



*Extraordinary General Meeting
Melbourne*

September 22, 2010

Commercializing Stem Cells: Our Patented Technology Underpins the Right Business Model

Embryonic Stem Cells/iPS Cells

- *Research only*
- *NO near-term therapeutic product (ethics, cancer risk, etc.)*

Adult Stem Cells

- *Commercial products in the clinic today*
- *Most adult stem cell products need to be patient's own...high cost, low margin (e.g. fat derived, cord blood)*
- *Mesenchymal Precursor Cells (MPC), our patented adult stem cells, are non-immunogenic & highly expandable...*
- *...“Off-the-Shelf”, batched, high-margin products from unrelated donors*

Our Industrial-Scale Manufacturing Process

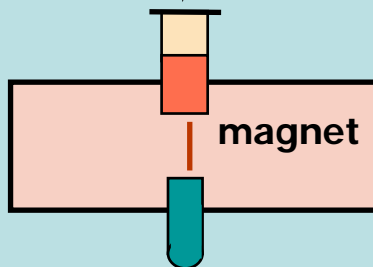


Bone Marrow (BM) from universal donor

BM + stem cell-binding antibody



magnetic beads

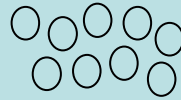
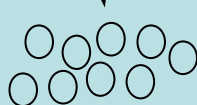
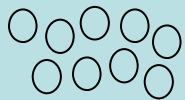


fresh,
quiescent

master
cell bank



MPC

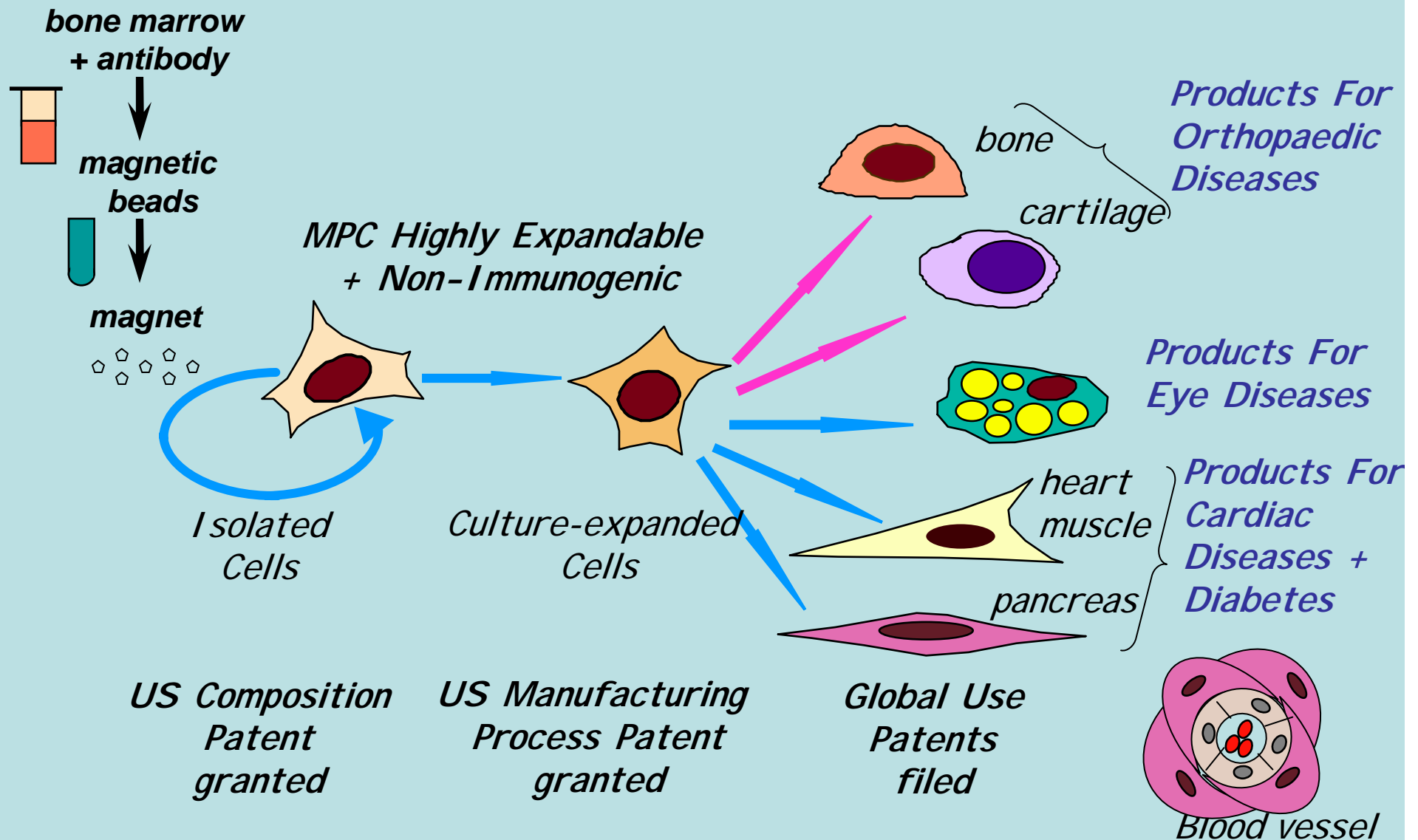


final product for thousands
of unrelated recipients

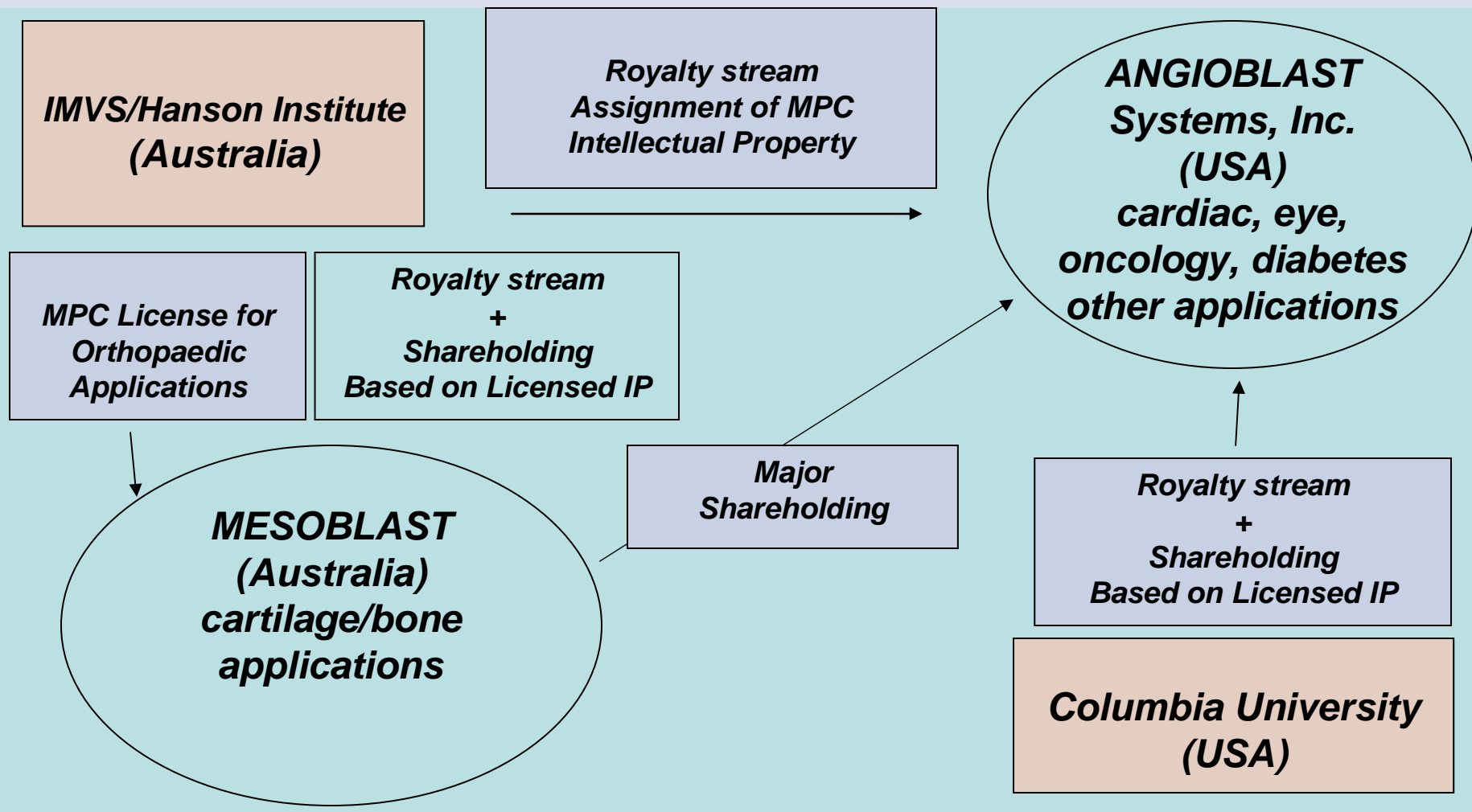
Competitive Advantages of Manufacturing Process:

- homogeneous cell population
- well-controlled cell expansion
- efficient large-scale expansion
- lower costs of cell culture process
- batch-to-batch consistency
- stringent release criteria
- greater potency of expanded product

We Own the Intellectual Property on Mesenchymal Precursor Cells (MPC)



Mesenchymal Precursor Cell (MPC) Technology Platform



What Are The Strategic Benefits Of The Proposed Transaction?

1. Increased shareholder value

- *MSB shareholders to get full up-side from 100% of the value creation in all applications of the proprietary technology*
- *greater market capitalization, liquidity, access to capital*

2. Enhanced commercialization potential and maximized revenues

- *easier to establish broad-based strategic partnerships*
- *more rational resource allocation based on maximal product value*

3. Protection of intellectual property for long-term sustainability

- *establish centralised manufacturing*
- *improve and optimize existing products*
- *enhance R&D product pipeline*

4. Streamlined operations and global leadership team

Increased Shareholder Value

Fund Raisings \$m

IPO @ 50 cents	21.0
<i>Equity Placements:</i>	
Jul-06	17.4
Dec-07	13.4
Apr-09	10.8
May-10	37.0
Options + Angioblast raisings	18.2
Total Funds Raised	\$117.8

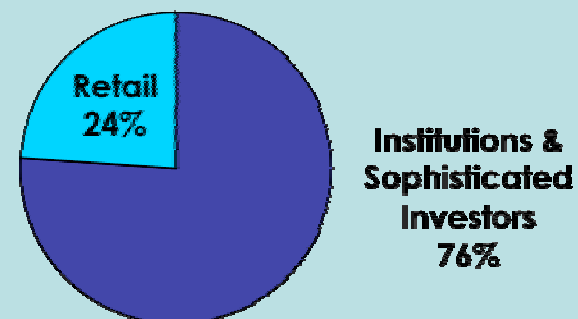


Use of capital:

- Mesoblast Clinical Programs
- Angioblast 100% acquisition

Issued shares (subject to EGM)	250m
Current Share Price	\$2.50
Cash available after EGM (circa)	\$41m
Market Cap (circa)	\$625m

Mesoblast Ownership



Increased Shareholder Value





Enhanced Revenue Generating Strategies

1. Near-term revenues

- *patient-specific products for elite athletes*

2. Mid-term value drivers underpinning capital growth

- *"off-the-shelf" products for major unmet medical needs*

3. Long-term sustainability

- *R&D product pipeline*

Enhanced Ability To Commercialize Technology

1. *Taking Individual Applications to Market on Our Own*

e.g. Orphan Drug Applications

2. *Broad-based Partnering of Platform Technology*

e.g. Pharma Licensing

3. *Partnering Specific Applications*

e.g. Medtech Applications



Enhanced Manufacturing Strategy Central To Maximizing Revenues

1. State-of-the-art manufacturing plant via strategic alliance

- **cost neutral**
- **tax effective geographical location**
- **best of breed, cutting edge technology**

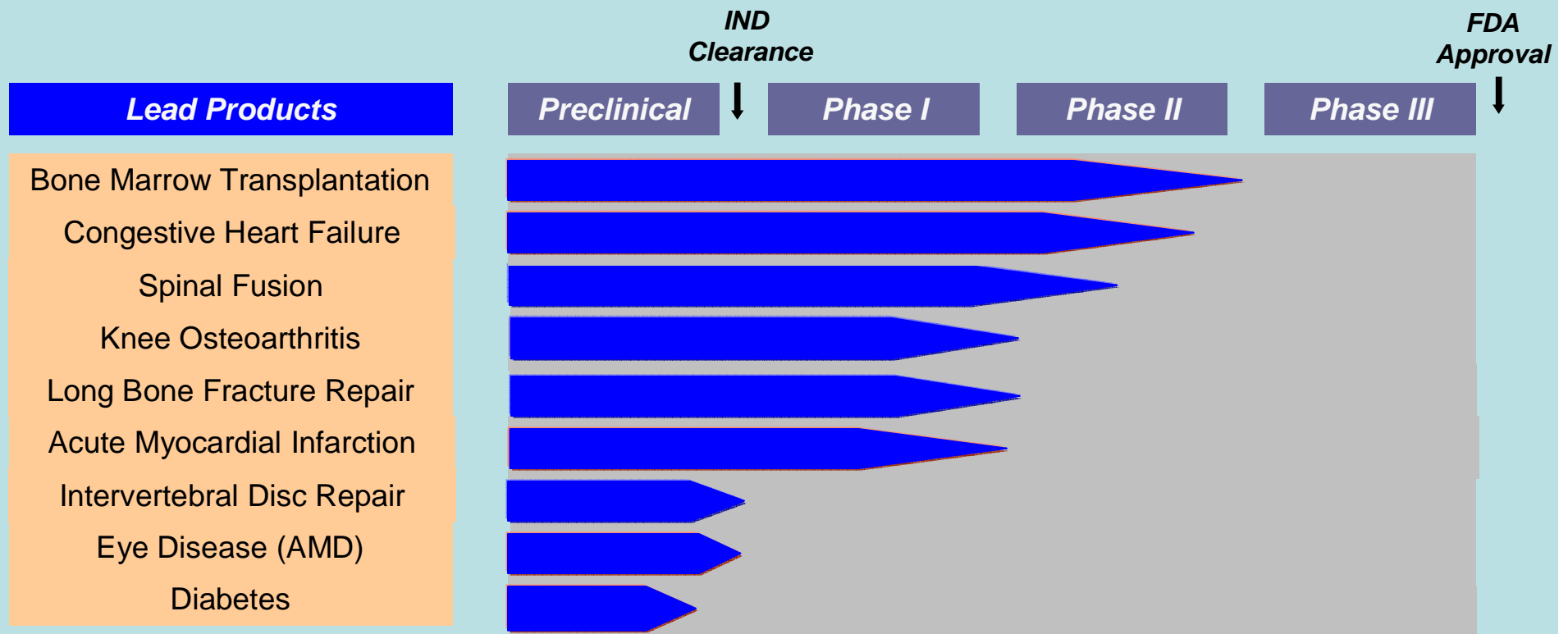
2. Retain control of manufacture for all products

- **product delineation for distribution partners**
- **maintain optimal product pricing differences**

3. Commercial benefits

- **reduced COGS, increased margins**
- **R&D support for new product pipeline**

“Off-the-Shelf” Product Portfolio Driving Value Creation





United States Target Orthopedic Markets

1. Spinal Fusion

- *> 500,000 procedures/year in United States (US) alone*

2. Intervertebral disc repair/regeneration

- *> 4 million patients affected in US alone*

3. Repair of Non-Union Long Bone Fractures

- *5-10% of all long-bone fractures fail to unite (non-union)*

4. Knee Osteoarthritis

- *> 15 million patients affected in US alone*

United States Non-Orthopaedic Markets

5. Cardiovascular Diseases

Congestive Heart Failure (CHF)

- *6 million in US alone, >600,000 new patients annually*

Acute Myocardial Infarction (AMI)

- *1.2 million new patients annually in US alone*

6. Bone Marrow Transplantation, Expansion of Umbilical Cord Blood

- *Orphan Drug Designation (<200,000 patients/year)*
- *Fast-track approval, pricing premium*
- *Total no. procedures can be increased 3-fold*

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

- *> 150,000 new patients annually in US alone*

8. Diabetes

- *> 200 million world-wide, 800,000 new patients annually in US*



Thank you for your loyalty and support!