



## asx announcement

### A Year of Solid Progress

Address by Mesoblast Chairman, Mr Brian Jamieson

### 2009 Annual General Meeting

Ladies and Gentlemen,

In December 2004, Mesoblast Limited listed on the Australian Stock Exchange. Its vision was to become a world leader in novel therapeutic approaches for patients with bone and joint diseases, including adult stem cell therapy for bone fractures and spinal disease, and for regeneration of damaged joint cartilage and intervertebral discs.

Just less than five years later, Mesoblast is poised to commercialise successfully its unique proprietary adult stem cell technology and to make a significant difference to millions of people by creating new treatment paradigms for massive diseases and disorders with clearly defined clinical requirements.

Since 2004, Mesoblast has significantly de-risked the business by proving the allogeneic or "off-the-shelf" pharmaceutical-type approach; our manufacturing process has now become an industrial scale process, which is scalable and cheap; and our robust intellectual property portfolio has been broadened and strengthened. The Company continues to translate positive preclinical results by taking our patented cell products from the bench to the bedside. There are now Phase 2 clinical trials underway for osteoarthritis, cervical and lumbar spinal fusion. As we have foreshadowed, Mesoblast also intends to commence a Phase 2 clinical trial for intervertebral disc disease early next year, in what should prove to be a very lucrative new application for our cells. At the same time, Mesoblast has commenced a formal process aimed at obtaining licences from the Australian Therapeutic Goods Administration to manufacture commercially our bone and cartilage repair products. Once these products are made available to hospital and clinicians throughout Australia, earlier revenues will result.

These are all extraordinary achievements, especially in such a short timeframe.

Today Mesoblast has firmly established itself as a leader in the adult stem cell space, building a solid worldwide reputation. Our clinical and preclinical results have been presented to pre-eminent global medical and scientific conferences in the United States, Europe, Asia and Australia. We communicate clearly and openly with worldwide regulatory authorities. Productive relationships have been established and maintained with orthopaedic experts who are key to the widespread take-up of our products. We have made major presentations and been highlighted at global investor conferences in the United States, Britain, Asia and Australia. We have sustained and expanded our blue chip investor base. Our communications with all stakeholders have significantly increased – during the 2009 financial year we put out approximately 40 announcements to the Australian Stock Exchange, we initiated the Chairman's Letter to Shareholders and maintained our high media profile. Our website remains an integral source of information on the Company and I encourage you all to visit it regularly to keep in touch with our progress on a timely basis.



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In 2010, Mesoblast is set to deliver on our clinical and commercial drivers with progression towards Phase 3 registration trials. We anticipate establishing major clinical and commercial relationships outside of the United States and Australia, in jurisdictions that may generate earlier and significant revenues. We also expect to conclude commercial and strategic partnerships that will broaden potential indications for our cell products, increase our execution capabilities and provide a first-tier distribution network that will result in optimal long-term product revenues.

A capital raising in April this year provided Mesoblast with sufficient funds to maintain the strong momentum during the year. At 31 October 2009, we had \$15 million in funds.

We also believe the value of our equity investment in our United States-based associate company, Angioblast Systems, will be further increased. From the outset, Mesoblast and Angioblast have enjoyed a highly productive relationship that has resulted in fast tracking of the shared adult stem cell technology platform and very significant cost savings. We view our 38.4% equity stake in Angioblast as a major asset that will allow Mesoblast shareholders to share the benefits of potential revenues from products for cardiac, vascular, eye and other indications.

Finally, I would like to acknowledge everyone who has helped make Mesoblast a world-class company. On behalf of the Board, I would like to record our appreciation to our shareholders for their unwavering loyalty and support. I would also like to thank my fellow Directors who continue to provide high-level advice and support and our dedicated staff and consultants who constantly deliver excellent results. In particular, Silviu Itescu's extraordinary intellectual drive and energy have significantly contributed to Mesoblast's commanding position today. Silviu will now elaborate on what has turned out to be yet another incredible year for our Company.

Thank you.

Melbourne

30 November 2009