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Breakthrough for Can-Fite: CF102 Found to be Active Against Hepatitis B Virus in Pre-Clinical Studies

Company signs collaboration agreement with leading laboratory at Philadelphia's Temple University to test the drug's antiviral activity

Market potential of drugs for the treatment of Hepatitis B and C is estimated at 3 billion dollars

Prof. Pnina Fishman, CEO of Can-Fite: "This is a genuine scientific and commercial breakthrough. The new discovery essentially indicates that, in addition to its activity in suppressing liver cancer growth, the drug CF102 is also effective in inhibiting the Hepatitis B virus, one of the main pathogens of liver cancer. These findings significantly contribute to the accelerated development of CF102 and substantially increase the scope of the drug's target markets."

A major breakthrough for Can-Fite, a biotechnology company traded on the Tel-Aviv Stock Exchange. The Company's pre-clinical studies show that CF102 is also active against Hepatitis B virus, in addition to liver cancer, which is the first indication being developed. The new discovery opens up for Can-Fite a potentially significant target market of approximately 3 billion dollars, and may lead to the accelerated development of CF102, which Can-Fite is developing alongside its first drug, CF101, which is already in various phases of clinical trials in the United States, Europe and Israel.

The new findings were obtained in collaboration with the laboratory of Dr. Kamel Khalili, Professor and Chair, Department of Neuroscience, Director, Center for Neurovirology, Temple University School of Medicine. Prof. Khalili, a leading scientist in this field, serves also as Editor-in-Chief of the Journal of Neurovirology.

The research institute headed by Dr. Khalili employs about 100 leading scientists in the field and has the newest equipment that enables monitoring of the virus in infected cells, testing of the drug's inhibitory effect on virus reproduction and elucidation of the drug's mechanism of action. Within the confines of this collaboration agreement, the effect of CF102 on the Hepatitis C virus will also be tested.

Liver cancer affects about 450,000 new patients each year and is highly prevalent in people infected with Hepatitis B and C virus and in alcohol abusers. This type of cancer is particularly common in Eastern countries, and currently has no effective treatment.

CF102 belongs to a chemical class of substances called nucleosides, which includes the currently marketed antiviral drugs. The Company has therefore decided to study the activity of CF102 against hepatitis virus.

The number of people infected with Hepatitis B and C around the world is 350 million and 170 million, respectively, with the number rapidly increasing in recent years. The current market size is estimated at about 3 billion dollars annually due to a lack of appropriate treatments. Can-Fite thus becomes a biotechnology company involved in the development of drugs for a wide array of diseases, including autoimmune diseases, cancer and viral diseases, with a market potential in billions of dollars.

Prof. Pnina Fishman, CEO of Can-Fite, said today that "this is a genuine scientific and commercial breakthrough. The new discovery essentially indicates that, in addition to its activity in suppressing liver cancer, the drug CF102 is also effective in suppressing the Hepatitis B virus, one of the main pathogens of liver cancer. These findings significantly contribute to the accelerated development of CF102 and substantially increase the scope of the drug's target markets."

Can-Fite has recently reported that it commenced patient enrollment in a phase II clinical trial of CF101 in the treatment of Dry Eye Syndrome. This phase II trial in patients with Dry Eye Syndrome is added to the Company's ongoing clinical trial in patients with Rheumatoid Arthritis. Last month, Can-Fite announced that it completed the enrolment of 250 patients for the phase IIb rheumatoid arthritis trial. Completion of the enrolment was a milestone in the marketing agreement recently signed with the Japanese Seikagaku Corporation, and Can-Fite has already received about 4 million dollars within the confines of this agreement, whose total sum may reach 19.5 million dollars.

Can-Fite develops targeted drugs that specifically attack affected cells without compromising normal body systems, and therefore have a favorable safety profile. The Company's drugs are based on a scientific concept, which was proven in trials, suggesting that the target of the drug is only expressed on the surface of affected cells. The Company has recently developed a procedure that uses pre-treatment blood tests to determine the receptor level, which may be indicative of treatment response.

Can-Fite is developing its first drug, CF101, for 4 clinical indications in the field of inflammatory diseases, including: rheumatoid arthritis (ongoing phase IIb clinical trials in the US), Dry Eye Syndrome (ongoing phase II trials in Israel), psoriasis (initial development phase) and uveitis. The Company has also begun the development of CF102 for the treatment of liver cancer.

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.

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