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INDEPENDENT RESEARCH

RESEARCH REPORT

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Pluristem Therapeutics, Inc.

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Symbol (Nasdaq)	PSTI	Fiscal Year Ending: June					
Industry:	Healthcare, Biotechnology & Pharmaceutical	Year	EPS	P/E	REVS	PSR	
Recent Price:	\$4.80	2006	A (\$7.67)	---	x \$0.0	---	x
52-Week Price Range:	\$2.20-\$30.00	2007	A (\$5.84)	---	x \$0.0	---	x
Target Price (12 Months)	\$6.50	2008	E (\$1.41)	---	x \$0.0	---	x
Avg. Daily Vol. (3 mo.):	9,524	2009	N/A	---	x	---	x
		2010	N/A	---	x	---	x

Balance Sheet Data (mil)	12/31/07	Ownership and Valuation (mil)	Current Rating History		
Cash Equivalent:	\$3.9	Shares Outstanding:	6.75	Date Assigned:	1/22/08
Working Capital:	\$4.3	Inside Ownership:	37%	Price at Rating:	\$2.69
Long-Term Liabilities:	\$0.2	Institutional Ownership:	N/A	Original Price Target:	---
Shareholders' Equity:	\$5.3	Equity Market Value:	\$32.4	Time Frame:	12 Months

Note 1: All EPS figures have been adjusted for the November 26, 2007 1-for-200 reverse split; the per share figures in years prior to fiscal 2007 are based on substantially fewer shares than currently outstanding.

Updated Report

Rating: Speculative Buy

Basis for Rating

Pluristem Therapeutics has changed its corporate strategic priorities from using its innovative cell therapy technology to commercialize the use of blood from the umbilical cord and the post-birth placenta as an alternative to stem cells harvested from donor bone marrow to exploring the use of the same cell therapy technology to expand placental mesenchymal stem cells (MSCs) as a treatment for critical limb ischemia (CLI) secondary to peripheral artery disease.

While the Company will continue to explore the use of expanding MSCs from the placenta and co-transplanting them with hematopoietic stem cells (HSCs) from umbilical cord blood to improve the engraftment process for a host of indications currently being treated by bone marrow transplant, it believes that it will enjoy more rapid success from the CLI program that does not rely on the often-uncertain quality of umbilical cord blood necessary for its bone marrow transplant (BMT) program. While validation of the Company's technology is still in the preclinical stage, we believe that, if the technology proves to be successful, the impact on the patient population requiring CLI therapy would be significant, and if successful, would allow Pluristem to re-address its BMT program, especially as therapeutic uses for BMT continue to be developed.

We continue to believe that Pluristem has significant challenges to overcome before it can be successful. These challenges include fully validating its hypothesis that three-dimensional expansion of placental-derived mesenchymal stem cells in its PluriX™ 3D Bioreactor System produces therapeutic products (either for CLI or for BMT) that exhibit clear clinical benefits to existing therapies. If the Company can achieve the 12-month milestones it has set for itself, including attaining regulatory permission to conduct its first Phase I clinical trials for both of its products and the initiation of these trials, we believe the shares will respond favorably. We therefore reiterate our rating of the shares of Pluristem Therapeutics as a **Speculative Buy** with a 12-month price target of \$6.50.

Company Description

Pluristem Therapeutics, Inc. (NASDAQ: PSTI) is a regenerative biotherapeutics corporation dedicated to the commercialization of non-personalized (allogeneic) stem cell therapy products for the treatment of severe degenerative, malignant, and autoimmune disorders. The Company currently engages in research and development of mesenchymal stromal cell production technology to be used for producing and commercializing cell therapy products. The Company is developing a platform designed to produce stem cell based therapeutic products that can treat severe blood, cardiovascular, autoimmune, and other disorders.

The Company is developing the PluriX™ 3D Bioreactor System which creates an artificial physiological environment where mesenchymal stem cells can expand in three dimensions and reproduce without the use of exogenous biologics or pharmacological products (in contrast to the traditional method of MSC expansion using standard, two-dimensional cell culture techniques in conjunction with fetal bovine serum, growth factors, and leukemia inhibitory factor). The Company's products are derived from mesenchymal stromal cells obtained from the placenta—not from embryonic stem cells—and are stored in a readily available state for patient use. The Company projects that this new technology has the potential to participate in the approximate \$30 billion therapeutic and regenerative cellular markets.

In a recent change in strategy, the Company is currently focusing the bulk of its resources on a therapeutic product (PLX-PAD) intended to treat patients afflicted with Peripheral Artery Disease (PAD) with critical limb ischemia, while continuing to investigate its PLX-I product which it believes can resolve the global shortfall of matched tissue for bone marrow transplantation (BMT).

Pluristem has offices in the U.S., with research and manufacturing facilities in Israel.

Therapeutic Areas of Interest and Products in Development

Using its proprietary PluriX™ 3D Bioreactor, Pluristem believes it can produce stem cell-based therapeutic products by improving the *ex-vivo* expansion of MSCs from the placenta (obtained after birth). The Company believes that the resultant expanded cells, termed PLX (PLacenta eXpanded) cells, are multi-potent and thus able to differentiate into a variety of cell types. Recent evidence also suggests that their efficacy may be related to their secretion of cytokines or other potent immune modulators. Furthermore, PLX cells are believed to be immune-privileged and immunosuppressive, hence protecting the recipient from immunological reactions that often accompany transplantation. The Company's PLX cells are being developed as allogeneic therapeutic products.

Peripheral Artery Disease and Critical Limb Ischemia

The Disease

Peripheral artery disease (PAD; also known as peripheral artery occlusive disease and peripheral vascular disease) is caused by obstruction of large peripheral arteries (those in the arms and legs) resulting from atherosclerosis or other inflammatory processes. This obstruction can lead to acute or chronic restriction in blood supply (known as ischemia) and may result in Critical Limb Ischemia (CLI).

Data analysis of almost 2200 participants in the 1999–2000 National Health and Nutrition Examination Survey indicated that five to seven million people in the United States over the age of 40 suffer from PAD, with increasing prevalence in those over the age of 70.¹ Pluristem estimates that CLI affects approximately 1.1 million U.S. patients and is anticipated to grow to approximately 1.4 million patients by 2015. Untreated CLI often leads to amputation, and the Company estimates there are currently 160,000 to 200,000 PAD-related amputations performed annually in the U.S.

¹ Selvin E. et. al. Prevalence of and Risk Factors for Peripheral Arterial Disease in the United States. Results From the National Health and Nutrition Examination Survey, 1999-2000. *Circulation*. 2004; 110:738-743.

Selvin et al further states that PAD is aggravated by hypercholesterolemia, smoking, and diabetes, with the incidence doubling in patients with these risk factors. Utilizing the commonly used Fontaine classification of the severity of PAD, CLI falls within Fontaine's Grade III (pain at rest) or Grade IV (tissue necrosis) and is manifested clinically as rest pain in the affected limb, nonhealing wounds (because of the increased metabolic requirements of wound healing) or tissue necrosis (gangrene). The severity of the manifestations is often a reflection of the degree of obstruction in the arterial perfusion of the extremity. Figure 1 illustrates a patient with Fontaine's Grade IV CLI.

Figure 1: Fontaine's Grade IV CLI



Source: Company presentation

While there are several means of assessing the severity of CLI, the gold standard for accessing the severity and anatomical pathology surrounding CLI is angiography, an x-ray technique to study abnormalities or blockages in blood vessels (occlusions) by using a radiopaque substance, or dye, to make the blood vessels visible under x-ray.

Current Therapies

While limb amputation may be the only treatment available to patients with severe disease, the past decade has seen substantial growth in minimally invasive endovascular therapies for CLI. The choice of which endovascular therapy to be implemented is dictated by the location and severity of the injury and the expertise and confidence of one therapy over another by the physician performing the procedure—keeping in mind that most patients with CLI have multiple arterial blockages in multiple peripheral locations. Some of the endovascular procedures used to treat CLI include angioplasty, stent placement, and laser and directional atherectomy. Most of these procedures are performed on an outpatient basis, and recovery usually takes one or two days.

While minimally invasive endovascular therapies are often performed, surgical bypass may yield more durable results. With limb preservation being the goal in most patients with CLI, surgical revascularization can be relatively cost-effective, lead to a better quality of life for most patients, and is associated with lower perioperative morbidity and mortality than amputation. The feasibility of surgical revascularization is determined by the angiographic findings as well as the availability of a bypass conduit, which are large or relatively large veins taken from elsewhere in the arms or legs. Hospitalization after surgical revascularization varies from a few days to more than a week, and recovery may take several weeks.

The Case for Mesenchymal Stromal Cell Therapy

Although endovascular therapies and revascularization surgery can be quite helpful for selected patients, it has been estimated that approximately 25% of CLI patients are not suitable for such procedures.² In addition, there are patients with CLI who have a stable or slowly progressive presentation that are not at risk of imminent limb loss, however have poor long-term prognoses due to underlying limb hypoperfusion (suboptimal rate of blood flow). In these cases, the use of mesenchymal stromal cell therapy that stimulates angiogenesis in the CLI-involved extremity has been found to be useful. Most of the clinical work to date has been conducted with autologous supplies of bone marrow-derived mononuclear cells.

PLX-PAD Therapy

In an effort to supply patients with an allogeneic, off-the-shelf supply of MSCs that would be convenient and considerably less expensive, Pluristem is studying placental-derived MSCs in the treatment of CLI. This product, termed PLX-PAD, is an MSC-based product isolated from the human placenta following birth or caesarean section and cultured in Pluristem's PluriX™ System bioreactor. Pluristem has shown that the PLX-PAD product cells are stable and adhesive and can be expanded *in vitro* without the loss of phenotype and without showing signs of karyotypic changes. The PLX-PAD product is ready to use in 5 ml aseptically filled vials.

Pluristem conducted a successful pilot study in mice which demonstrated that intramuscular implantation of PLX-PAD reduces ischemic damage in an established mouse hind limb ischemia model. The Company is planning a Phase I/II clinical trial toward the end of 2008 with clinical sites both in the U.S. and Europe to determine the safety and efficacy of PLX-PAD in patients exhibiting Fontaine's Grade III or IV CLI. The Company expects to enroll patients who have already been treated with maximal medical therapy and have no endovascular or surgical revascularization options.

Toward this end, Pluristem announced on March 4, 2008, that it filed a Pre-Investigational New Drug (Pre-IND) application with the Paul Ehrlich Institute (PEI) in Germany for the use of PLX-PAD in humans. The PEI is the German federal authority granting clinical trial approvals. The Pre-IND application included the results of a proof-of-concept study and preclinical study synopses utilizing PLX-PAD to support an IMPD (Investigational Medicinal Product Dossier) which the Company plans to submit later this year. The application also contains information concerning the process used to manufacture Pluristem's PLX-PAD product and the proposed clinical trial supporting the Company's IMPD.

Pluristem quotes industry estimates of the current therapeutics market for the treatment of limb ischemia to be over \$1 billion and that, in the U.S. alone, it is estimated that 8–12 million people suffer from limb ischemia associated with PAD.

Alternative to Bone Marrow Transplant

Pluristem is continuing to develop its PLX-I (PLacental eXpanded mesenchymal stromal cells) product using the PluriX technology platform as an alternative to bone marrow transplantation. Recent preclinical studies conducted by Pluristem showed an increase in engrafted cells by three to five times using PLX-I. The Company believes that, in a clinical setting, the improved efficacy of engraftment of the HSCs will shorten patient recovery time. In addition, Pluristem PLX-I cells have been found to possess favorable characteristics that Pluristem believes will allow these cells to be used in the treatment of a variety of disorders. They appear to be immune-privileged and totipotent.

After production, PLX-I is stored in a frozen "ready-to-use" state. Once matched cord blood is found, PLX-I is injected into a patient just a few hours before the cord blood injection. While the current regimen under development is a single injection of PLX-I prior to cord blood injection (as supported by initial animal studies), the Company also believes that it might be possible to "boost" engraftment of the HSCs by multiple injections of PLX-I.

Traditional bone marrow transplant is the state-of-the-art method for addressing several medical issues:

² Pignon B. et. al. Histological changes after implantation of autologous bone marrow mononuclear cells for chronic critical limb ischemia. *Bone Marrow Transplant*. 2007 May;39(10):647-8. Epub 2007 Mar 26.

- Diseases that damage or destroy blood components manufactured by the bone marrow, including lymphomas and leukemias (caused by white cell defects), severe thalassemia and sickle cell disease (caused by red cell defects), aplastic anemia, and plasma cell disorders
- Bone marrow destruction caused by high doses of radiation and chemotherapy, typically after treatment for solid tumor cancers, including cancer of the breast, brain, testicles, ovaries, lung, and skin
- Autoimmune diseases

In addition, stem cell transplantation is being tested in clinical trials for gene therapy and for treatment in an increasing number of diseases including diabetes, multiple sclerosis, and for hearts damaged by atherosclerotic plaque causing severe chest pain.

The Company believes that PLX-I can target this \$3 billion market by providing an effective way to resolve the global shortfall of matched tissue for bone marrow transplantation (BMT) by using expanded umbilical cord blood instead of bone marrow. One of the impediments Pluristem faces going forward is in obtaining a suitable supply of umbilical cord blood available from blood banks.

Ischemic Stroke

Pluristem announced on April 7, 2008 that statistical significance in both functional and anatomic endpoints was observed from results of a Fraunhofer Institute's pre-clinical study utilizing PLX cells in treating ischemic stroke. Fraunhofer Institute's scientists, using a commonly accepted ischemic stroke mouse model, systemically injected PLX cells into these mice. Functional endpoints (improvement in beam walking and neurological severity score) and an anatomical endpoint (reduction in infarct size) reached statistical significance when compared with the control group of animals that were not injected. The Fraunhofer Institute, a member of the Fraunhofer Life Sciences Alliance, is dedicated to finding solutions to specific problems at the interfaces of medicine, life sciences and engineering, for partners active in medicine-related industries and businesses. The Institute's core competency involves the use of tissue engineering to develop regenerative medicine.

If the Company continues to be successful in this therapeutic area, we believe Pluristem could be greatly impacted. Ischemic stroke represents a large unmet medical need with a potential worldwide market of somewhere between \$2 billion to as much as \$4 billion per year.

Current Status of Research and Development and Projected Milestones

Following the recent opening of Pluristem's Food and Drug Administration-approved manufacturing site according to Good Manufacturing Practices (GMP), the Company is currently repeating animal tests using cells intravenously that were grown in the new GMP facility. While the Company incurred some delay in filing its FDA Investigational New Drug Application (IND) for this, the Company expects that the results from the GMP studies will be in line with those from the non-GMP-derived cells and will be more acceptable to the FDA. However as the Company shifts from developing PLX-I (for which this manufacturing site would be critical) to developing PLX-PAD (which does not require the level of complexity as PLX-I), we believe Pluristem may be behind schedule for the opening of this facility.

Pluristem announced that it expects to achieve the following events or milestones by December 31, 2008; however, we note that they do not reflect the recent shift in corporate strategy toward PLX-PAD:

- The Company plans to file its FDA IND for permission and to begin its first Phase I clinical trial with PLX-I.
- The Company plans to file for regulatory permission with the FDA or EMEA (in Europe) and to begin its first Phase I clinical trial with PLX-PAD.

- The Company plans to optimize its proprietary PluriX™ 3D Bioreactor System to produce a dense population of stromal supporting cells to enable it to achieve commercial production capacity.
- The Company plans to improve the analytical methods of its technology and processes.

Recent Financings

On May 14, 2007, Pluristem closed a private placement consisting of 5.4 million units (adjusted for the reverse split) of its securities at a price of \$2.50 for gross proceeds of \$13,500,000. Each unit consists of one common share and one common share purchase warrant, with one such warrant entitling the holder to purchase one share of common stock at a price of \$5.00 for a period of five years. Of the \$13,500,000, the Company received all but \$3,000,000, which remains available for sale.

Investors in this placement are restricted in the sale of these shares, as follows: after one year, shares can be sold to recoup 125% of the investment; after two years, shares can be sold to recoup 150%; and after three years, shares can be sold to recoup 200%.

December 2007 Quarter Highlights

Pluristem Therapeutics, Inc. announced on February 12, 2008, financial results for the fourth quarter ended December 31, 2007. The Company's fourth quarter net loss was \$2,530,000, or \$0.40 per share, basic and diluted. This compares with \$682,000 or \$0.58 for the same period in 2006. The net loss was attributable mainly to an increase in operating expenses resulting from increased research and development activity (\$1,034,000, net, versus \$159,000), which Pluristem expects to continue as it moves forward, as well as higher general and administrative expenses (\$1,528,000 versus \$456,000) which was largely the result of increased stock-based compensation of employees and consultants. The net loss per share decreased as a result of the increase in weighted average number of shares due to the issuance of additional shares in a private placement.

Table 1. Statement of Income (Dollars in thousands, except per-share figures)

	Six Months Ended		Three Months Ended		From 5/11/2001
	12/31/2007	12/31/2006	12/31/2007	12/31/2006	(Inception) to 12/31/2007
Research and Development Costs	\$ 2,528	\$ 794	\$ 1,282	\$ 402	\$ 9,816
Less Participation by the Office of the Chief Scientist	<u>(657)</u>	<u>(246)</u>	<u>(248)</u>	<u>(243)</u>	<u>(1,572)</u>
Research and Development Costs, Net	1,871	548	1,034	159	8,244
General and Administrative Expenses	3,085	862	1,528	456	11,005
Know-How Write-Off	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,474</u>
	4,956	1,410	2,562	615	21,723
Financial Income, Net	146	444	32	(67)	1,395
Net Loss	4,810	966	2,530	682	20,328
Basic and Diluted Net Loss Per Share	\$ 0.79	\$ 1.27	\$ 0.40	\$ 0.58	
Weighted Average Number of Shares	6,057,010	760,648	6,334,401	1,175,152	

* Share data is reported after the effect of the 1 for 200 reverse split that occurred on November 26, 2007

Source: Company Filings

Pluristem Therapeutics, Inc.

Cash flow from operations was a negative \$897,000 in the quarter largely reflecting the \$2,530,000 net loss, the \$1,131,000 in stock-based compensation, and a \$317,000 decrease in accounts receivable. In the year-earlier quarter, cash flow from operations was a negative \$328,000 reflecting the \$682,000 net loss and \$196,000 in stock-based compensation.

Table 2. Statement of Cash Flows (Dollars in thousands)

	Six Months Ended		Three Months Ended		From 5/11/2001
	12/31/2007	12/31/2006	12/31/2007	12/31/2006	(Inception) to 9/30/2007
Cash Flows from Operating Activities					
Net Loss	\$ (4,810)	\$ (966)	\$ (2,530)	\$ (682)	\$ (20,328)
Depreciation and Amortization	53	24	32	13	296
Know-How Write-Off	-	-	-	-	2,474
Amortization of Deferred Issuance Costs	-	160	-	23	604
Stock-Based Compensation	2,806	378	1,131	196	6,780
Shares Compensation to Consultants	146	-	75	-	937
Decrease (Increase) in Accounts Receivable	(260)	19	(317)	29	(833)
Decrease (Increase) in Prepaid Expenses	(209)	42	(2)	22	(161)
Increase (Decrease) in Trade Payables	89	(98)	78	(78)	444
Change in Fair Value of Warrants Granted to Investors	-	(716)	-	(50)	(2,696)
Fair Value of Warrants Granted to Investors	-	-	-	-	651
Other Adjustments	5	183	636	199	802
Net Cash Used in Operating Activities	\$ (2,180)	\$ (974)	\$ (897)	\$ (328)	\$ (11,030)
Cash Flows from Investing Activities					
Purchase of Property and Equipment	(568)	(94)	(404)	(90)	(1,101)
Purchase of Long-Term Restricted Lease Deposit	(2)	(23)	-	-	(126)
Purchase of Marketable Securities	-	-	-	-	(3,784)
Purchase of Know-How	-	-	-	-	(2,062)
Other Investing Activities	96	-	96	-	177
Net Cash Used in Investing Activities	(474)	(117)	(308)	(90)	(6,896)
Cash Flows from Financing Activities					
Issuance of Common Stock, Net of Costs	1,421	-	1,105	-	13,121
Issuance of Warrants	-	-	-	-	1,246
Exercise of Warrants	-	-	-	-	1,022
Issuance of Convertible Debentures, Net of Costs	-	-	-	-	2,144
Purchase of Long-Term Loan	44	-	1	-	43
Other Financing Activities	(2)	(440)	(1)	(440)	812
Net Cash Provided by Financing Activities	1,463	(440)	1,105	(440)	18,388
Increase (Decrease) in Cash and Cash Equivalents	\$ (1,191)	\$ (1,531)	\$ (100)	\$ (858)	\$ 462
Cash and Cash Equivalents: Period Beginning	1653	2374	562	1701	-
Cash and Cash Equivalents: Period End	\$ 462	\$ 843	\$ 462	\$ 843	\$ 462

Source: Company Filings

Cash and cash equivalents on December 31, 2007, were \$3,881,000, of which \$462,000 was in cash and \$3,419,000 in marketable securities. This is a decrease of \$100,000 in cash from the \$562,000 reported as of September 30, 2007. This decrease reflected the negative cash flow from operations of \$897,000, the use of \$308,000 for investments, and the raising of \$1,105,000 through the sale of stock. As of September 30, 2007, total current assets were \$5,052,000 and total current liabilities were \$760,000 resulting in a working capital surplus of \$4,292,000.

Table 3. Balance Sheet (Dollars in thousands)

	<u>12/31/2007</u>	<u>9/30/2007</u>	<u>6/30/2007</u>
Current Assets			
Cash and Cash Equivalents	\$ 462	\$ 562	\$ 1,653
Marketable Securities	3,419	3,693	3,758
Prepaid Expenses	251	253	60
Accounts Receivable from OCS	519	733	-
Other Accounts Receivable	<u>401</u>	<u>429</u>	<u>582</u>
Total Current Assets	5,052	5,670	6,053
Long-Term Assets			
Long-Term Restricted Deposit	118	124	125
Severance Pay Fund	123	102	81
Property and Equipment, Net	<u>979</u>	<u>611</u>	<u>468</u>
Total Long-Term Assets	1,220	837	674
Total Assets	6,272	6,507	6,727
Liabilities and Stockholders' Equity			
Current Liabilities			
Trade Payables	454	532	365
Accrued Expenses	95	106	157
Other Accounts Payable	<u>211</u>	<u>177</u>	<u>211</u>
Total Current Liabilities	760	815	733
Long-Term Liabilities			
Long-Term Loan	35	36	-
Accrued Severance Pay	<u>147</u>	<u>120</u>	<u>97</u>
Total Long-Term Liabilities	182	156	97
Shareholders' Equity			
Common Stock*	-	12	10
Additional Paid-In Capital	25,870	23,406	21,068
Other Comprehensive Loss	(212)	(84)	(30)
Receipts on Account of Shares	-	-	368
Accumulated Deficit	<u>(20,328)</u>	<u>(17,798)</u>	<u>(15,518)</u>
Total Shareholders' Equity	5,330	5,536	5,897
Total Liabilities and Shareholders' Equity	\$ 6,272	\$ 6,507	\$ 6,727

*Less Than \$1 at 12/31/07

Source: Company Filings

Financial Outlook

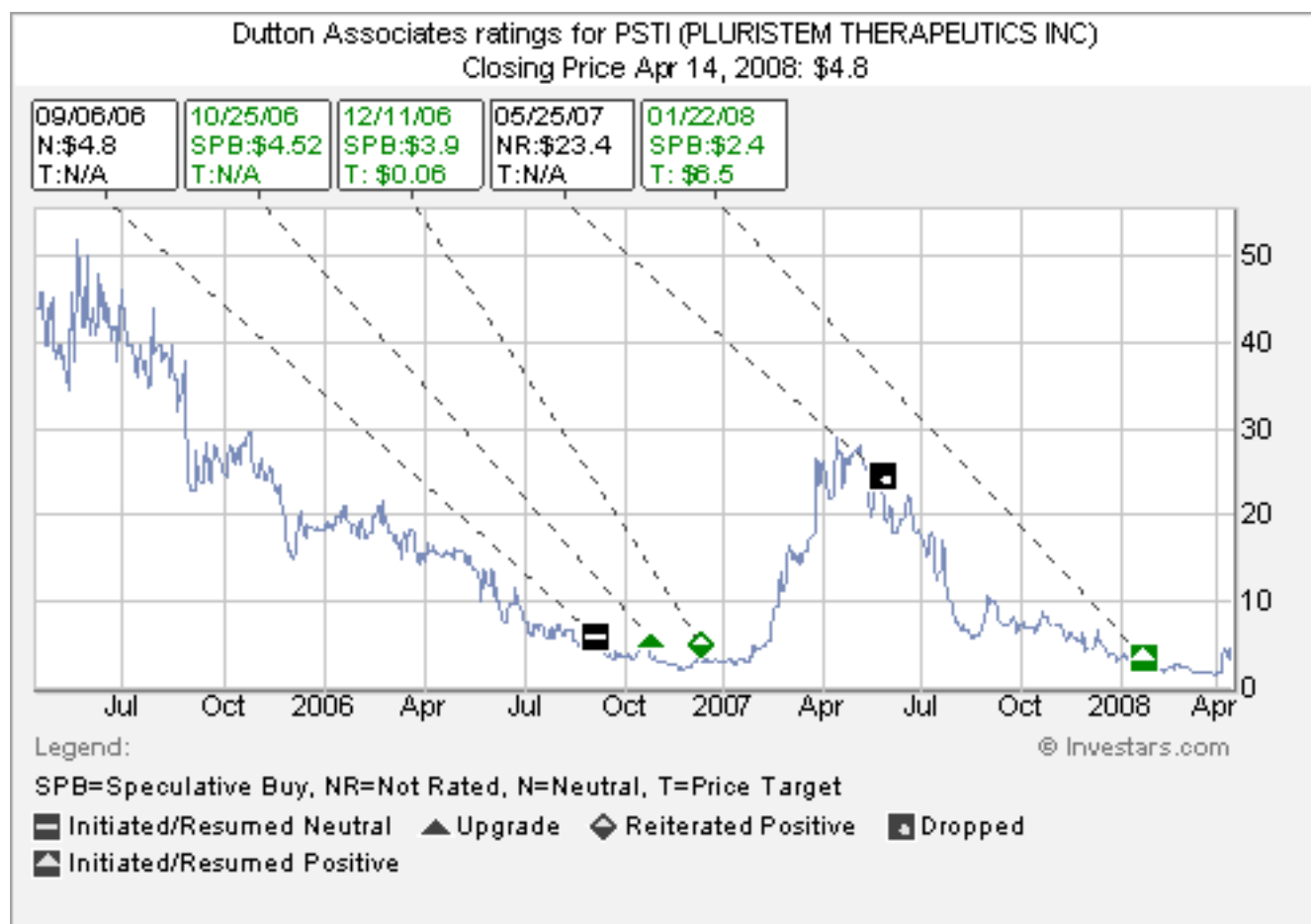
Pluristem has an accumulated deficit of \$20,328,000 since its inception in 2001. The Company expects that operating expenses will increase as it continues to develop PLX-PAD and PLX-I with preclinical and clinical trials. The Company estimates operating expenses—not including stock-based compensation—to approximate \$5,550,000 in the 12 months ended December 31, 2008. Accordingly, additional funding will be required in 2009 as the Company will not have products ready for sale until at least 2010. The Company believes that it has sufficient funds to operate for the next 12 months.

Conclusion

While we find the technology Pluristem is developing intriguing, we reiterate our concerns regarding the Company's progress toward commercial success. Pluristem must still prove to the scientific/medical community that expansion of mesenchymal stem cells from placenta in Pluristem's PluriX™ 3D Bioreactor System causes not only a statistical improvement in engraftment in the recipient, but also a clinical benefits. When the Company is able to show benefit to both the medical/scientific community and the regulators, we believe the shares will respond favorably.

We are heartened by recent product developments: 1) the pre-IND application Pluristem filed with the Paul Ehrlich Institute (PEI) in Germany for PLX-PAD in advance of an IMPD (Investigational Medicinal Product Dossier) which the Company plans to submit later this year, and 2) the announcement of pre-clinical success with PLX in ischemic stroke.

As Pluristem continues to expand the potential of PLX into different therapeutic areas, a pipeline begins to be developed, which we believe could be critical for the Company's sustainability. Accordingly, we are reiterating our rating of the shares of Pluristem Therapeutics as a **Speculative Buy** with a 12-month price target of \$6.50.



Dutton Associates	
Current Ratings Distribution	
Rating	% Total
Not rated	2.33
Strong Buy	13.18
Buy	10.08
Strong Speculative Buy	29.46
Speculative Buy	28.68
Neutral	14.73
Avoid	1.55

Analyst: Denise T. Resnik, M.S.

Denise Resnik's career in the pharmaceutical industry has spanned over 30 years. For the past 24 years, she has consulted to large, global pharmaceutical companies and emerging biotechnology companies in the area of new drug development. She co-developed a training program for physicians entering the field of clinical research and has taught the program to physicians around the US and abroad. Most recently she is liaising between a large pharmaceutical company and government health agencies to develop public-private partnerships to the benefit of both entities. Prior to her consulting activities she worked in pre-clinical research at Harvard Medical School and subsequently in pre-clinical and clinical research for large pharmaceutical companies. Ms. Resnik holds a master's degree in pharmacology and a bachelor's degree in biology.

Analyst Certification:

I, Denise T. Resnik, M.S. hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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