

APPENDIX 4C: CONSOLIDATED STATEMENT OF CASH FLOWS

CHANGE IN REPORTING CURRENCY TO U.S. DOLLARS

New York, USA; and Melbourne, Australia; 30 October 2015: Mesoblast Limited (ASX: MSB; USOTC: MBLTY) today presents its Appendix 4C: Consolidated Statement of Cash Flows.

From 1 July 2015, Mesoblast has changed its reporting currency to United States (U.S.) dollars from Australian dollars. This change is in line with the company progressively increasing its proportion of operational expenditure denominated in U.S. dollars resulting from Phase 3 programs currently recruiting across North America. This currency change was communicated on 17 August in the 2015 Full Year Results Presentation.

All financial figures in the following Appendix 4C are therefore denominated in U.S. dollars, unless stated otherwise.

Mesoblast Limited

Mesoblast Limited (ASX: MSB; USOTC: MBLTY) is a global leader in cellular medicines. The Company has leveraged its proprietary technology platform, which is based on specialized cells known as mesenchymal lineage adult stem cells, to establish a broad portfolio of late-stage product candidates. Mesoblast's allogeneic or 'off-the-shelf' cell product candidates target significantly advanced stages of diseases where there are highly unmet medical needs, including cardiovascular conditions, orthopedic disorders, oncology/hematology conditions, and immunologic/inflammatory disorders.

For further information, please contact:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Mesoblast Limited

ABN

68 109 431 870

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

	Current quarter	Year to date (3 months)
	\$USD'000	\$USD'000
Cash flows related to operating activities		
1.1 Receipts from customers:		
a) Licensing Fee Revenue	-	-
b) R&D Tax Incentive received	-	-
c) Rent Received	22	22
1.2 Payments for:		
(a) staff costs	(5,266)	(5,266)
(b) research and development	(14,157)	(14,157)
(c) manufacturing commercialisation	(4,862)	(4,862)
(d) intellectual property portfolio expenses	(733)	(733)
(e) other expenses from ordinary activities	(3,359)	(3,359)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	288	288
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net operating cash flows	(28,067)	(28,067)

+ See chapter 19 for defined terms.

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		Current quarter	Year to date (3 months)
		\$USD'000	\$USD'000
1.8	Net operating cash flows (carried forward)	(28,067)	(28,067)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	(200)	(200)
	(d) physical non-current assets	(502)	(502)
	(e) other non-current assets	(805)	(805)
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other:		
	(a) Payments for financial derivatives	-	-
	(b) Security deposits	-	-
	Net investing cash flows	(1,507)	(1,507)
1.14	Total operating and investing cash flows	(29,574)	(29,574)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	170	170
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Share issue costs	-	-
	Net financing cash flows	170	170
	Net increase (decrease) in cash held	(29,404)	(29,404)
1.21	Cash at beginning of quarter/year to date	110,701	110,701
1.22	Exchange rate adjustments to item 1.21	(3,536)	(3,536)
1.23	Cash at end of quarter	77,761	77,761

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$USD'000
1.24	Aggregate amount of payments to the parties included in item 1.2	1,375
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Payments to directors (For the Current Quarter) = 1,375k	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$USD'000	Amount used \$USD'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$USD'000	Previous quarter \$USD'000
4.1	Cash on hand and at bank	5,514	16,123
4.2	Deposits at call	47,578	60,639
4.3	Bank overdraft	-	-
4.4	Term deposits	24,669	33,939
Total: cash at end of quarter (item 1.23)		77,761	110,701

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	n/a
5.2	Place of incorporation or registration	n/a
5.3	Consideration for acquisition or disposal	n/a
5.4	Total net assets	n/a
5.5	Nature of business	n/a

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Chief Executive Officer)

Date: 30 October 2015

Print name: Silviu Itescu

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* applies to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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