
Corporate Headquarters

Level 39
55 Collins Street
Melbourne, Victoria 3000
AUSTRALIA

T +61 3 9639 6036
F +61 3 9639 6030

United States Operations

505 Fifth Avenue
Third Floor
New York, NY 10017
USA

T +1 212 880 2060
F +1 212 880 2061

Asia

20 Biopolis Way
#05-01 Centros
Biopreneur 3
SINGAPORE 138668

T +65 6570 0635
F +65 6570 0176

info@mesoblast.com
www.mesoblast.com

6 June 2014

Dean Litis
Principal Adviser
ASX Listings Compliance (Melbourne)

By email

Dear Dean,

Re: Mesoblast Limited (the "Entity") - Price Query

In response to your letter dated 5 June 2014 regarding a price query concerning the Entity's securities, I hereby provide the following information:

1. The Entity is not aware of any information concerning it that has not been announced, which if known, could be an explanation of recent trading in the Entity's securities.

In particular, the Entity is not aware of any information that its earnings for the 12 month period ending 30 June 2014 are likely to differ materially from its earnings for the prior corresponding period from the earnings for the prior corresponding period such that it could be explanation of recent trading in the Entity's securities.

2. Not applicable.
3. The Entity is not aware of any other factors that could explain the decrease in price of its securities on 2 June 2014 to an intra-day low of \$4.27 on 5 June 2014 (as referenced in your letter), together with the larger than normal trading volumes.

The Entity confirms that its clinical, manufacturing and commercial progress remains on track, which can be summarized as follows:

- Strong cash position of \$241.1 million at 31 March 2014.
- Late-stage clinical trials across all four core therapeutic areas continue to make significant progress:
 - Cardiovascular Diseases: Congestive heart failure Phase 3 trial, conducted by our commercial partner Teva Pharmaceutical Industries Ltd, is active and recruiting across multiple sites in the United States;
 - Spine Diseases: Phase 3 trial for treatment of lower back pain and lumbar intervertebral disc repair is on track to commence during the second half of 2014 subject to United States Food and Drug Administration (FDA) clearance;

- Inflammatory/Immune Diseases: Diabetic nephropathy Phase 2 trial on track for enrolment completion and full data analysis during second half of 2014;
 - Oncology: Recent discussions with the FDA have provided clarity on the pathway to accelerated product approval in the United States for the treatment of acute Graft Versus Host Disease.
 - Commercial manufacturing processes are on track and in line with regulatory timelines to meet projected initial commercial supply needs.
 - Additionally, proprietary manufacturing processes using large scale manufacturing bioreactors are in place to meet anticipated commercial growth.
 - The Entity's intellectual property estate has been significantly complemented and extended to more than 60 patent families across all major jurisdictions, covering manufacturing processes, compositions-of-matter, and clinical indications.
4. The Entity is in compliance with the ASX Listing Rules, and in particular Listing Rule 3.1.

Yours sincerely,

Jenni Pilcher
Company Secretary



ASX Compliance Pty Ltd
ABN 26 087 780 489
Level 4
Rialto North Tower
525 Collins Street
Melbourne VIC 3000

GPO Box 1784
Melbourne VIC 3001

Telephone 61 3 9617 8772
Facsimile 61 3 9614 0303
www.asx.com.au

5 June 2014

Jenni Pilcher
Chief Financial Officer & Company Secretary
Mesoblast Limited

By email

Dear Jenni

Mesoblast Limited (the "Entity"): ASX price query

We have noted a change in the price of the Entity's securities from a close of \$4.99 on 2 June 2014 to an intra-day low of \$4.27 at the time of writing today. We have also noted an increase in the volume of trading in the Entity's securities over this period.

In light of the price change, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether the Entity is aware of any information that its earnings for the 12 month period ending on 30 June 2014 are likely to differ materially (downwards or upwards) from its earnings for the prior corresponding period)?

2. If the answer to question 1 is "yes":
 - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **9.30 am AEST Friday 6 June 2014**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Dean Litis
Principal Adviser, Listings Compliance (Melbourne)