

Appendix 4E

Preliminary final report

Year ending on 30 June 2013

1. Reporting period

The financial information contained in this report is for the year ended 30 June 2013. Comparative amounts are for the year ended 30 June 2012.

2. Results for announcement to the market

		Current year reported amount \$'000	Change up/(down) from previous year \$'000	Change up/(down) from previous year %
2.1	Revenue from ordinary activities	34,710	(3,570)	(9.3%)
2.2	Loss from ordinary activities after tax attributable to members	61,663	(9,482)	(13.3%)
2.3	Net loss for the year attributable to members.	61,663	(9,482)	(13.3%)
2.4	No dividends are being proposed or have been paid	Nil	Nil	Nil

3. Commentary related to the above results

- Revenue from ordinary activities includes revenue from continuing operations of \$28.8m (2012: \$38.1m) and other income of \$5.9m (2012: \$0.1m).
- Revenue from continuing operations includes commercialisation revenue of \$18.3m (2012: \$27.7m), which is recognised for accounting purposes over the life of the collaboration. It also includes interest revenue of \$10.5m (2012: \$10.5m).
- Included in other income is a research and development tax incentive receipt of \$5.9m (2012: \$0). The prior year includes other government grant revenue of \$0.1m.
- Loss from ordinary activities after tax attributable to members includes revenue and other income items, together with expenditure from operations of \$94.8m (2012: \$87.0m). These expenses were incurred in the development and commercialisation of the platform technology. Further information on expenses from continuing operations can be found in note 2 in the accompanying financial report.
- Net loss for the year attributable to members includes a tax expense for the year of \$1.6m (2012: \$22.4m) relating to the taxable income for the commercialisation revenue which was recorded for tax purposes in financial years 2011 and 2012. The 2013 tax expense includes a payment for US Alternative Minimum Tax (AMT), which will be included in the Groups' tax losses.

4. Net tangible asset (NTA) backing per share

	Current year	Previous corresponding period
NTA backing per share	72.19 cents	40.07 cents

5. Other documents accompanying this Appendix 4E

A copy of the audited financial report and directors' report for the year ending 30 June 2013 for the Mesoblast Group is attached and should be read in conjunction with this Appendix 4E.

6. Audited Annual Report 2013

This report has been based on accounts which have been audited. A copy of the audited financial report and directors' report for the year ended 30 June 2013 is attached to this report.

⁺ See chapter 19 for defined terms.