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Building a Solid Future

Address by Mesoblast Chairman Brian Jamieson 2010 Annual General Meeting

Ladies and gentlemen

It is with great pleasure that the Board of Directors of Mesoblast Limited welcomes you to our sixth annual general meeting. It is also my great privilege to report on a very exciting and exceptional year for our company.

A year ago I stood here and stated that Mesoblast was set to further deliver on its clinical and commercial drivers. We have delivered on this promise, through the following major achievements:

- We have built a world-class business and strengthened our leadership in the adult stem cell space
- We are finalizing a major strategic acquisition of our United States associate company, Angioblast Systems, that will enable Mesoblast shareholders to enjoy all the commercial benefits of the unique technology platform
- This merger will result in a combined entity with a market capitalization in the order of \$750 million, making Mesoblast the largest stem cell company in the world
- This simplified corporate structure will lead to greater transparency, increased liquidity, exposure to new investors, and access to fresh pools of capital
- We are poised to advance to Phase 3 pivotal trials for both an accelerated niche and a major application of our adult stem cell technology platform
- We have made significant progress in a raft of other clinical trials for indications ranging from spinal fusion to heart attacks
- We have gained Australian Therapeutic Goods Administration (TGA) regulatory approval to use our cells on a patient-specific basis that will deliver earlier revenues
- This is the first culture-expanded adult stem cell product to receive manufacturing approval anywhere in the world; and
- We are well positioned to significantly broaden our applications.



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During the 2010 financial year, we created additional value for shareholders by:

- Executing a strategic and intelligent approach to commercialization
- Increasing our global presence
- Recruiting more patients for clinical trials
- Exploring opportunities for accelerating the delivery of value to shareholders
- Investing in good research and development opportunities
- Retaining a strong cash balance, and;
- Ensuring that we use our balance sheet efficiently.

We believe these achievements offer our investors a solid platform for the future.

Our vision for Mesoblast remains the development of a high margin, high growth business based on a range of valuable adult stem cell products to treat a broad range of diseases that impact on survival and quality of life. We aim to deliver novel regenerative medicine therapies that are relatively easy for doctors to use; are safe for patients and have clear clinical benefits; and whose value is clear to the hospitals and medical centers and to the ultimate payer.

The Board is very optimistic that management will be able to meet future challenges and the solid progress will continue apace.

The Directors will continue to place a high priority on maintaining high standards of corporate governance and rigorous management systems, and ensuring that the Company complies with the key elements of best corporate governance practice.

We believe that we can offer highly attractive returns for our shareholders and I believe that all Mesoblast's people are committed to delivering this. This year I was delighted to be able to thank many of them personally for their hard work, and I am pleased to take this opportunity to repeat my sincere appreciation.



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I would also like to record our sincere appreciation of Byron McAllister who is stepping down as a Non-executive Director of Mesoblast. For the past six years, Byron has served the Board with distinction and has been particularly invaluable in providing advice on regulatory matters in the United States. We wish him well in his future endeavours and hope that we may still call upon his expertise from time to time.

It is my pleasure again to acknowledge the leadership of our Chief Executive, Silviu Itescu, and his unwavering commitment to build a solid future for Mesoblast. I am pleased to call on Silviu now to further articulate and elaborate on our great news story.

Melbourne, Australia

29 November 2010