



12 November 2006

Press Release

**Can-Fite presents results showing a correlation between high expression of the receptor target for its drug CF101 and rheumatoid arthritis patients' response to the drug**

**Can-Fite to present these results, which show a correlation between the expression of CF101's target and patient treatment response, at the Annual Scientific Meeting of the American College of Rheumatology (ACR)**

Can-Fite, a biotechnology company traded on the Tel Aviv Stock Exchange, presents results showing a correlation between high expression of the receptor target for its drug CF101 the response of rheumatoid arthritis patients to treatment with the drug. These findings were obtained through analysis of the results of a phase IIa clinical trial in patients with rheumatoid arthritis (RA), and constitute substantial evidence for a correlation between the expression of the A3 adenosine receptor, the target for CF101, developed by Can-Fite, and response of patients to treatment with this drug. These findings will be presented at the annual scientific meeting of the American College of Rheumatology (ACR), which is considered one of the most prominent gatherings in the field of rheumatology.

A trial conducted by the company revealed that patients with high expression of the A3 adenosine receptor achieved a significant response to CF101, whereas patients with low expression exhibited only a minor response. It should be noted that high expression of target cells was found in 70% of the patients, **which presents an opportunity for future targeted, effective therapy to a substantial proportion of the patients which are more likely responders.**

**Prof. Pnina Fishman, CEO of Can-Fite,** said today that "the new emerging medical approach is to provide targeted treatments to patients that are more likely to be responders to the treatment. Based on the current finding, CF101 may be among the first to achieve such a goal in the field of rheumatology."

Can-Fite has recently announced that the same target is also over-expressed in patients with psoriasis; the company is now in preparation to initiate a phase II clinical trial in this patient population.

Can-Fite develops targeted drugs that specifically attack diseased cells without compromising the normal body systems and therefore have favorable safety profiles. The company's drugs are based on a scientific concept which was demonstrated in internal trials, suggesting that the drug target is only expressed on the surface of diseased cells.

Can-Fite is developing its first drug, CF101, for three medical indications in the field of inflammatory diseases, including: RA (ongoing phase IIb clinical trials in the US, Europe and Israel), dry eye syndrome (scheduled to initiate phase II trials in Israel) and psoriasis (scheduled to initiate phase II trials in the US). Can-Fite has recently announced that CF102, the second drug in its development pipeline, will be developed for the treatment of hepatocellular carcinoma (HCC), among other

indications. With the preplanned development of CF102 for HCC now ongoing, Can-Fite has become a company with a diverse line of drugs for the treatment of inflammatory diseases and cancer.

About 2 months ago Can-Fite announced that it had entered into an exclusive license agreement with the Japanese Seikagaku Corporation to develop and market CF101 in Japan for the treatment of inflammatory diseases, including RA but excluding eye disorders. Under the terms of this agreement, Can-Fite is to receive an aggregate consideration of up to US\$ 19.5 million, contingent to achieving agreed milestones, and collect substantial royalties from the sale of CF101 in Japan and from the sale of raw materials needed for manufacturing the drug.

**CAN-FITE BIOPHARMA LTD** is a public company traded on the Tel Aviv Stock Exchange. The Company, which commenced business activity in 2000, was founded by researcher Prof. Pnina Fishman and patent attorney Dr. Ilan Cohn. The Company focuses on the development of molecule-based drugs that inhibit the development of cancer or inflammatory cells. The market for the company's drugs is estimated at billions of dollars.

**For details: Amir Eisenberg, 0528-260285; Shai Eliash 0522-546635; Liron Singer 0525-476661 Office: 03-7538828**