

***Mesoblast Limited***  
***ABN: 68-109-431-870***  
**and Controlled Entity (Mesoblast Group)**

**HALF-YEAR INFORMATION**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2011**  
**PROVIDED TO THE ASX UNDER LISTING RULE 4.2A**

**This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2011.**

# Appendix 4D

## Half Year Report for the six months to 31 December 2011

Name of entity

MESOBLAST LIMITED ABN: 68 109 431 870
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### 1. Reporting period

Report for the half year ended	31 December 2011
Previous corresponding period is the financial year ended and half year ended	30 June 2011 31 December 2010

### 2. Results for announcement to the market

				\$'000
Revenues from ordinary activities ( <i>item 2.1</i> )	down	82%	to	18,967
Loss from ordinary activities after tax attributable to members ( <i>item 2.2</i> )	Up*	147%	to	44,127
Net loss for the period attributable to members ( <i>item 2.3</i> )	Up*	147%	to	44,127
* <i>increase in loss</i>				
Brief explanation of any of the figures reported above necessary to enable the figures to be understood ( <i>item 2.6</i> ):				
<ul style="list-style-type: none"> <li>Revenue from ordinary activities includes commercialisation revenue of \$13,944k, interest revenue of \$4,695k and other income of \$328k. The corresponding period including a one-off accounting revaluation gain of \$101,618k.</li> <li>Loss from ordinary activities after tax attributable to members, and Net loss for the period attributable to members, includes an increase in expenses from continuing operations for the period of \$25,736k as a result of the corresponding period not including a full six month result of Mesoblast Inc together with an increase in clinical trial activity. The current period includes a one-off income tax expense of \$26,513k to recognize the tax charge on the commercialisation revenue recognised for tax purposes for the tax year ended 31 December 2011.</li> </ul>				

**3. Net tangible assets per security (item 3)**

	<b>31 December 2011</b>	<b>31 December 2010</b>
Net tangible asset backing per ordinary security	46.65 cents	14.65 cents

A large proportion of the company's assets are intangible in nature, consisting of intellectual property and goodwill relating to the acquisition of Mesoblast, Inc (previously Angioblast Systems, Inc.). These assets are excluded from the calculation of net tangible assets per security. A deferred tax liability of \$133,120k has also been excluded from the calculation to the extent it relates to future tax obligations as a result of the intellectual property asset deriving revenue at some point in the future. This deferred tax liability has arisen as a direct result of the intellectual property being acquired.

**4. The financial information provided in the Appendix 4D is based on the half-year financial report (attached), which has been prepared in accordance with Australian accounting standards.**

**5. Independent review of the financial report (item 9)**

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.