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Data Demonstrating Positive Activity of CF101 in Rheumatoid Arthritis Patients will be Presented in the Forthcoming Annual Scientific Meeting of the American College of Rheumatology

Can-Fite BioPharma announced today that data demonstrating activity of CF101 in Rheumatoid arthritis patients, from its Early Phase II clinical study, will be presented in the forthcoming Annual Scientific Meeting of the American College of Rheumatology (ACR) that will be held in San Diego in November 12 – 17, 2005.

The findings that will be presented at this ACR Meeting report are from an interim analysis of 66 patients from Can-Fite's Phase II study that the company conducted in Israel. These findings show that CF101, given orally, twice daily, was active in reducing disease symptoms in these patients, as measured by standard ACR criteria. The findings further show that the expression of the A3 adenosine receptor, which is the target of CF101, in peripheral white blood cells was substantially higher in patients compared to healthy subjects. Further, the response in patients was directly correlated to the level of receptor expression.

Prof. Pnina Fishman, the CEO of the company said that *“the ACR Annual Scientific Meeting is probably the most important annual scientific event in the rheumatology field and we are very pleased and honored that the ACR accepted our findings for presentation in this event. We believe that CF101 will be able to capture a substantial share of the very large RA therapeutic market and our ability to present our findings in this important scientific forum is a step on the way”*.

Rheumatoid arthritis (RA) is a severe and chronic autoimmune disease that affects more than 1% of the population in the Western World. The disease is characterized mainly by inflammation of the lining, or synovium, of the joints that can lead to long-term joint damage, resulting in chronic pain, loss of function and disability. The market of disease modifying anti-rheumatic drugs is estimated to be about US\$ 5 billion and is expected to rise to about \$7 billion by 2007.

About Can-Fite

Can-Fite BioPharma Ltd. is a public company, traded on the Tel-Aviv Stock Exchange that is headquartered in Petach-Tikva, Israel. The company, which began its operations at the end of 2000 was founded based on the work by Professor Pnina Fishman, formerly a Tumor Immunologist in the Rabin Medical Center and currently the company's CEO, together with Dr Ilan Cohn, Patent Attorney and Senior Partner

at Reinhold Cohn and Partners, a leading Israeli Patent Attorney firm. The Company has research laboratories and offices in Israel. The Company's lead drug, CF101, for the treatment of rheumatoid arthritis is currently in Phase II clinical trials and to date went through clinical trials in the USA, UK and Israel.

About CF101

CF101 is a small molecule, which is administered to patients orally. This drug, which is developed for the treatment of rheumatoid arthritis, was tested to date in clinical trials in the USA, UK and Israel. The drug is active against a wide variety of autoimmune and cancer diseases and has a preferential safety profile. The drug's main advantage is in its ability to specifically attack pathological cells without affecting healthy ones. In addition, the fact that the drug is administered orally in the form of a capsule creates a huge advantage vs. current treatments which are administered by IV infusion or injection, at much higher costs. The annual potential market for the treatment of rheumatoid arthritis is currently about US\$ 5 billion and is expected to rise at an annual rate of about 20%.

More information can be found at www.canfite.com