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CONSOLIDATING OUR FUTURE **Address by Mesoblast Chairman Brian Jamieson** **2012 Annual General Meeting**

On behalf of the Board of Directors, I am very pleased to welcome you to the 2012 Annual General Meeting of Mesoblast Limited.

At Mesoblast we are proud of the Company's continued capacity to move its unique adult stem cell technology to market. The potency of our proprietary Mesenchymal Precursor Cells (MPCs) and our ongoing momentum has consolidated Mesoblast's position at the forefront of the regenerative medicine industry.

In less than eight years we have translated a bold scientific idea into a clinical reality to become the global leader in this exciting and emerging field.

This year we have further consolidated that position. We have advanced trials underway across a diverse range of intransigent diseases, including cardiovascular, diabetes, blood cancers and degenerative diseases of the spine.

In this competitive and potentially lucrative business, it is our business model and the intrinsic power of our MPCs that puts us ahead ... we remain vigilant about protecting our intellectual property.

We further continue to effectively manage corporate risk by maintaining strong cash reserves, securing strategic partnerships and ensuring manufacturing capabilities in the near and long term. Our corporate strategy to broaden the product range and market opportunities is supported by our strong financial position; approximately \$190 million cash reserves at 30 September. It has allowed us to scale up manufacturing, reduce costs of goods and increase capacity for commercial supply.

We have also built an impressive capital base, and have strategically employed these funds to get our products to market as quickly as practicable, while conserving cash whenever possible. Teva Pharmaceutical Industries Ltd is an important strategic partner, particularly in its delivery of global distribution strength and Phase 3 trial capabilities. We have built a strong relationship with Teva and we are working closely with them.

Our alliance with Lonza gives us access to its top-tier biologics manufacturing strength which is underpinning our global process development and manufacturing capability. Also, our regulatory compliance with best practice, product delineation, reduced cost of goods and the development of next generation products.

Our investor base remains diverse and loyal. Our sophisticated investors appreciate the achievements of the Company to date and the development time to market imposed by the necessary regulatory framework. They well understand the potential gains on achieving clinical and commercial milestones.



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The mix of skills and international expertise of Mesoblast's Board of Directors was boosted this year with the appointment of Dr Ben-Zion Wiener as Teva's representative. Dr Weiner's extensive pharmaceutical industry experience and many successful regulatory approvals in his various senior capacities at Teva, including as head of R & D, make him a very valuable and strategic addition to the Board.

To our shareholders, on behalf of the Board of Directors, I would like to record our appreciation for your loyalty and support ... and to our staff for their unswerving commitment and diligence. We are proud to have built a diverse organization with complementary skills, and continue to attract a number of women to senior roles.

I would also like to reiterate my appreciation of the wise counsel of my fellow Board members and their strict adherence to best corporate governance.

It has been another good year for Mesoblast, one of consolidation in which we take great pride.

I would now like to welcome Mesoblast's outstanding Chief Executive, Professor Silviu Itescu, to elaborate further on the Company's corporate strategy.

Melbourne, Australia 29 November 2012