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Press Release

**Can-Fite Announces Positive Results from its
Psoriasis Phase II Trial with CF101**

Can-Fite BioPharma, an Israeli Biopharmaceutical company, announced today that its 75-patient Phase II clinical study with CF101 to treat patients with moderate to severe Psoriasis has successfully met its primary objectives.

Patients in this double-blind study were randomly assigned to 1, 2 or 4 mg of CF101 or placebo twice daily. The drug was taken orally as a monotherapy for 12 weeks. By several analyses, the patient group receiving 2 mg CF101 (n=17) demonstrated statistically significant improvement in Psoriasis Activity and Severity Index (PASI) scores, the standard method of disease assessment and the primary efficacy endpoint in this trial. The group receiving 2 mg twice daily showed dramatic improvement in mean PASI score, relative to baseline, after 12 weeks of treatment ($p < 0.0001$). Furthermore, this group's improvement was statistically significantly superior to the placebo group results ($p = 0.03$). 83% of the 2 mg group patients demonstrated improvement in disease parameters upon CF101 treatment and 35% demonstrated an improvement of over 50% ("PASI 50"). Improvement was progressive over time and regression analysis suggests that longer treatment will result in continued amelioration of the disease symptoms

Dr. Michael David, Head of the Department of Dermatology, Rabin Medical Center, the study principal investigator said: "The study data is impressive and promising. CF101 is a unique small molecule orally bioavailable drug with an impressive safety profile based on accumulated experience in more than 700 patients. There is a market need in Psoriasis for small molecule drugs and I am confident that Can Fite should progress with the clinical development of CF101 based on the study data."

CF101 was safe and well tolerated during the study period. This important safety result adds to the drug's remarkable safety record from past studies in more than 700 patients.

The success in this study adds up to the success in a recently announced clinical study in dry eye patients. In both these studies the patients were treated with CF101 as a stand-alone treatment. Psoriasis, as well as dry eye disease are inflammatory diseases. The success in both these studies points to the potential general efficacy of CF101 in treatment of inflammatory diseases, with very large market potential.

Furthermore and most importantly success in these studies validates the technology platform of the company.

Psoriasis is a skin condition that affects 2% to 3% of the general population. The disease is manifested by scaly plaques on the skin and in the severe form has a major effect on the physical and emotional well-being of the patients. General anti-inflammatory agents such as topical corticosteroids, methotrexate or phototherapy are only partially effective and are limited by safety issues. Recently, novel biologics targeting the underlying immuno-pathogenesis of the disease have been introduced, such as Enbrel, which blocks the activity of the inflammatory cytokine tumor necrosis factor- α (TNF- α). Still, a significant need remains for novel oral drugs for patients who do not respond to existing therapies or for whom these therapies are unsuitable.

The market share for Psoriasis is estimated at US\$ 3.5 billion annually. The oral administration of Can-Fite's CF101, the drug's mechanism of action (suppression of the inflammatory mediator TNF- α) and its excellent safety profile (tested on more than 700 subjects in other trials), support its use for the treatment of psoriasis.

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 small molecule-based drugs that bind to receptors of cancerous or inflammatory cells and inhibit their development.

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