

Form 603Corporations Law
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Mesoblast Limited**1. Details of substantial holder(1)**Name Portfolio Partners Limited and entities in the AVIVA plc Group listed in Schedule 1ABN (if applicable) 85 066 081 114The holder became a substantial holder on 21/12/2007**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Ordinary shares	6,198,261	6,198,261	5.01%*

* Based on issued capital of 123,796,133 fully paid ordinary shares.

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Portfolio Partners Limited	Power to (or to control) exercise vote and/or dispose of the securities as discretionary investment managers or advisers of superannuation funds, pooled superannuation trusts, managed investment schemes and investment management agreements.	6,198,261
Entities in AVIVA plc Group listed in Schedule 1	Deemed relevant interest under section 608(2) or (3) of Corporations Law. See Schedule 1	6,198,261

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Refer schedule 2			

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Portfolio Partners Limited and the entities in the CGNU plc Group listed in Schedule 1				Ordinary fully paid shares
	18/09/2007	\$109,351		68,246
	25/09/2007	\$163,470		103,403
	27/09/2007	\$89,594		56,802
	16/10/2007	\$54,451		41,002
	17/10/2007	\$8,784		6,507
	30/10/2007	\$16,764		12,494
	31/10/2007	\$131,892		94,927
	1/11/2007	\$11,200		8,000
	2/11/2007	\$6,255		4,500
	29/11/2007	26,800		20,000
	30/11/2007	36,862		27,509
	3/12/2007	65,660		49,000
	4/12/2007	91,675		68,491
	14/12/2007	1,878,410		1,467,508
	19/12/2007	105,590		82,492
	Grand Total	\$2,796,758		2,110,881

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN (if applicable)	Nature of association
Refer Schedule 1	Each is a related body corporate of Portfolio Partners Limited

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
All entities listed in Schedule 1	c/- Portfolio Partners Limited, Level 28, 2 Southbank Boulevard, Southbank, Victoria, 3006

Signature

Anthony J Burrill

Capacity Director, Operations

print name

Sign here



Date 24/12/2007

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of 'associate' in section 9 of the Corporations Law.
- (3) See the definition of 'relevant interest' in sections 608 and 671B(7) of the Corporations Law.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of 'relevant agreement' in section 9 of the Corporations Law.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write 'unknown'.
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

SCHEDULE 1

List of entities	
Aviva Asset Management Services Pty Ltd 12 074 649 068 Aviva Australia Holdings Limited 38 095 045 784 Aviva Australia Limited 32 006 783 286 Aviva Fixed Assets (1) Pty Ltd 64 072 232 154 Aviva Fixed Assets (2) Pty Ltd 89 092 040 438 Aviva Group Limited 55 071 346 800 Aviva Insurance Pty Limited 33 099 736 062 Aviva Marketing Services Pty Ltd 48 060 534 947 Aviva Technology Services Pty Ltd 81 068 812 939 FPI Pty Ltd 38 006 305 700 Gallagher Lane Pty Ltd 13 060 535 104 General Accident Australia and New Zealand Pty Limited ACN 002 902 847 n-able Pty Ltd 25 003 066 073 Navigator Australia Limited 45 006 302 987 Navigator Investment Services Australia Pty Ltd 26 007 353 424 NIML Limited 52 007 016 186 Norstaff Super Limited ACN 060 563 108 Norwich House Melbourne Pty Ltd 30 006 475 029 Norwich Union Life Australia Limited 34 006 783 295 Norwich Union Superannuation Services Pty Ltd 45 007 410 193	NULIFE Insurance Limited 85 008 406 737 NULIS Nominees (Australia) Limited 80 008 515 633 NZI Leasing Corporation Pty Limited 97 008 601 116 Portfolio Partners Limited 85 066 081 114 PPL Super Pty Ltd ACN 081 462 197 PremiumChoice Nominees Pty Limited ACN 098 907 423 Tokara Pty Ltd 87 082 564 261 United Premium Funding Pty Limited 91 003 219 065 Vynotas Pty. Ltd. 70 007 093 601 Belves Investments Ltd (New Zealand) CFM Holdings Ltd (New Zealand) CGU Holdings (Australia) Ltd (UK) CGU Insurance plc (UK) CGU International Holdings BV (Netherlands) CGU International Insurance plc (UK) Commercial Union Holdings (France) Ltd (UK) Commercial Union Holdings (NZ) Ltd (New Zealand) Commercial Union International Holdings Ltd (UK) General Accident Asia – Pacific Ltd (New Zealand) General Accident plc (UK) Hibernian Investment Managers Limited (UK) Scottish Insurance Corporation Ltd (UK) The Road Transport and General Insurance Co Ltd (UK)

SCHEDULE 2

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Number of shares
Portfolio Partners Limited	JP Morgan Nominees Aust. Limited		Power to (or to control) exercise vote and/or dispose of the securities as discretionary investment managers or advisers of superannuation funds, pooled superannuation trusts, managed investment schemes and investment management agreements	2,503,112
	National Nominees Limited			3,695,149
Each entity listed in Schedule 1	Each entity listed above in this column of Schedule 2	Refer to previous column	Deemed relevant interest under section 608(3) of Corporations Law	Total 6,198,261