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mesoblast
the regenerative medicine company

Chairman's Address to the 2016 Annual General Meeting

Good afternoon everyone, and thank you for attending the Mesoblast 2016 Annual General Meeting.

During the year the Company made substantial progress in advancing a number of our late-stage Tier 1 assets towards major upcoming value inflexion points. Our goal is to unlock the intrinsic value of these lead programs for our shareholders and bring much needed therapies to patients in need. This is our clear focus and priority, while remaining committed to tight fiscal management.

In recognition of the continued clinical achievements of the Company and the commitment and hard work of our people, we were recently named the Frost & Sullivan Asia Pacific 2016 Cell Therapy Company of the Year. The Frost & Sullivan awards identify and honor the best-in-class companies that have demonstrated excellence in their industry.

The most recent clinical achievement was for our product candidate, MSC-100-IV, for acute graft versus host disease, a devastating complication of a bone marrow transplant. This Phase 3 product candidate was successful in a pre-specified interim futility analysis. We are pleased that the study has passed such an important milestone, with MSC-100-IV now positioned to potentially be the first product approved for this disease in the United States.

Two other Tier 1 product candidates, MPC-150-IM and MPC-06-ID, are in late-stage development in Phase 3 programs targeting, respectively, advanced heart failure and chronic low back pain due to disc degeneration. If successful in Phase 3, each of these product candidates has the potential to generate multi-billion dollar annual sales. Interim read-outs on both of these trials are scheduled in the next quarter.

Additionally, we have a strong inflammatory diseases product pipeline using MPC-300-IV. Our lead indication is biologic refractory rheumatoid arthritis, the fastest growing market segment in this disease. Following recent positive Phase 2 results, this innovative product candidate is well-positioned to advance through a strategic partnership into a Phase 3 clinical program.

In February 2016, our Japan licensee for acute graft versus host disease, JCR Pharmaceuticals Co. Ltd., launched TEMCELL® HS Inj. TEMCELL is the first allogeneic cell-based medicine to receive full regulatory approval in Japan. Under the new Japanese regulatory framework for cell therapy, we are seeking to capture value by using our existing Phase 2 and Phase 3 clinical data to accelerate additional approvals in the world's second largest stand-alone healthcare market.

Going forward, we will maintain our commitment to deliver our cell-based transformative therapies for patients with major, unmet medical needs. As we continue to deliver on our science, we plan to execute corporate regional and global partnerships which will provide capital as well as complementary competencies including sales, marketing and distribution capabilities.

On behalf of the Board, I would like to record our appreciation to you, our shareholders, for your continued loyalty and support. Please be assured that we are highly focused on delivering shareholder value.

I would now like to ask our Chief Executive Silviu Itescu to provide further insight into our corporate strategy. Thank you.

Brian Jamieson
Melbourne, Australia **22 November 2016**

Mesoblast Limited
ABN 68 109 431 870
www.mesoblast.com

Corporate Headquarters
Level 38
55 Collins Street
Melbourne 3000
Victoria Australia
T +61 3 9639 6036
F +61 3 9639 6030

United States Operations
505 Fifth Avenue
Third Floor
New York, NY 10017
USA
T +1 212 880 2060
F +1 212 880 2061

Asia
20 Biopolis Way
#05-01 Centros
Biopreneur 3
SINGAPORE 138668
T +65 6570 0635
F +65 6570 0176