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**NovaThera and Gamida Cell Announce a Collaboration
Agreement to Develop Cell Therapeutics for Lung Disease**

Cambridge, UK and Jerusalem, Israel, May 9, 2007 --- NovaThera and Gamida Cell announced today a collaboration agreement aimed at developing cell therapeutic treatments for lung repair and regeneration. Under the terms of the agreement, NovaThera and Gamida Cell will pool technology and expertise and work together with the clinical team at Papworth Hospital in the U.K. towards advancing cell therapy approaches for treating lung disease. NovaThera specializes in pioneering applications of biomaterials and stem cell biology for regenerative medicine and tissue engineering to provide innovative therapeutic solutions. Gamida Cell develops therapeutics using proprietary technologies that expand populations of hematopoietic stem/progenitor cells such as those derived from cord blood (not the controversial embryonic stem cells), for the treatment of hematological diseases as well as for tissue regeneration applications.

“NovaThera has ambitious plans to develop regenerative medicine. Lung disease is life threatening and the cause of significant disability and impaired quality of life. Regenerative therapies based on cells could offer a radical new treatment option if successful,” said Dr. Gareth Roberts, CEO of NovaThera.

Lung disease is a major killer and the cause of chronic illness in the western world. Research indicates that considerable advances in treating lung disease could come from using stem cells to repair and regenerate damaged tissues. Towards this goal, the scientists at Papworth will clinically test populations of cord blood derived stem cells, expanded by Gamida Cell’s stem/progenitor cell expansion technologies.

“This is a very exciting development, and could be a huge step towards a practical approach to the regeneration and repair of lungs severely damaged by incurable diseases such as emphysema and smoking,” said Dame Professor Julia Polak, from the Imperial College London and a world expert in the field of lung pathology.

“This collaboration is in line with our strategy to partner with selected companies focused on developing therapeutics for life threatening illnesses and to help bring these products to market,” said Dr. Yael Margolin, CEO, Gamida Cell.

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About NovaThera Ltd.

NovaThera is already working with leading groups to confront the challenges of stem cell biology and produce working systems for efficient and reliable large scale cell production. Using sophisticated bioprocessor technology, the group intends to develop the first processes for the practical manufacturing of cells for medical uses. The UK DTI has agreed to fund the project in recognition of its potential. NovaThera is an Imperial College (London UK) spin out company. For more information please visit www.novathera.com or **contact** Dr. Gareth Roberts, CEO, NovaThera at g.roberts@novathera.com; +44 (0) 7779 257 636.

About Gamida Cell Ltd.

Gamida Cell is developing a line of cell therapy products for the treatment of debilitating and fatal diseases with unmet clinical needs. The Company is dedicated to making a significant difference in the clinical practice of modern medicine by first expanding, then tapping into the regeneration power of an ample body of therapeutic stem cells. Gamida Cell's technologies are simple, reversible, do not involve genetic interference, and are easily scalable. In 2007, Gamida Cell will commence an international, multi-center, pivotal registration study of its lead product, StemEx[®] for the treatment of leukemia and lymphoma patients. For additional information please visit www.gamida-cell.com or **contact** Marjie Hadad, Media Liaison, Gamida Cell at marjie@gamida-cell.com or at +972-54-536-5220.