

Address by Mesoblast Chairman Brian Jamieson to 2013 Annual General Meeting

On behalf of the Board of Directors, I am delighted to welcome you to the 2013 Annual General Meeting of Mesoblast Limited.

To say that it has been a highly productive year for Mesoblast almost undervalues the breadth and pace of achievements that have been the hallmark of 2013.

A year of intense clinical and commercial activity has affirmed Mesoblast as the world's leading regenerative medicine company with late-stage and approved products across a wide range of diseases with well-defined and unmet medical needs.

Our existing cash reserves, which stood at \$292 million at 30 September 2013 and follows a successful financing event earlier this year, are sufficient to meet our current and new product development plans, manufacturing requirements, and personnel needs.

As you all understand, our Company at this stage does not have operational revenues. We continue to incur expenditure on our clinical trials, manufacturing processes and our people. This expenditure is our investment in the future. The Board's role is to ensure that the bulk of our expenditure is on these priorities and that the Company manages this expenditure appropriately to create long-term shareholder value.

Our Chief Executive will discuss with you in detail our current activities and future opportunities.

During 2013, we continued to forge ahead with clinical programs in our four key therapeutic areas of focus - cardiovascular diseases, inflammatory and immune-mediated diseases, orthopedic diseases of the spine, and oncology conditions associated with bone marrow transplantation.

The Board was very pleased to see the successful outcome of significant efforts put in by our management team, working closely with their counterparts at Teva Pharmaceuticals Inc., when the FDA recently gave the go ahead to commence a Phase 3 clinical trial in patients with chronic congestive heart failure, a tremendous unmet medical need. We are looking forward to first patient recruitment soon.

The recent acquisition of Osiris Therapeutics' culture-expanded mesenchymal stem cell business has broadened the number of late-phase clinical programs in our strategic areas of focus, and we anticipate cost savings and other synergies across personnel, capital expenditure, and manufacturing. The Board believes this is a farsighted move for Mesoblast for many strategic and commercial reasons.

Our new relationship with JCR Pharmaceuticals has facilitated access to Japan, the world's second largest healthcare market. JCR has exclusive rights to our mesenchymal stem cells for hematological malignancies in Japan, and we look forward to the first registration filing in Japan for approval of an allogeneic stem cell product.

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In line with the fast pace of growth of our business, the Board composition and skill sets are constantly being reviewed, and will be strengthened as necessary on par with the increase in strategic oversight provided by the Board.

Mesoblast's Board was enhanced this year with the appointment of eminent cardiac surgeon Dr Eric A. Rose, a world leader in translational research and cardiovascular medicine. His top tier skills are internationally acclaimed in the medical and scientific realms, as is his highly relevant corporate experience gained in his commercial roles at companies such as SIGA Technologies and MacAndrew & Forbes Inc., the holding company of Ronald O. Perelman.

The Board has further leveraged off Eric Rose's experience with his appointment as the chairman of the newly-created Science and Technology Committee. This Board committee, which includes Board members Ben-Zi Weiner and Silviu Itescu, was established to provide oversight of strategic direction and investment in R & D and new technologies, as well as further assist with identifying additional opportunities for our current technologies.

2013 also saw the publication of clinical and preclinical results in prestigious medical and scientific journals, including the New England Journal of Medicine, Circulation Research, and Blood and Bone Marrow Transplantation. Our lumbar spinal fusion results were delivered to the North American Spine Society 28th Annual Meeting and our preclinical results in stroke were presented at Neuroscience 2013.

We continue to recruit knowledgeable and capable staff across all disciplines. Our staff shares a passion to bring our biotherapeutics to market and the Board would like to note their constant diligence, enthusiasm and dedication to our evolving business.

On behalf of the Board, I would also like to thank you, our shareholders, for your support throughout the year. We hope to reward your patience and loyalty by increasing the Company's value proposition as we advance to the next stage of growth.

I would now like to pass the baton to Professor Silviu Itescu, the recipient of the inaugural Pontifical Key Innovation Award presented at the Vatican earlier this year. The award acknowledged his global leadership and ingenuity in translational science and clinical medicine within the field of adult stem cell therapy. Additionally, Silviu was recently appointed to the Australian Academy of Technological Sciences and Engineering, an independent body of eminent Australian scientists and engineers who advance Australia's prosperity through technological innovation. We are proud of this further validation of his valued contributions to society.

Our Chief Executive will now provide you with more detail on Mesoblast's recent achievements, future directions, and corporate strategy.

15 November 2013

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