

BRAINSTORM CELL THERAPEUTICS INC  
Form 10-Q  
August 15, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2011

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 333-61610

BRAINSTORM CELL THERAPEUTICS INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

20-8133057  
(I.R.S. Employer  
Identification No.)

605 Third Avenue, 34th Floor  
New York, NY 10158  
(Address of principal executive offices)

(212) 557-7200  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

As of August 10, 2011, the number of shares outstanding of the registrant's common stock, \$0.00005 par value per share, was 123,116,510.

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PART I: FINANCIAL INFORMATION

SPECIAL NOTE

Unless otherwise specified in this quarterly report on Form 10-Q, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars.

Item 1. Financial Statements.

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY  
(A development stage company)

CONSOLIDATED FINANCIAL STATEMENTS  
AS OF JUNE 30, 2011

UNAUDITED

U.S. DOLLARS IN THOUSANDS

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY  
(A development stage company)

CONSOLIDATED FINANCIAL STATEMENTS  
AS OF JUNE 30, 2011

UNAUDITED

U.S. DOLLARS IN THOUSANDS

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BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY  
(A development stage company)

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

(Except share data)

	June 30, 2011 Unaudited	December 31, 2010 Audited
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$2,899	\$ 93
Prepaid expenses	49	59
Other receivable	186	427
Total current assets	3,134	579
<b>Long-Term Investments:</b>		
Prepaid expenses	9	1
Severance pay fund	94	90
Total long-term investments	103	91
Property and Equipment, Net	380	419
Total assets	\$3,617	\$ 1,089
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)</b>		
<b>Current Liabilities:</b>		
Trade payables	\$296	\$ 307
Accrued expenses	595	508
Other accounts payable	385	471
Short-term convertible note	-	137
Total current liabilities	1,276	1,423
Accrued Severance Pay	94	125
Total liabilities	1,370	1,548
<b>Stockholders' Equity (Deficiency):</b>		
Stock capital: (Note 8)	6	5
Common stock of \$0.00005 par value - Authorized: 800,000,000 shares at June 30, 2011 and December 31, 2010; Issued and outstanding: 122,573,928 and 95,832,978 shares at June 30, 2011 and December 31, 2010, respectively.		
Additional paid-in-capital	44,203	39,696
Deficit accumulated during the development stage	(41,962 )	(40,160 )
Total stockholders' equity (deficiency)	2,247	(459 )

Total liabilities and stockholders' equity	\$3,617	\$ 1,089
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The accompanying notes are an integral part of the consolidated financial statements.

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY  
(A development stage company)

CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands

(Except share data)

	Six months ended June 30,		Three months ended June 30,		Period from September 22, 2000 (inception date) through June 30,
	2011	2010	2011	2010	2011
	Unaudited		Unaudited		Unaudited
<b>Operating costs and expenses:</b>					
Research and development, net	\$ 856	\$ 587	\$ 586	\$ 348	\$ 23,586
General and administrative	1,087	638	829	268	15,885
Total operating costs and expenses	1,943	1,225	1,415	616	39,471
Financial (income) expenses, net	(14 )	4	(191 )	(2 )	2,382
Other income	132	-	132	-	132
Total loss before income taxes	1,797	1,229	1,092	614	41,721
Taxes on income	5	-	5	-	77
Loss from continuing operations	1,802	1,229	1,097	614	41,798
Net loss from discontinued operations	-	-	-	-	164
Net loss	1,802	1,229	1,097	614	41,962
Basic and diluted net loss per share from continuing operations	0.02	0.01	0.01	0.01	
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	115,108,731	85,552,899	121,253,983	88,609,663	

The accompanying notes are an integral part of the consolidated financial statements





BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY  
(A development stage company)

## STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(except share data)

	Common stock Number	Common stock Amount	Additional paid-in capital	Deferred Stock - based compensation	Deficit accumulated during the development stage	Total stockholders' equity (deficiency)
Balance as of September 22, 2000 (date of inception)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Stock issued on September 22, 2000 for cash at \$0.00188 per share	8,500,000	1	16	-	-	17
Stock issued on March 31, 2001 for cash at \$0.0375 per share	1,600,000	* -	60	-	-	60
Contribution of capital	-	-	8	-	-	8
Net loss	-	-	-	-	(17 )	(17 )
Balance as of March 31, 2001	10,100,000	1	84	-	(17 )	68
Contribution of capital	-	-	11	-	-	-