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Press release

Can-Fite: CF101 may be Effective for the Treatment of Crohn's Disease

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Can-Fite will present these results at the annual meeting of the American College of Rheumatology (ACR), held this week in Boston

Can-Fite BioPharma Ltd. reports today that its CF101 drug may also be used to treat Crohn's disease, a serious gastrointestinal disorder. Can-Fite will present these findings at the annual meeting of the American College of Rheumatology (ACR) later this week. Can-Fite reports that pre-clinical studies show that the A3 adenosine receptor, which is targeted by CF101, is over-expressed in bowel tissue and peripheral blood mononuclear cells derived from patients with Crohn's disease. These findings are in line with previous data showing the efficacy of CF101 as an anti-inflammatory agent in pre-clinical models of inflammatory bowel diseases.

The presence of this receptor on the surface of the affected cells of patients with Crohn's disease strongly suggests that this patient population may benefit from CF101 which binds to the receptor and leads to apoptosis of the inflammatory cells. It should also be underlined that, similar to other indications under development, the drug exerts a differential effect on inflammatory normal cells.

Crohn's disease is an autoimmune inflammatory condition that primarily affects the small intestine. This disease is characterized by recurrent inflammation, intestinal adhesion and bowel obstruction. The disease, which is chronic and incurable, usually presents in adolescence or early 20's. The current standard of treatment includes steroids and biological drugs e.g. Remicade (anti-TNF) that relieve disease symptoms but may induce adverse events.

Similar to the biological drugs that were initially registered for the treatment of rheumatoid arthritis and recently shown to be effective in Crohn's disease, CF101 may also be suitable for development as treatment for this disease due to its similar mechanism of action. Unlike biological drugs that are administered by infusion or injection, CF101 is supplied as an oral drug and has an excellent safety profile.

Can-Fite notes that the number of Crohn's patients in the US alone is currently estimated at over 500,000 and that about 20,000 new patients are diagnosed each year. The size of this market in the US alone is estimated at approximately \$ 5 billion.

This ACR convention, where Can-Fite presents its findings, is the single most important convention in rheumatology, with attendance by about 15,000 rheumatology physicians and investigators from around the world. This convention, which covers novel rheumatological drug development, attracts leading pharmaceutical companies involved in the development of such drugs.

Can-Fite will also present in this convention new data on the progress of its third pipeline drug, CF502. This drug is a next-generation drug developed for autoimmune indications. This drug is in the preclinical phase of development after proof of concept

that has been demonstrated in laboratory trials that showed potent anti-inflammatory activity on human cells.

Can-Fite announced this month that it will proceed with the development of CF101 for the treatment of rheumatoid arthritis. The Company reported the planned initiation in early 2008 of a confirmatory phase IIb trial to further develop this drug, following a July report on the significantly favorable responses observed in certain disease parameters during the first Phase IIb studies with CF101. Can-Fite estimates that this trial will be initiated in the first quarter of 2008 and completed, including result compilation and analysis, in about one year.

Alongside with the development in CF101, Can-Fite recently reported the successful completion of preclinical trials in the US with CF102, its second pipeline molecule, designed for the treatment of liver conditions such as liver cancer, hepatitis and for liver regeneration. Can-Fite estimates that the clinical phase of trials with CF102 will commence in the coming months.

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 Prof. Pnina Fishman, an investigator from Rabin Medical Center, and patent attorney Dr. Ilan Cohn, a senior associate at Reinhold Cohn Patent Attorneys. Prof. Fishman serves as the CEO of Can-Fite. The Company was founded on the basis of scientific findings made by Prof. Fishman and focuses on the development of molecule-based drugs that bind to receptors of cancerous or inflammatory cells and inhibit their development.

Can-Fite currently has two drugs in development, CF101 and CF102. The company is simultaneously conducting several clinical and preclinical trials with the two drugs for various indications. CF101 is being studied for the treatment of rheumatoid arthritis, dry eye syndrome and psoriasis. Can-Fite has also entered the development of CF102 for the treatment of liver cancer and hepatitis.

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