Pluristem Therapeutics to Expand Manufacturing with New GMP Facility Capable of an Annual Production Capacity of Over $1 Billion

New 28,000 Square Foot Facility Strengthens Pluristem's Strategy to Develop its Top of the Line Intellectual Property and to Manufacture its Cell Therapy Product Candidates

HAIFA, ISRAEL, July 26, 2011 – Pluristem Therapeutics Inc. (NasdaqCM: PSTI; TASE: PLTR), announced today that its wholly owned Israeli subsidiary, Pluristem Ltd., has entered into an agreement with MTM – Scientific Industries Center Haifa Ltd., for the leasing and construction of a new state-of-the-art GMP manufacturing facility. The new facility will be located near the company's headquarters and existing facilities in MATAM Park, Haifa, Israel and will support the manufacturing of Pluristem's PLX (PLacental eXpanded) cell product candidates for the treatment of critical limb ischemia (CLI), intermittent claudication (IC), adjuvant hip replacement surgery, muscle injuries, pulmonary hypertension (PH) and other diseases. According to the agreement, the lease of the new facility will commence as of January 2012 for a period of approximately 5 years with an option to extend the lease for an additional 5 years.

Pluristem's new regenerative medicine facility will be cGMP/GTP compliant for clinical cell manufacturing and designed specifically to meet both EMA and FDA regulatory requirements, as well as the standards outlined by the Israeli Ministry of Health. Once constructed, the new facility would have the capacity to produce PLX cells for the treatment of over 150,000 patients annually. As the company widens its clinical product candidate portfolio and prepares to launch large-scale clinical trials in the U.S. and Europe, the facility would enable Pluristem to meet increased manufacturing capacity requirements. It would also enable Pluristem to meet marketing demands following potential approval of its product candidates.

"Over the last few years, we have researched, developed and fine-tuned the manufacturing methods, systems and techniques for the mass production of clinical grade PLX products," said Mr. Zami Aberman, Pluristem's Chairman & CEO. "The new manufacturing site will implement our industry experience and support Pluristem's strategy for potentially treating millions of patients with life threatening diseases, positioning the company for continued global collaborations and potential expansion of its partnerships with pharmaceutical companies."

# # #

About Matam Park

Matam Park, located at the southern entrance to Haifa, is the largest and oldest business & hi-tech park in Israel. Matam Park is owned and managed (50.1%) by Gav-Yam Company of Property & Building Group IDB, one of the largest real-estate companies in Israel.

About Pluristem Therapeutics

Pluristem Therapeutics Inc. (NasdaqCM: PSTI; TASE: PLTR) is a leading developer of standardized cell therapy products for the treatment of life threatening diseases. The company's patented PLX (PLacental eXpanded) cells drug delivery platform releases a cocktail of therapeutic proteins in response to a host of local and systemic inflammatory diseases. PLX cells are grown using the company's proprietary 3D micro-environmental technology and are an off-the-shelf product that requires no tissue matching prior to administration. Data from two phase I studies indicate that Pluristem's first PLX product candidate, PLX-PAD, is safe and potentially effective for the treatment of end stage peripheral artery disease. Pluristem's pre-clinical animal models have demonstrated PLX cells are also potentially effective in nerve pain and muscle damage, when administered locally, and in inflammatory bowel disease, MS and stroke, when administered systemically.

Pluristem has a strong patent portfolio, GMP certified manufacturing and research facilities, strategic relationships with major research institutions and a seasoned management team.

For more information visit www.pluristem.com, or follow us on Twitter @Pluristem, the contents of which are not part of this press release.

Investor Relations Contacts:

Pluristem:

William Prather R.Ph., M.D.
Sr. VP Corporate Development
1-303-883-4954
William.PratherMD@pluristem.com

Daya Lettvin
Investor & Media Relations Director
+972-54-674-5580
daya@pluristem.com

Media Contact:

Matthew Krieger
Ruder Finn – for Pluristem
+972-54-467-6950
matthew@ruderfinn.co.il

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and federal securities laws. For example, we are using forward looking statements when we discuss our new manufacturing facility, its planned manufacturing capacity, our expectation that the facility will enable us to meet increased manufacturing capacity requirements and to meet marketing demands following potential approval of our product candidates, or when we say that our new manufacturing facility would be capable of an annual production capacity of over $1 billion ,or when we say that the new manufacturing site will implement our industry experience and support our strategy for potentially treating millions of patients with life threatening diseases,

positioning the company for continued global collaborations and potential expansion of our partnerships with pharmaceutical companies or when we say that data from two Phase I clinical trials indicate that Pluristem's first PLX product, PLX-PAD, is safe and potentially effective for the treatment of end stage PAD or that Pluristem's pre-clinical animal models have demonstrated PLX cells are also potentially effective in nerve pain and muscle damage when administered locally and in inflammatory bowel disease, MS and stroke when administered systemically. These forward-looking statements are based on the current expectations of the management of Pluristem only, and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: changes in technology and market requirements; we may encounter delays or obstacles in launching our clinical trials; our technology may not be validated as we progress further and our methods may not be accepted by the scientific community; our manufacturing capability may be negatively affected if the construction of our new facility is delayed or interrupted; we may be unable to retain or attract key employees whose knowledge is essential to the development of our products; unforeseen scientific difficulties may develop with our process; our products may wind up being more expensive than we anticipate; results in the laboratory may not translate to equally good results in real surgical settings; our patents may not be sufficient; our products may harm recipients; changes in legislation; inability to timely develop and introduce or commercialize new technologies, products and applications; loss of market share and pressure on pricing resulting from competition, which could cause the actual results or performance of Pluristem to differ materially from those contemplated in such forward-looking statements. Except as otherwise required by law, Pluristem undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. For a more detailed description of the risks and uncertainties affecting Pluristem, reference is made to Pluristem's reports filed from time to time with the Securities and Exchange Commission.