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Press Release

Can-Fite-Completed Patient Enrollment for the Phase II Trial in Dry Eye Syndrome with CF101

Company estimates to release data on Q2 2009

The Dry Eye Syndrome market cap is currently estimated to be US\$ 1 billion

Can-Fite BioPharma has achieved yet another goal by completion of enrolment of 80 patients in its phase II Dry Eye Syndrome trial. Approximately 80 patients were enrolled to this study, randomized into 2 groups treated with 1 mg of CF101 and placebo. Patients are taking the drug for 12 weeks plus 2 weeks of follow-up. The trial is being conducted in 6 sites in Israel. The company estimate to release study data on Q2 2009.

Dry Eye Syndrome affects a large proportion of the general population, including contact lens users and postmenopausal women, and is also associated with rheumatoid arthritis. Based on published data, Dry Eye Syndrome affects more than 6 million people in the US alone, and the market for treatments is estimated at about US\$ 1 billion. In addition, it was also suggested by the scientific community that developing effective ethical drugs for the treatment of Dry Eye Syndrome may increase the market size. Can-Fite entered the development of the drug for this indication after learning that, during a phase IIa rheumatoid arthritis trial, several patients reported a significant improvement in their Dry Eye Symptoms following treatment with CF101.

Dry Eye Syndrome is generally associated with an inflammatory process in the lachrymal gland. Because CF101 has an anti-inflammatory effect, it seems that its mechanism of activity, which has been widely studied by Can-Fite scientists, supports the use of CF101 for the amelioration of Dry Eye Syndrome. The current standard of care is eye drops administered many times a day. These eye drops do not cure the cause or alter the course of the disease, but are only used for lubrication and alleviation of symptoms.

In addition, the company recently informed that it has signed an out license agreement with Kwang Dong Pharmaceutical Co., a Korean company, granting Kwang Dong exclusive rights to develop and commercialize the drug CF101 for rheumatoid arthritis, in Korea. CF101, Can-Fite's lead drug, is currently being tested in a multi-national Phase IIb study for its therapeutic activity in the treatment of rheumatoid arthritis and in two Phase IIa studies: one for the treatment of psoriasis and the other for dry eye syndrome.

CAN-FITE BIOPHARMA LTD 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. Pnina Fishman serves as the CEO of Can-Fite. The Company was founded on the basis of scientific findings made by Prof. Pnina 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's development pipeline currently has two drugs: CF101 and CF102. The company is simultaneously conducting several preclinical and clinical trials with the two drugs for various indications. CF101 is being studied for the treatment of rheumatoid arthritis (Phase IIb), dry eye syndrome (Phase II) and psoriasis (Phase II). Can-Fite develops CF102 for the treatment of liver conditions, including liver cancer, hepatitis infections and liver tissue regeneration.

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