

mesoblast
the regenerative medicine company



**Leading the world in novel
adult stem cell therapies**

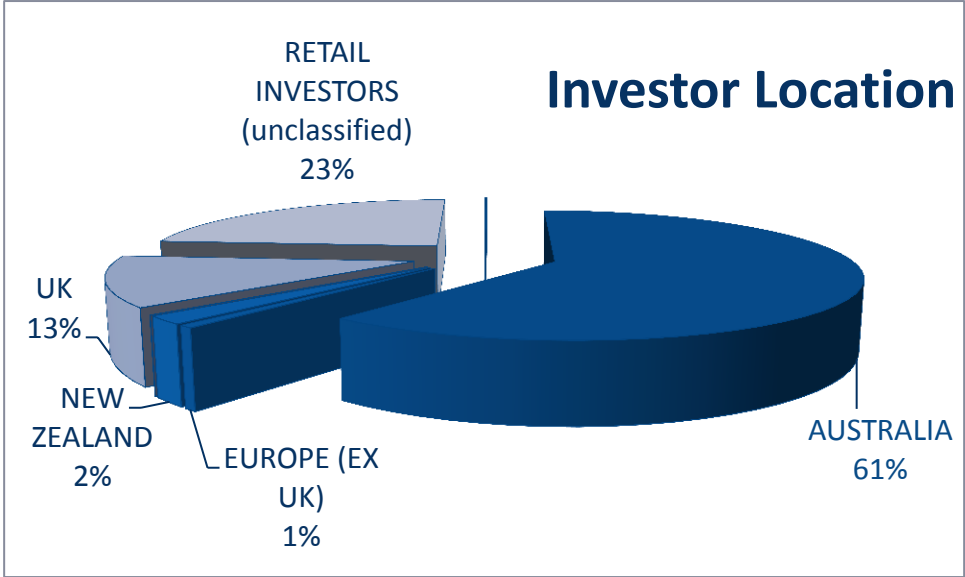
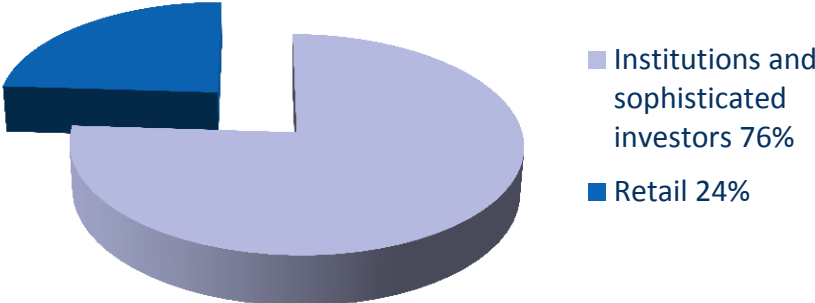
Shareholder Annual General Meeting (AGM)

November 29th, 2010

Presented by: Silviu Itescu, Executive Director

Mesoblast ownership

Share Register



Financials

Capital structure	Pre-merger	Post-merger
Issued shares	155m	~230m
Current share price	\$3.16	\$3.16
Market cap	\$490m	\$727m

Capital raisings	IPO (Dec 04)	Jul-06	Dec-07	Apr-09	May-10	Options & US raisings	Total
Funds raised (Au\$m)	21.0	17.4	13.4	10.8	37.0	18.2	117.8m
Placement price	.50c	\$1.25	\$ 1.28	\$ 0.72	\$ 1.70	various	

Cash @ 30 Sep	Au\$32m
Cashburn (annually)	\$9m

The Mesoblast value proposition – a sound technology base

1. The foundation: is our dominant global IP position

- granted composition patents in major markets, including US
- backed by use and method applications

2. The key building blocks: proprietary adult stem cells

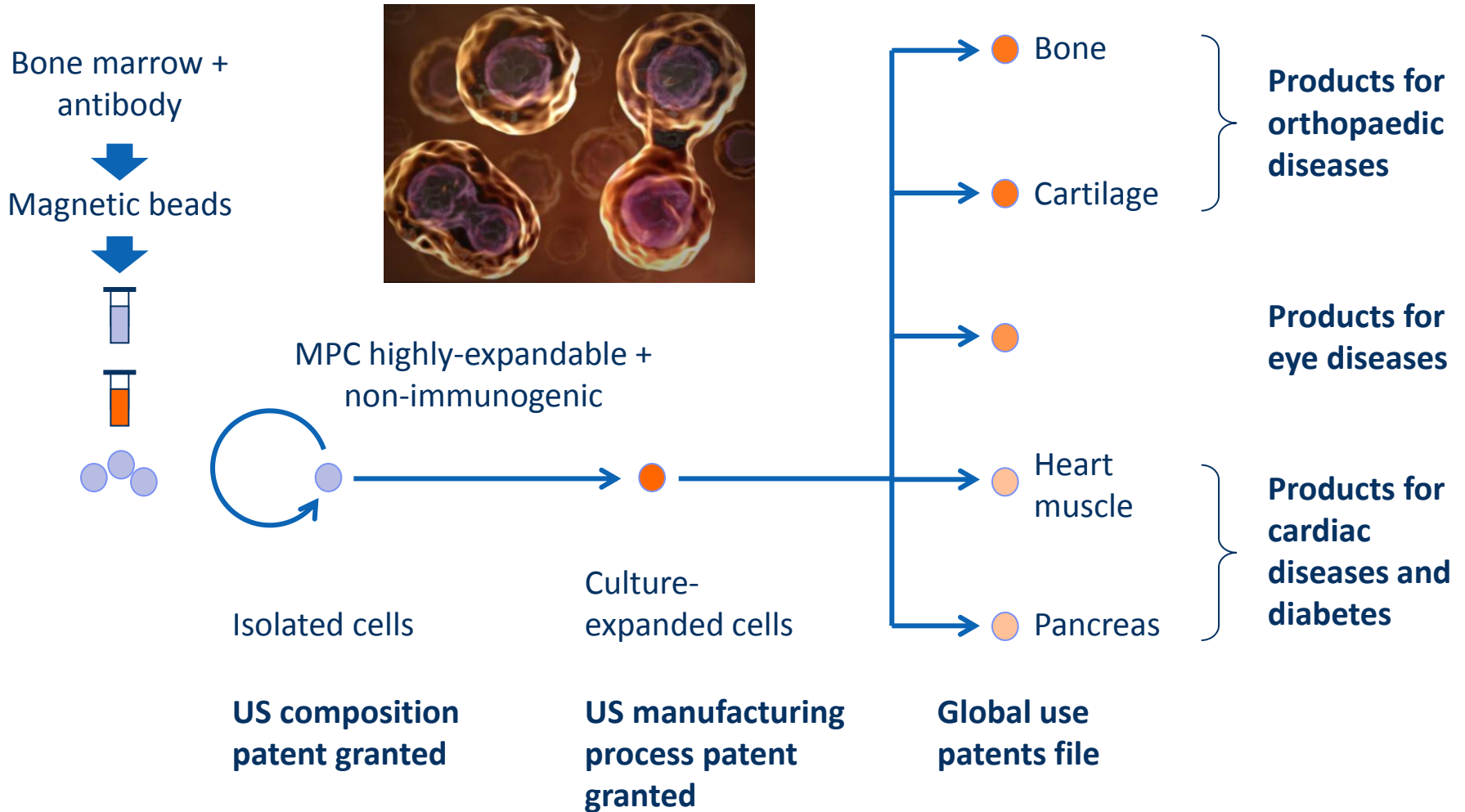
- potent, purified adult mesenchymal precursor cells
 - strong safety profile – no immune reactions
 - avoid issues associated with embryonic stem cells
- easy to expand in large numbers
 - low cost of goods, no supply constraints
- “off the shelf” – just like classic pharmaceutical drugs
- clear, rapid regulatory pathway – just like devices

The Mesoblast value proposition – the right business model

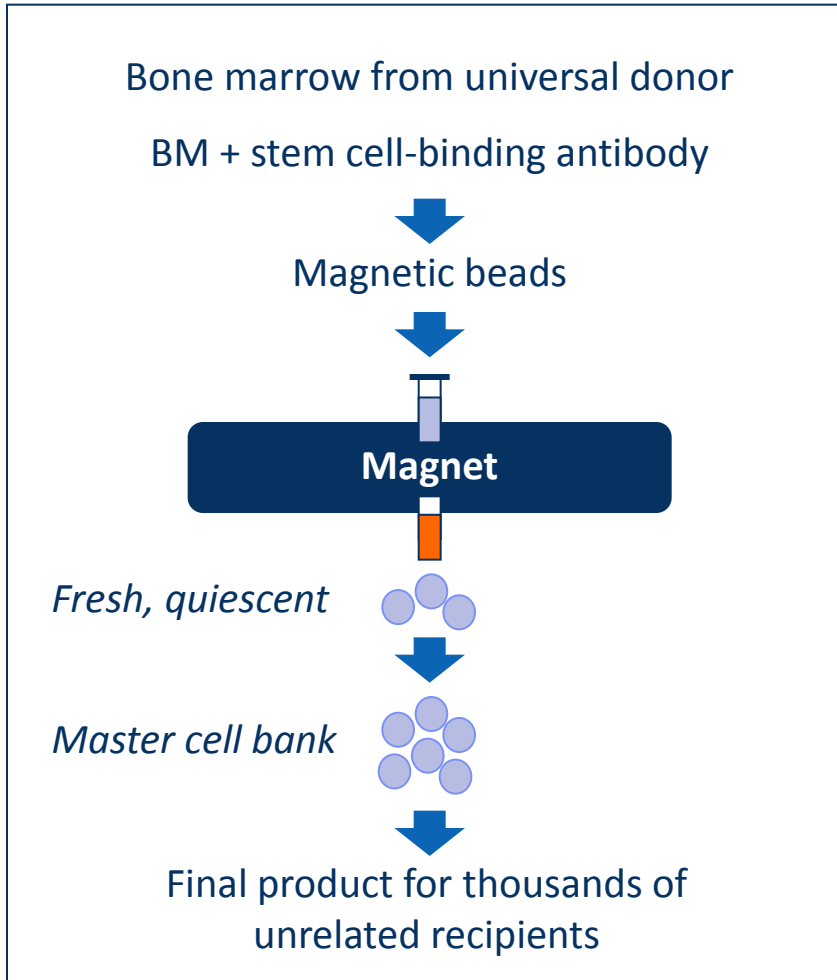
3. The mortar that binds: the right business model

- platform technology
- multiple indications mitigate risk, drive revenues
- specific products for specific markets
 - maintain superior margins
- commercial opportunities drive the clinical program
- early mover advantage

We own the intellectual property on Mesenchymal Precursor Cells (MPC)



Our industrial scale 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

Manufacturing strategy is central to maximising value

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 pipelines
- leverage new technologies

Optimizing commercialization pathways

1. Taking individual applications to market on our own

- manageable marketing and distribution requirements

2. Broad-based partnering of platform technology

- complex distribution, global marketing reach

3. Partnering specific applications

- specialised distribution networks, companion products

Three-tiered approach to value creation

1. Near-term revenues

- approved patient-specific products for elite athletes and high-net worth individuals

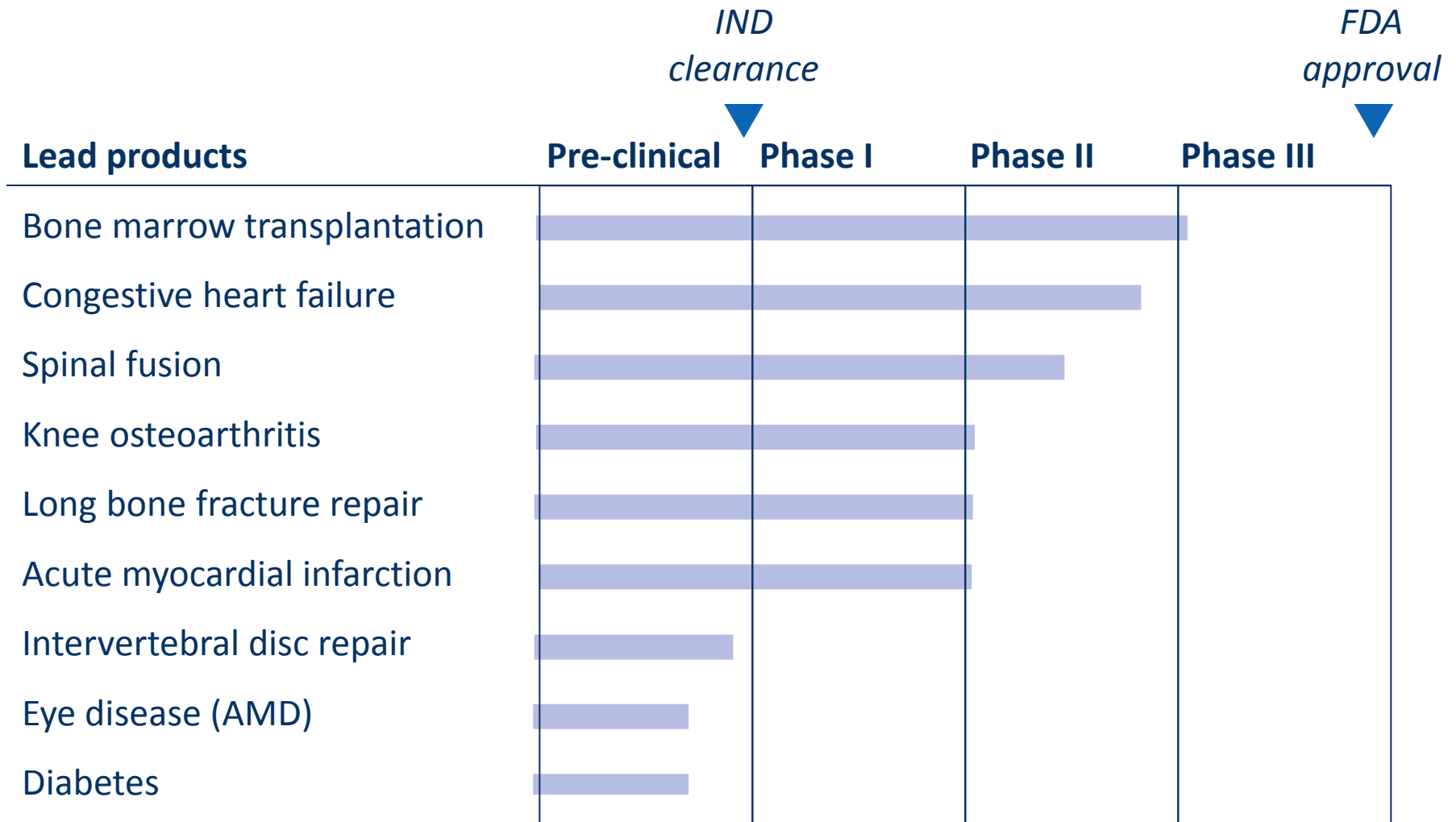
2. Mid-term value drivers underpinning capital growth

- “off the shelf” products for major unmet medical needs

3. Long-term sustainability

- R&D product pipeline

“Off-the-shelf” product portfolio driving value creation



Orthopaedic markets (United States)

1. Spinal fusion

- > 500,000 procedures each year

2. Intervertebral disc repair/regeneration

- > 4 million patients affected

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

Non-orthopaedic markets (United States)

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

6. Bone marrow transplantation, expansion of umbilical cord blood

- Orphan drug designation (< 200,000 patients per annum)
- Fast-track approval, pricing premium
- Total number of procedures can be increased three-fold

7. Age-related macular degeneration (AMD) and diabetic retinopathy

- > 150,000 new patients annually

8. Diabetes

- > 200 million worldwide, 800,000 new US patients p.a.

Value inflexion points – near term

- commencement of Phase 3 cord blood expansion trial for FDA approval
- successful completion of Phase 2 heart failure trial
 - progression to Phase 3 pivotal trial
- successful completion of orthopaedic Phase 2 trials
- moving diabetes and eye diseases into Phase 2 clinical trials
- potential partnering opportunities – optimal timing
- finalization of manufacturing strategic alliance