

Mesoblast Limited
ABN: 68-109-431-870
and Controlled Entity (Mesoblast Group)

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2010.

Appendix 4D

Half Year Report for the six months to 31 December 2010

Name of entity

MESOBLAST LIMITED and Controlled Entity

1. Reporting period

Report for the half year ended	31 December 2010
Previous corresponding period is the financial year ended	30 June 2010
and half year ended	31 December 2009

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities (<i>item 2.1</i>)	up	36068%	to	103,952
Profit from ordinary activities after tax attributable to members (<i>item 2.2</i>)	up	1589%	to	93,108
Net profit for the period attributable to members (<i>item 2.3</i>)	up	1598%	to	93,108
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):				
<ul style="list-style-type: none"> Revenue from ordinary activities includes revenue from continuing operations of \$2,335k for the six month period, an increase of 2,047k (712%). This increase includes a contribution of \$1,417k of commercialisation revenue and an increase of \$630k of interest revenue as a result of increased cash reserves through-out the period. Revenue from ordinary activities also includes other income of \$101,618k (31 December 2009: nil), which relates to income recorded as a result of revaluing the previously held equity the acquisition of Angioblast Systems, Inc. in accordance with AASB 3: Business Combinations; Net profit for the period attributable to members includes expenses of \$6,216k, which have decreased by 10% from the corresponding reporting period. 				

3. Net tangible assets per security (item 3)

	31 December 2010	31 December 2009
Net tangible asset backing per ordinary security	14.7 cents	16.1 cents

A large proportion of the company's assets are intangible in nature, consisting of intellectual property and goodwill relating to the recent acquisition of Angioblast Systems, Inc. These assets are excluded from the calculation of net tangible assets per security. A deferred tax liability of \$135.7m has also been excluded from the calculation to the extent it relates to future tax obligations as a result of the intellectual property asset deriving revenue at some point in the future. This deferred tax liability has arisen as a direct result of the intellectual property being acquired.

4. The financial information provided in the Appendix 4D is based on the half-year financial report (attached), which has been prepared in accordance with Australian accounting standards.

5. Independent review of the financial report (item 9)

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.