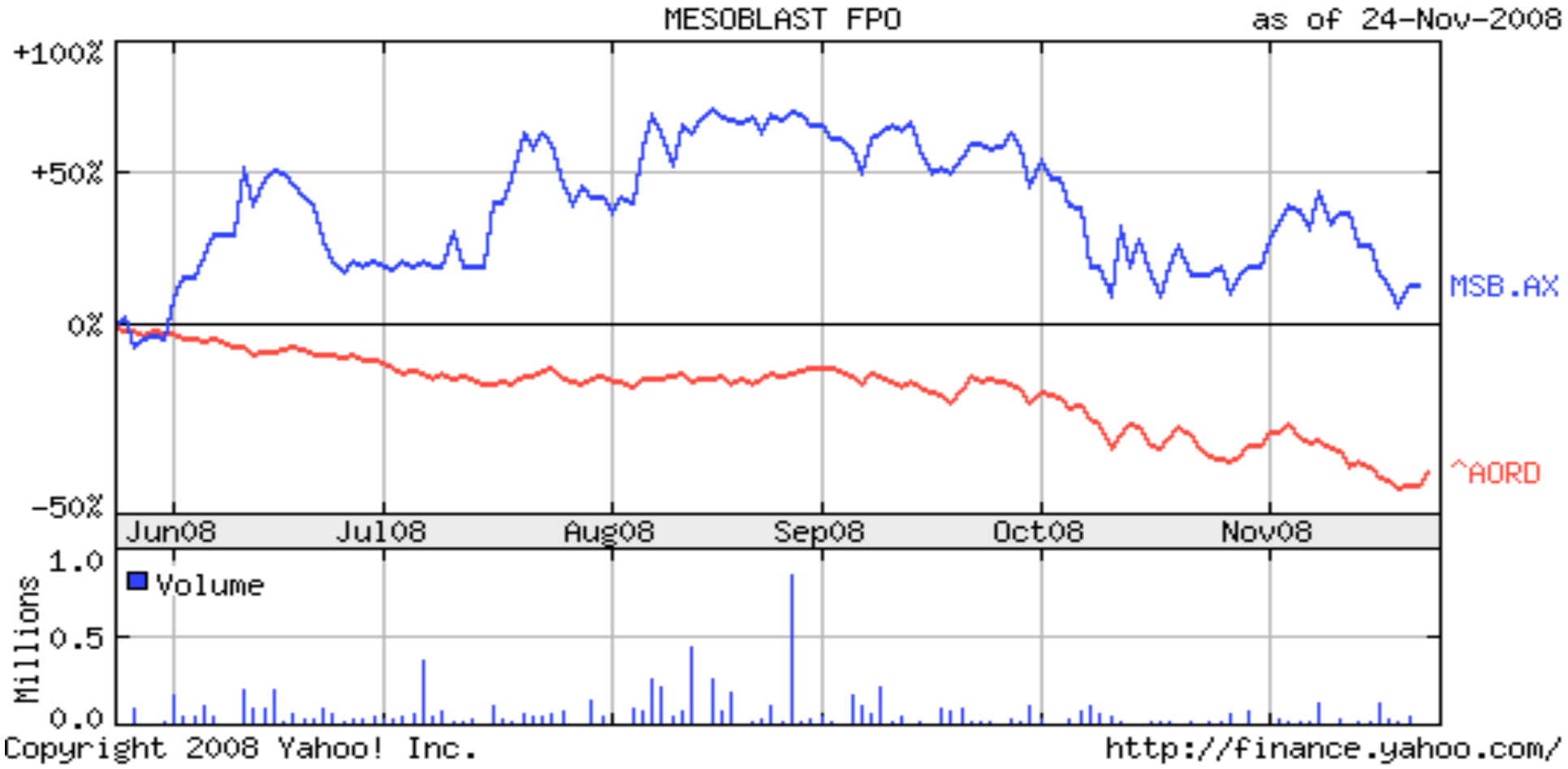
mesoblast
the adult stem cell company

Executive Director's Presentation
Annual General Meeting
27 November 2008

Mesoblast Share Price Performance Relative to ASX All Ords



Major Value Inflexion Points Since 2005

Technical

1. Demonstrated **scale-up** of manufacturing process
2. Demonstrated **safety** of manufacturing and cells in patients
3. Shown that **allogeneic** ("off-the-shelf") stem cells are **effective**

Clinical

4. **IND submissions** for four Phase 2a trials cleared by FDA < 30 days
5. **Patient enrolment** for Spinal Fusion, CHF, AMI, BMT Phase 2a trials

Commercial

6. Issued two **US patents:** composition-of-matter & manufacturing
7. **Strategic alliance** with global Cardiovascular Pharma/Device Co.

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Achieving Institutional Shareholder Support

1. transparent corporate structure and governance

2. identifying value inflexion points as corporate drivers
   - (a) commercial
   - (b) technical
   - (c) clinical

3. risk mitigation strategies
   - (a) seasoned management
   - (b) multiple programs
   - (c) early engagement of partners

4. laying out achievable milestones

5. keeping to rigorous timelines

6. communicating effectively both strategy and results

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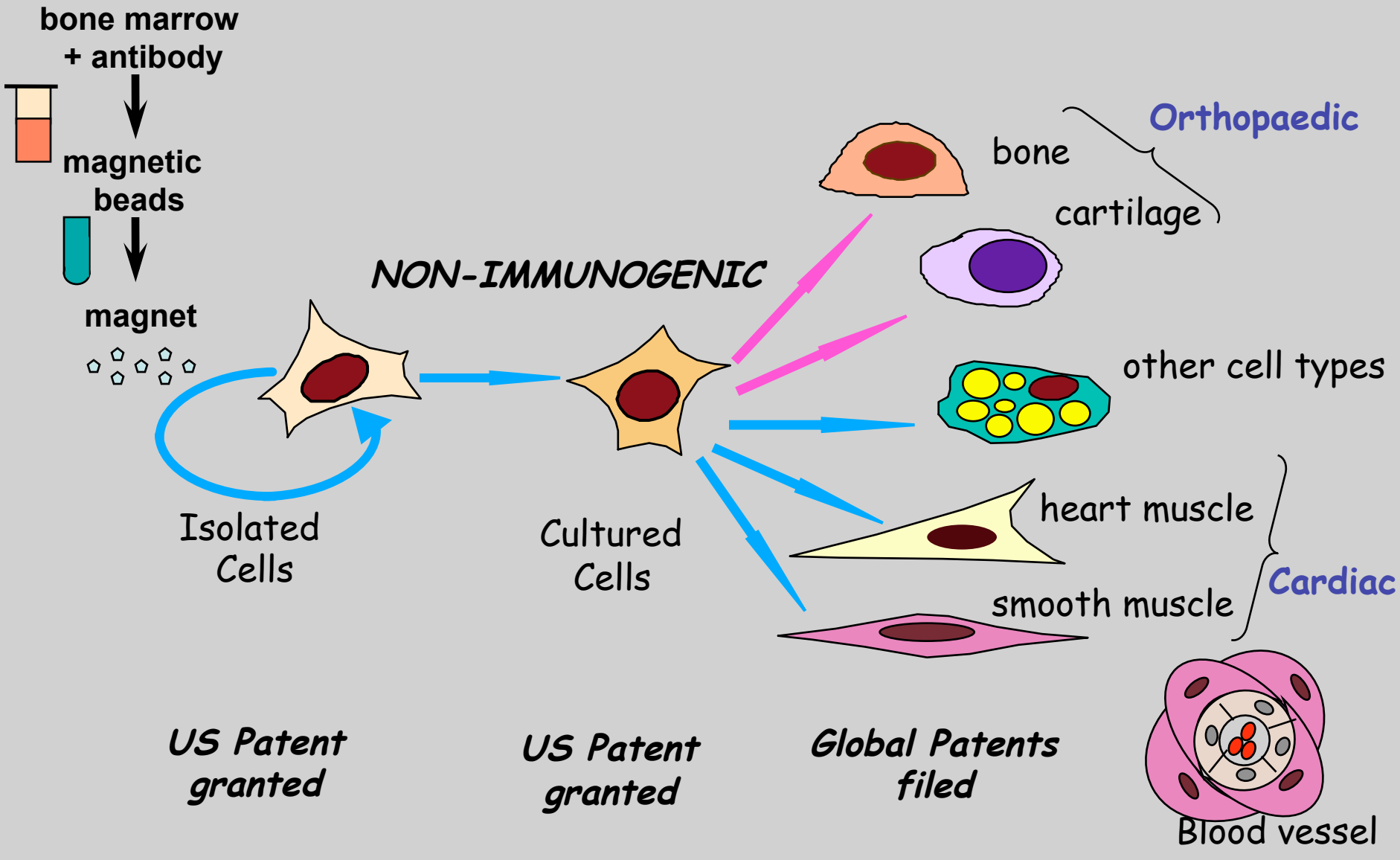
Robust Intellectual Property Underpins Commercial Products



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Our products combine speed to market with a high margin business model

MPC products are biologic drugs in a bottle

- safer than small molecules
- greater predictability from pre-clinical to human trial end-points
- more rapid regulatory approval
- one donor -- thousands of patient doses
- unrelated (*allogeneic*) recipients
- centralized manufacturing (FDA and GMP compliant)
- frozen product immediately available -- good physician uptake
- low manufacturing costs, high margin
- ideal for large unmet markets

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Road To FDA Approvals For An Allogeneic Stem Cell Product

Preclinical

- ✓ **characterize stem cell population**
- ✓ **proof-of-principle small animal studies**
- ✓ **optimize *ex vivo* culture process in GMP facility**
- ✓ **safety/dose-ranging studies in large animal models**

Clinical

- **phase 2 trials to identify safe, effective dose**
- **phase 3 trials to establish efficacy for product registration**

Lead Orthopaedic Programs

1. **Spinal Fusion Indications**
   - ✓ lumbar: single-centre, FDA-cleared Phase 2a study
   - • cervical: upcoming Phase 2a trial
   - • anticipated Pivotal trial for intervertebral fusion 2009

2. **Intervertebral disc repair/regeneration**
   - ✓ preclinical large animal study completed
   - • planned IND submission for Phase 2a clinical trial

3. **Knee Osteoarthritis**
   - ✓ preclinical large animal models knee osteoarthritis completed
   - • Phase 2a clinical trial to commence shortly

Lead Orthopaedic Programs, c'td

4. Long bone repair

- ✓ **Phase 1b trial long bone non-union completed**

- **10 patients with 11 non-union fractures of tibial or femoral fractures**
- **range non-union 5-41 months**
- **three with failed autograft and BMP treatment**
- **all 10 patients followed for >12 months, no adverse events**
- **9/11 fractures complete union, median 4.9 months**

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Programs In Partnership With US-Based Angioblast Systems, Inc.

1. **Congestive Heart Failure (CHF)**

   FDA-cleared Phase 2a clinical trial in up to 60 patients
   multicentre, 3 dose-escalation
   20 patients each dose, randomised 3:1 treatment/control
   first dose 17 patients enrolled, no safety concerns to date
   evaluating cardiac functional recovery at 3, 6 and 12 months

2. **Acute Myocardial Infarction (AMI)**

   FDA-cleared Phase 2a clinical trial in up to 25 patients
   multicenter, dose escalation, no cell safety concerns to date
   evaluating cardiac function at 6 and 12 months

3. **Bone Marrow Transplantation, Expansion of Umbilical Cord Blood**

   Orphan Drug Designation
   FDA-cleared Phase 1/2 clinical trial in up to 30 patients
   evaluating safety, bone marrow engraftment, survival

Programs In Partnership With US-Based Angioblast Systems, Inc. (c'td)

4. Age-Related Macular Degeneration (AMD) and Diabetic Retinopathy

efficacy demonstrated in rodent study;
42-animal non-human GLP primate study completed
optimal dose identified for monotherapy
significant synergy in combination with anti-VEGF therapy
IND filing and Phase 2a trial planned for 2009

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Commercial Strategies For Our Biologicals

1. **Taking Individual Applications to Market On Own**
   - highest capital and execution risk
   - greatest shareholder return

2. **Partnering Specific Applications**
   - share the risk, share the reward
   - reduces risk of execution failure

   e.g. Genetics Institute-Sofamor Danek/Medtronic
   BMP-2 for bone growth (spine/trauma/other)

3. **Broad-Based Partnering Of Platform Technology**
   - simultaneous development of multiple applications
   - extensive resources applied to programs

   e.g. Osiris-Genzyme
   allogeneic adult stem cells