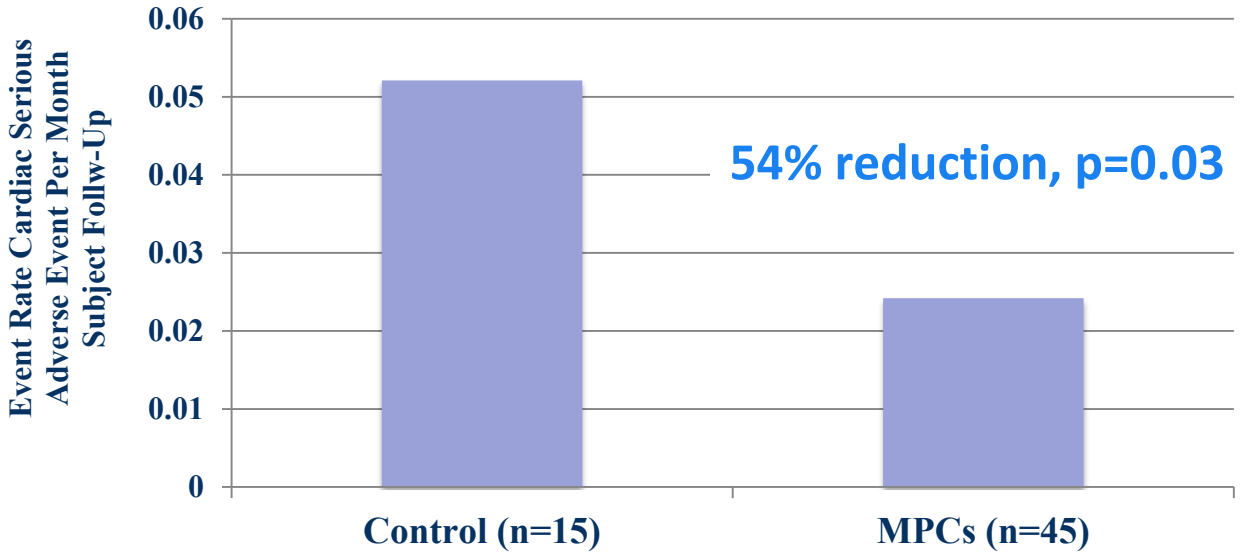
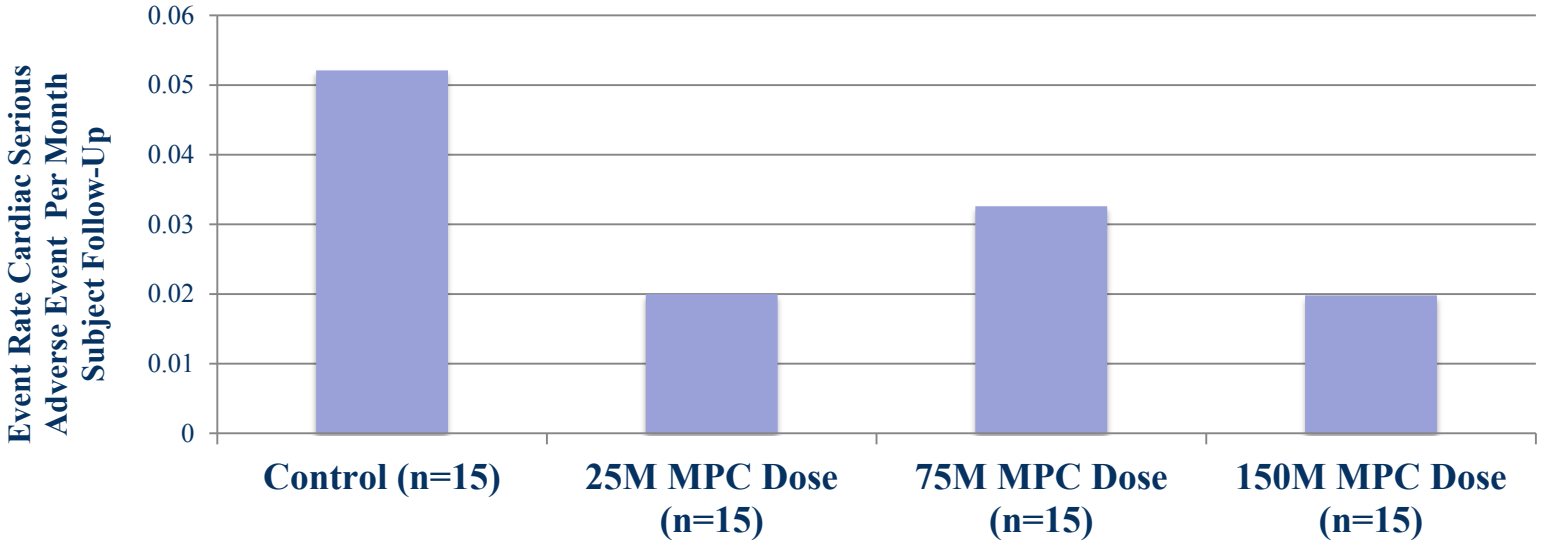
MPC treatment lowers rate of Serious Adverse Cardiac Events over time





MPC treated (n=45) followed for total 827.6 person-months
Controls (n=15) followed for total 268.5 person-months

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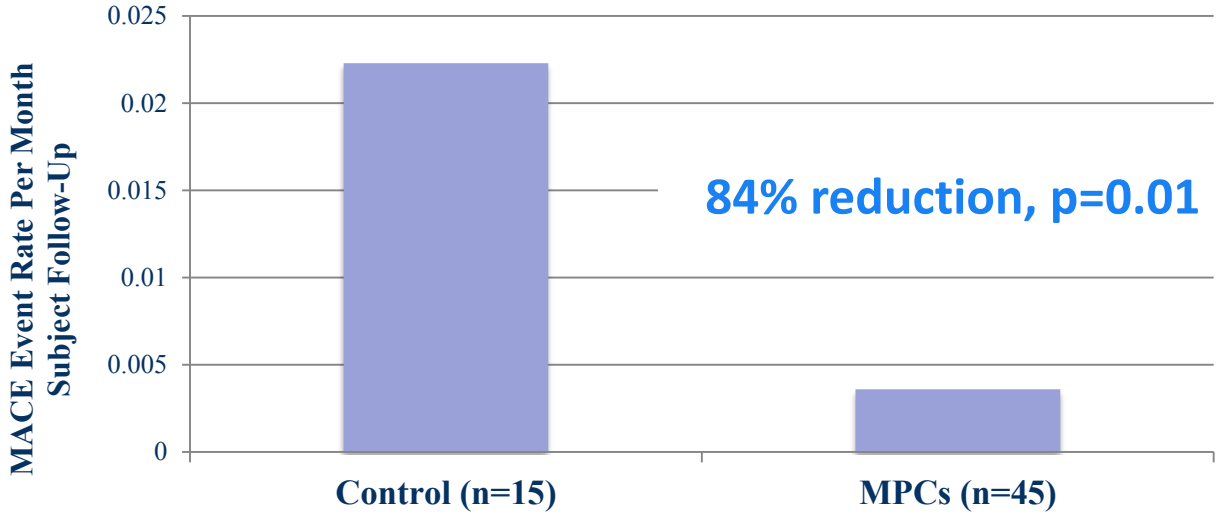
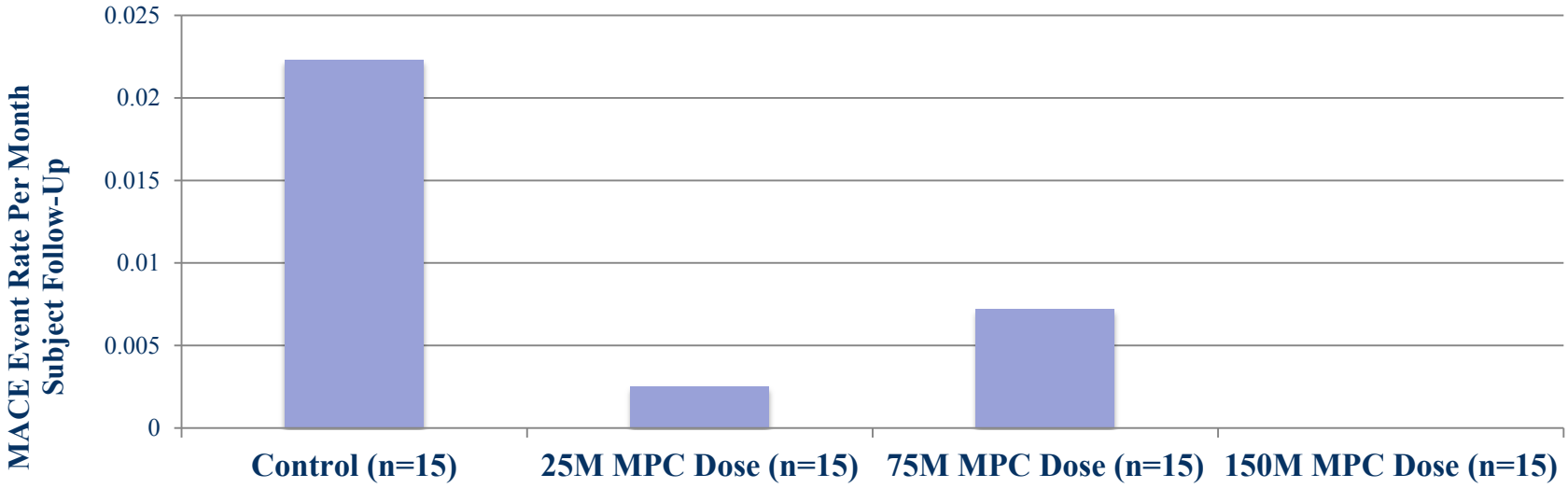
MPC treatment lowers rate of Major Adverse Cardiac Events (MACE*) over time





- **MACE defined as composite of MI, revascularization, or cardiac death**
  - **MPC treated (n=45) followed for total 827.6 person-months**
  - **Controls (n=15) followed for total 268.5 person-months**

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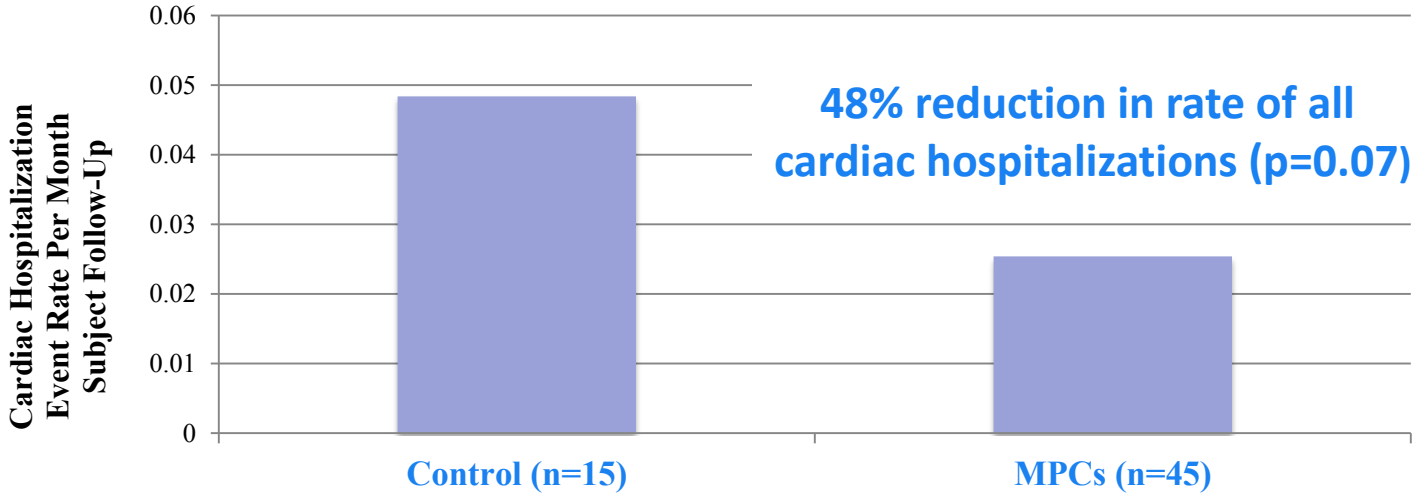
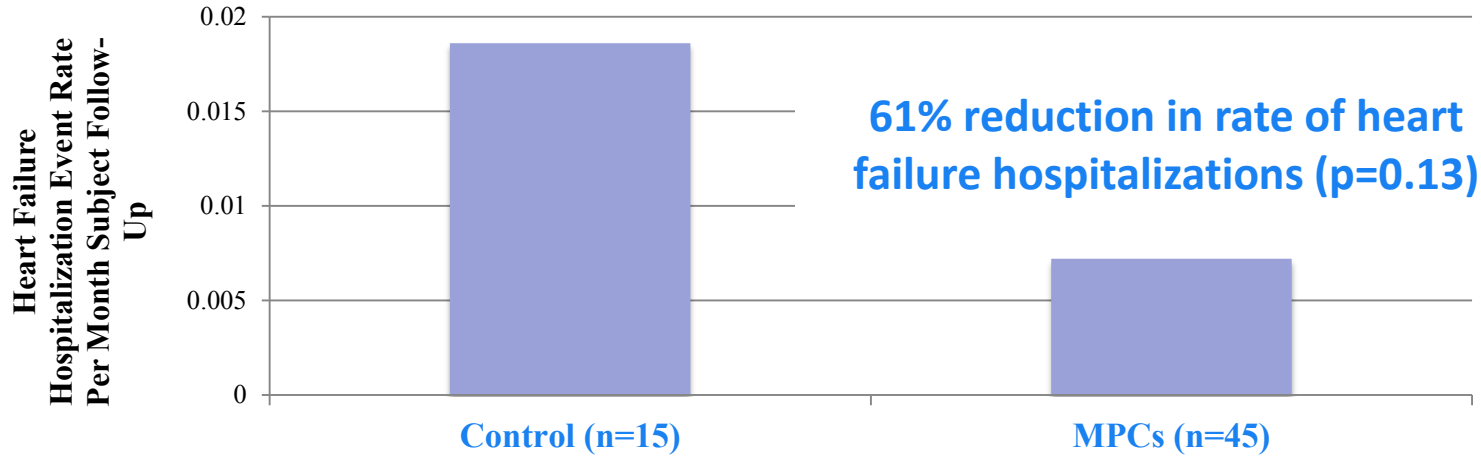
MPC treatment lowers rate of all cardiac-related and heart failure hospitalizations over time





MPC treated (n=45) followed for total 827.6 person-months
Controls (n=15) followed for total 268.5 person-months

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Value inflexion points – near term

- commencement of Phase 3 cord blood expansion trial for FDA approval
- successful completion of Phase 2 heart failure trial
  - progression to Phase 3 pivotal trial
- commencement of intra-coronary heart attack Phase 2 trial
- successful completion of orthopedic Phase 2 trials
- commencement of disc repair Phase 2 trial
- moving diabetes and eye diseases into Phase 2 trials
- new opportunities targeting immunologic/inflammatory conditions
- further partnering opportunities – optimal timing
- manufacturing strategic alliance

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Leading the world in novel adult stem cell therapies