Rule 4.7B

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	Quarter ended ("current quarter")
68 109 431 870	**31 March 2011**

Consolidated statement of cash flows

	Cash flows related to operating activities	**Current quarter** **$A'000**	**Year to date (9 months)** **$A'000**
1.1	Receipts from customers:		
	a) Grants	-	1,236
	b) Commercialisation Revenue	29,808	130,708
1.2	Payments for:		
	(a) staff costs	(577)	(1,222)
	(b) advertising and marketing	-	-
	(c) research and development/commercialisation	(3,855)	(9,755)
	(d) leased assets	-	-
	(e) other working capital	(1,265)	(6,826)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	711	1,650
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(6)	(6)
1.7	Other (provide details if material)	-	-
	Net operating cash flows	**24,816**	**115,785**

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (9 months) $A'000
1.8	Net operating cash flows (carried forward)	**24,816**	**115,785**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	(53)	(128)
	(e) other non-current assets		
1.11	Loans to other entities		
1.12	Loans repaid by other entities		
1.13	Other (provide details if material)		
	Net investing cash flows	(53)	(128)
1.14	**Total operating and investing cash flows**	24,763	115,657
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	108,362	125,022
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other (provide details if material)		
	Net financing cash flows	108,362	**125,022**
	Net increase (decrease) in cash held	133,125	240,679
1.21	Cash at beginning of quarter/year to date	140,604	35,898
1.22	Exchange rate adjustments to item 1.20	(2,011)	(4,859)
1.23	**Cash at end of quarter**	271,718	271,718

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 $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	-
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 (Year to Date - $Au000):
Brian Jamieson (Chairman) = $83
Silviu Itescu (CEO) = $388 (includes annual bonus of $100k paid in the previous quarter)
Donal O'Dwyer = $41
Michael Spooner = $41
Total = $553

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

In the previous quarter (7th December 2010) Mesoblast completed the acquisition of Angioblast Systems, Inc., by way of issuing 94,590,000 Mesoblast securities in exchange for the outstanding stock in Angioblast that Mesoblast did not already own. As a result, Mesoblast acquired the net assets of Angioblast Systems, Inc. This was a non-cash transaction. Cash acquired as part of the acquisition has been included in the opening balance of cash for the period. The cashflow for the full year of Angioblast has been incorporated into this quarterly cash report in accordance with Australian Accounting Standards.

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 $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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 $A'000**	**Previous quarter $A'000**
4.1	Cash on hand and at bank	4,011	1,586
4.2	Deposits at call	120,081	3,223
4.3	Bank overdraft	-	-
4.4	Term deposits	147,626	135,795
	Total: cash at end of quarter (item 1.23)	**271,718**	**140,604**

Acquisitions and disposals of business entities

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

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 /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: . ... Date: .29 April 2011..........................
(Director/Company secretary)

Print name: Jenni Pilcher (CFO)...

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* apply 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.