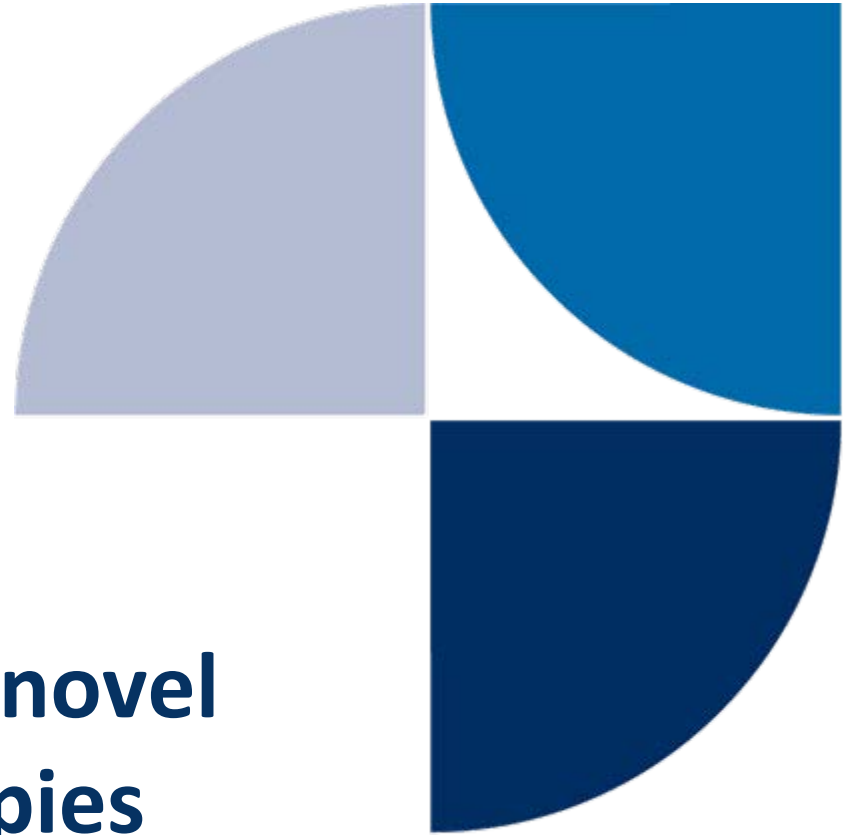


mesoblast
the regenerative medicine company



**Leading the world in novel
adult stem cell therapies**

Hong Kong
21 October 2010

“Regenerative medicine has become the most lucrative area of modern day medicine with an estimated global market value of \$500 billion.”

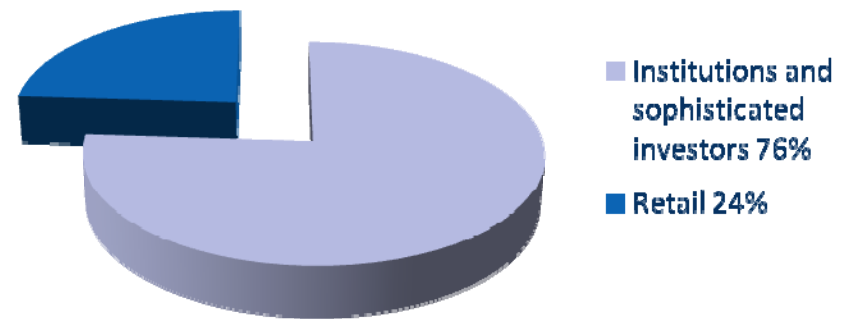
– United States Department of Health

Investment snapshot

Issued shares	250m
Current share price	\$2.34
Cash available (approx)	\$41m
Market cap	\$585m

Capital raisings	\$m
IPO @ 50 cents	21.0
Equity placements	
Jul-06	17.4
Dec-07	13.4
Apr-09	10.8
May-10	37.0
Options & US raisings	18.2
Total funds raised	117.8

Mesoblast ownership



The Mesoblast value proposition – a sound technology base

1. The foundation is our dominant global IP position

- granted composition patents in major markets, including US
- backed by use and method applications

2. The key building blocks are our proprietary adult stem cells

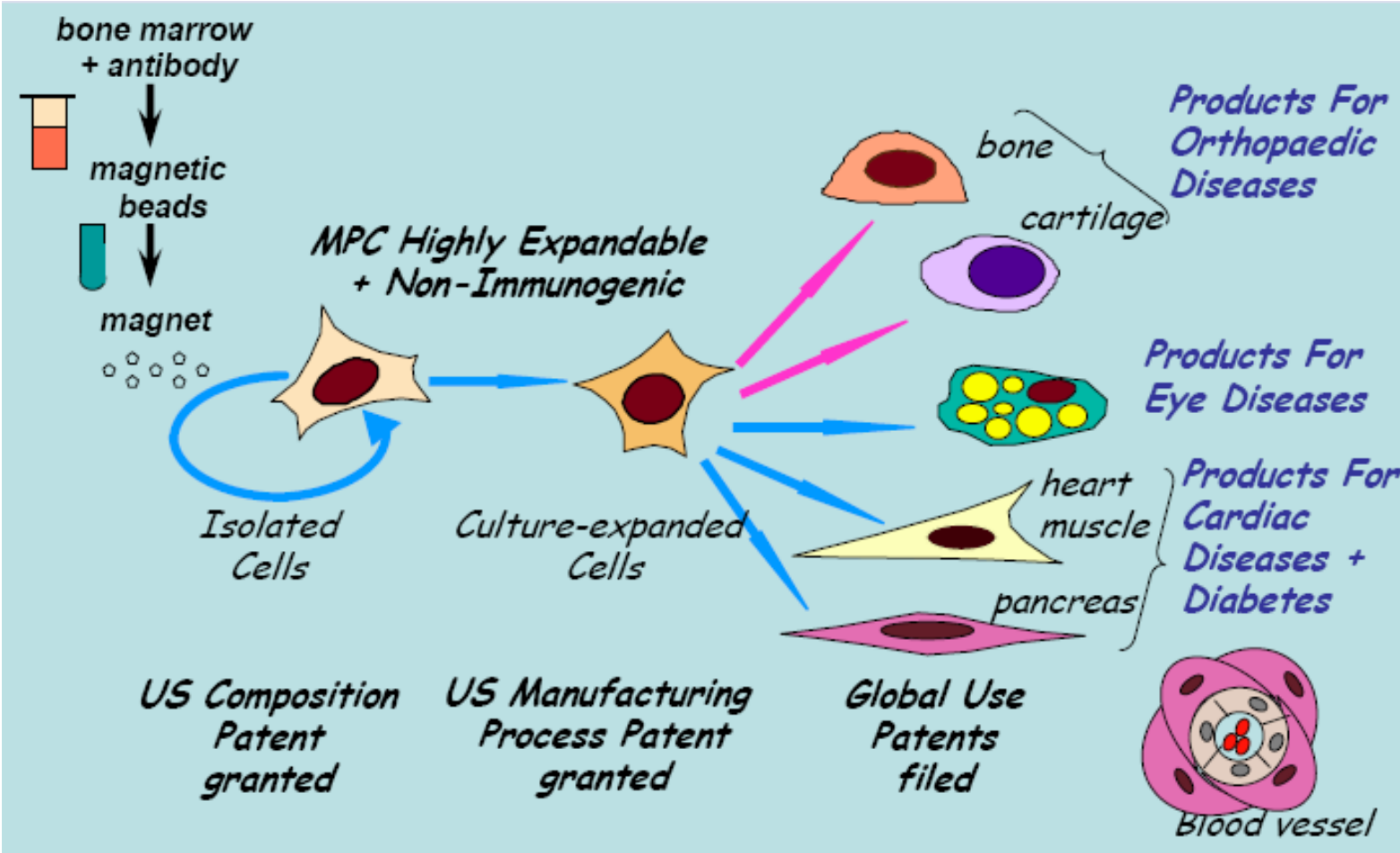
- potent, purified adult mesenchymal precursor cells
 - strong safety profile – no immune reactions
 - avoid issues associated with embryonic stem cells
- easy to expand in large numbers
 - low cost of goods, no supply constraints
- “off the shelf” – just like classic pharmaceutical drugs
- clear, rapid regulatory pathway – just like devices

The Mesoblast value proposition – the right business model

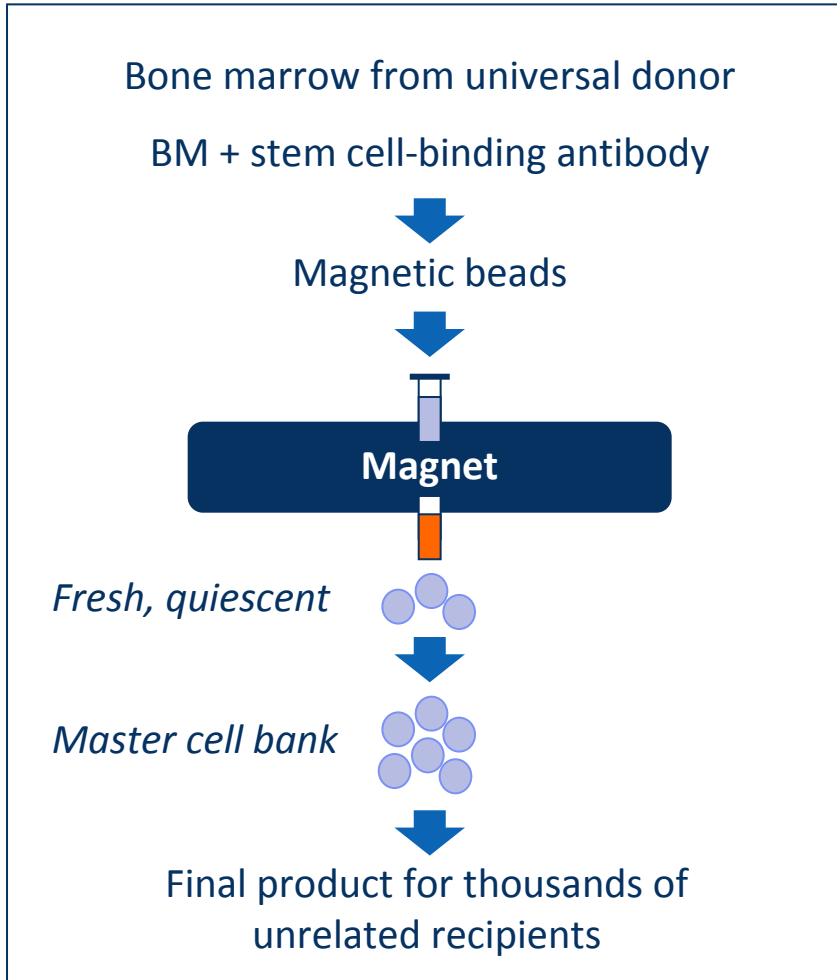
3. The glue that binds it together is the right business model

- multiple indications mitigate risk, drive revenues
- specific products for specific markets
 - maintain superior margins
- commercial opportunities drive the clinical program
- early mover advantage

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



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

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

Optimizing commercialization pathways

1. Taking individual applications to market on our own

- manageable marketing and distribution requirements

2. Broad-based partnering of platform technology

- complex distribution, global marketing reach

3. Partnering specific applications

- specialised distribution networks, companion products

Three-tiered approach to value creation

1. Near-term revenues

- approved patient-specific products for elite athletes and high-net worth individuals

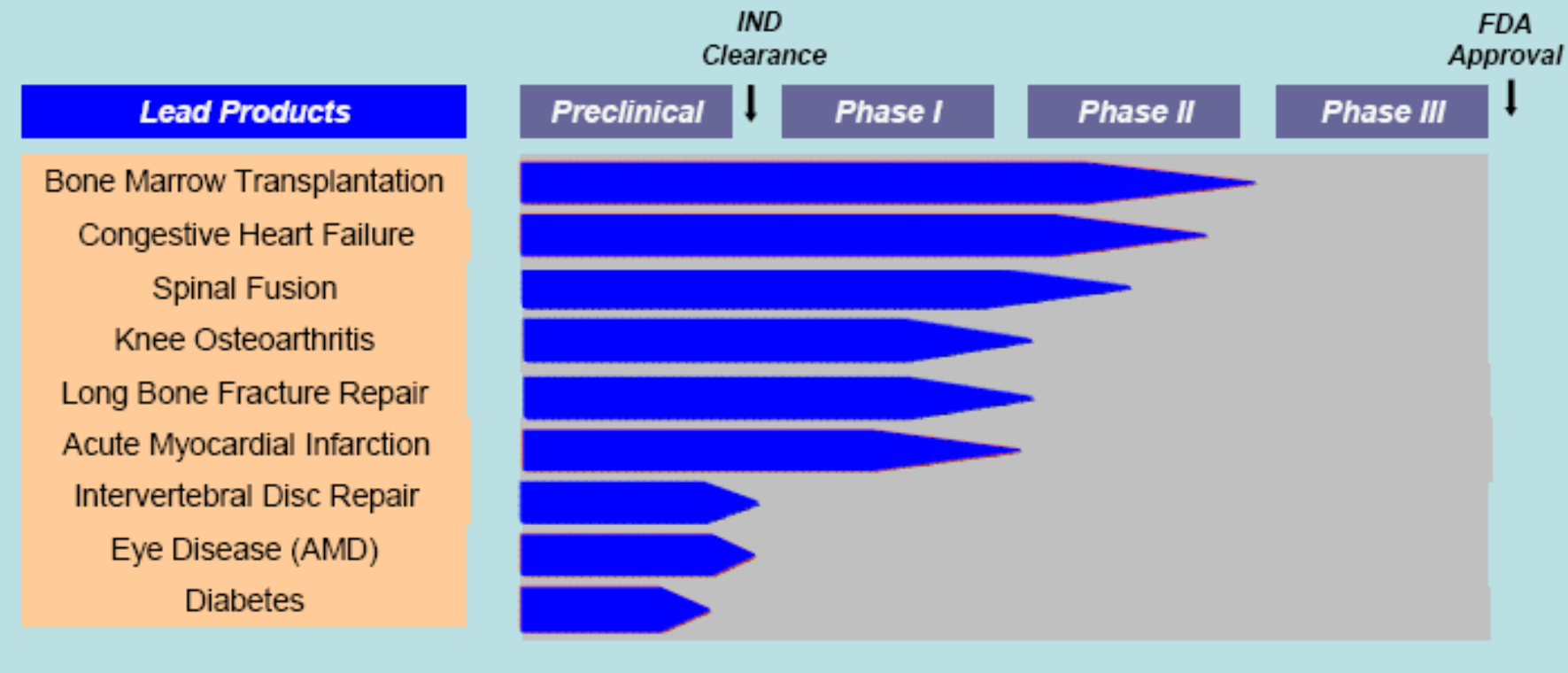
2. Mid-term value drivers underpinning capital growth

- “off the shelf” products for major unmet medical needs

3. Long-term sustainability

- R&D product pipeline

“Off-the-shelf” products advancing through the clinic



United States orthopedic markets

1. Spinal fusion

- > 500,000 procedures each year

2. Intervertebral disc repair/regeneration

- > 4 million patients affected

3. Repair of non-union long bone fractures

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

4. Knee osteoarthritis

- > 15 million patients affected

United States non-orthopedic markets

5 . Cardiovascular diseases

- Congestive heart failure (CHF)
 - 6 million in US alone, > 600,000 new patients annually
- Acute myocardial infarction (AMI)
 - 1.2 million new patients annually

6. 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

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

- > 150,000 new patients annually

8. Diabetes

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

Spinal fusion Phase 2 clinical trials

- “off the shelf” stem cells for minimally invasive lumbar and cervical fusion surgery
- 60 patients recruited across two FDA-cleared randomized, controlled trials
- multicenter design across US and Australian sites
- controls receive standard of care (interbody cage plus autograft or allograft bone)
- objectives are to show earlier fusion, and equivalence in sustained pain reduction by >20% to baseline – these are the end-points FDA expects for a pivotal trial

Minimally invasive posterior lumbar interbody fusion (PLIF)

- interim results of first 17 patients recently reviewed by Data Safety Monitoring Board
- 11 patients randomized to receive stem cells, 6 to receive bone autograft
- key points for patients receiving Mesoblast cells
 - no ectopic bone formation
 - no nerve impingement
 - at 3 months fusion success 90% with stem cells by radiography
 - supports previous studies showing earlier fusion
 - both autografts and MPCs resulted in pain reduction by >20% to baseline

Mesoblast's stem cells induce earlier fusion with equivalent pain reduction

Value inflexion points

- 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
- successful completion of orthopedic Phase 2 trials
- moving diabetes and eye diseases into Phase 2 clinical trials
- potential partnering opportunities – optimal timing
- finalization of manufacturing strategic alliance

Questions?

