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**PLURISTEM ANNOUNCES PRICING OF PUBLIC OFFERING OF COMMON STOCK  
AND WARRANTS TO PURCHASE COMMON STOCK**

**Haifa, Israel – January 27, 2011** – Pluristem Therapeutics Inc. (NASDAQ: PSTI, TASE: PLTR) announced that it has priced a firm commitment underwritten public offering of 11,000,000 units, with each unit consisting of one share of the company's common stock and one warrant to purchase 0.4 of a share of common stock, at a purchase price of \$3.25 per unit for an aggregate gross offering amount of \$35.8 million. The offering is expected to close on or about February 1, 2011, subject to customary closing conditions. Each warrant will be exercisable for a period of five years commencing six months following the issuance thereof at an exercise price of \$4.20. The company has also granted the underwriters a 30-day option to purchase up to 1,650,000 shares of common stock and warrants to purchase up to 660,000 shares of common stock to cover over-allotments, if any. Oppenheimer & Co. Inc. is acting as the sole bookrunner and Needham & Company, LLC is acting as co-lead manager for the offering. Maxim Group LLC and National Securities Corp are in the selling group for the offering. Leader Capital Markets Ltd. advised the company as did Roth Capital Partners, LLC.

The securities described above are being offered by Pluristem pursuant to a “shelf” registration statement previously filed with and declared effective by the Securities and Exchange Commission (SEC) on January 11, 2011. A prospectus supplement and an accompanying prospectus will be filed with the SEC in connection with the offering. Once filed, the prospectus supplement and accompanying prospectus may be obtained by sending a request to Oppenheimer & Co. Inc.,

Attention: Syndicate Prospectus Department, 300 Madison Avenue, 4th Floor, New York, NY, 10017, Telephone number: (212) 667-8563, Email: [EquityProspectus@opco.com](mailto:EquityProspectus@opco.com). Before you invest, you should read the prospectus supplement and accompanying prospectus, the registration statement, and the other documents that the Company has filed with the SEC for more complete information about the Company and this offering. Investors may obtain these documents for free by visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

This press release shall not constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction

**About Pluristem Therapeutics Inc.:**

Pluristem Therapeutics is a bio-therapeutics company dedicated to the commercialization of non-personalized (allogeneic) cell therapy products for the treatment of several severe degenerative, ischemic and autoimmune disorders.

*This news release contains certain statements of a forward-looking nature relating to future events or future business performance. Any such statements, including, but not limited to, Pluristem's expectations regarding the completion, timing and size of its proposed public offering, whether expressed or implied, are subject to risks and uncertainties which can cause actual results to differ materially from those currently anticipated due to a number of factors which include, but are not limited to, risks and uncertainties associated with market conditions and the satisfaction of customary closing conditions related to the proposed offering, and other risk factors discussed in the company's Form 10-K and other documents filed with the Securities and Exchange Commission from time to time. These forward-looking statements represent the company's judgment as of the date of this news release. The company disclaims any intent or obligation to update these forward-looking statements.*

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