



FOR RELEASE

Can-Fite BioPharma Research Data Shows CF101 to be Effective in Restraining the Growth of Colon, Prostate and Other Cancerous Tumors
Company Primes for 2004 clinical study in the US of CF101 in Combination with Chemotherapy

PETACH TIKVA, ISRAEL, TUESDAY, JANUARY 6, 2004 ---Can-Fite BioPharma (www.can-fite.com) announced today new pre-clinical study results, published in three peer reviewed, high score scientific journals including the Journal of Biological Chemistry, the British Journal of Cancer and Oncogene. The study results show that CF101, the Company's lead drug, is highly active in inhibiting the progression of a variety of tumors including colon cancer, prostate cancer, and others. The data also shows that CF101, through binding and activating specific cell surface receptor (A3 adenosine receptors), modulates very important signaling pathways that play a key role in cancer and autoimmune diseases. The findings of these studies were also recently presented at the bi-annual Scientific Advisory Board (SAB) meeting held in Israel.

“Our findings are extremely important in that they pave the way for new therapies in the treatment of cancer and inflammatory diseases. Our drugs hit unique cell surface receptors, the A3 adenosine receptor that is abundant in cancer and inflammatory cells. Activation of these receptors by Can-Fite's drug leads to modulation of key signaling pathways – the NF-kappaB and Wnt pathways – within the cells, which play a major role in both classed of diseases. Our data also shows that by a combined treatment of CF101 and standard chemotherapeutic drugs, the anti-cancer effect of the chemotherapeutic drugs is substantially potentiated,” said Prof. Pnina Fishman, the Company's Chief Scientific Officer.

The Company is currently engaged in two Phase II clinical studies of CF101 for the treatment of rheumatoid arthritis and colorectal cancer, the latter of which is in the final stages.

Can-Fite also announced today plans to begin a Phase I/II clinical study in the US in 2004 that will investigate combinations of CF101 with chemotherapy. Pre-clinical data indicates that CF101 enhances the effectiveness of chemotherapy and protects white blood cells from the toxic effects of chemotherapy.

“We were all very excited about the data presented by Dr. Pnina Fishman at the SAB meeting. This is ground-breaking science. The company's pipeline of drugs, including its lead drug CF101, modulate highly important molecular mechanisms that play a key role in the pathogenesis of cancer, inflammatory and viral diseases. I am confident that these drugs will prove to be effective in humans and will fill a currently unmet clinical need,” said Prof. Kamel Khalili, head of the Center for Neurovirology and Cancer Biology at Temple University, Philadelphia, USA, and a member of Can-Fite's SAB.

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Can-Fite's SAB consists of leading world scientists including: **Prof. Kamel Khalili**; **Prof. Aaron Chiechanover** of the Technion, Haifa, Israel, recipient of the 2000 Lasker Award for Basic Medical Research; **Prof. Marc Feldmann** of the Imperial College of Science, Technology and Medicine, Department of Cytokine Biology and Cellular Immunology, Kennedy Institute of Rheumatology Division, a co-inventor of REMICADE[®], the blockbuster rheumatoid arthritis drug of Johnson & Johnson/Centocor and recipient of the 2003 Lasker Award for Clinical Medical Research; **Prof. Frank J. Rauscher** of the Wistar Institute, Pennsylvania State University and Editor in Chief of Cancer Research, the flagship journal of the American Society for Cancer Research; and, **Prof. Alfred Goldberg**, of the Dept. of Cell Biology, Harvard Medical School and the a co-inventor of VELCADE[®], the novel, recently approved anti-cancer drug of Millenium Pharmaceuticals. Also included in the SAB are two of the world's top experts on adenosine receptors – **Prof. Adriaan Ijzerman, Ph.D.**, Leiden Amsterdam Drug Research Center, Leiden University, The Netherlands and **Prof. Bruce N. Cronstein, M.D.**, Prof. of Medicine and Pathology, NYU Medical Center, Director of Rheumatology, Bellevue Hospital and Acting Director, General Clinical Research Center; and two of Israel's leading scientists **Prof I. Vlodaysky, Ph.D.**, Hadassah University Hospital, Jerusalem, Israel and Hebrew University of Jerusalem, Israel and the Bruce Rappaport Faculty of Medicine, Technion, Haifa, Israel and **Prof. Gideon Rechavi, M.D.**, Department of Pediatric Hematology-Oncology, The Chaim Sheba Medical Center and Sackler School of Medicine, Tel Aviv University, Tel Aviv, Israel.

About Can-Fite BioPharma, Ltd.

Can-Fite BioPharma Ltd. is a privately held company headquartered in Petach Tikva, Israel that began operations at the end of 2000. The Company was founded based on the work of Professor Pnina Fishman, a Tumor Immunologist from the Rabin Medical Center in Israel, who serves as the Company's Chief Scientific Officer. Dr. Ilan Cohn is the company's President & CEO. The company has also an office in the US out of which it manages its pre-clinical and clinical development. Can-Fite's research activity is conducted in its research labs in Israel. Can-Fite is currently engaged in two Phase II trials of its lead drug CF101, one for the treatment of colorectal cancer and the other for rheumatoid arthritis, in addition to research and development of a pipeline of drugs for a variety of clinical indications. The market potential for CF101 is estimated at more than US\$ 1 billion worldwide. The first commercial product is expected in 2006. Investors in the company include Giza Venture Capital, The Yozma Group, Ascend Technology Ventures, Vitalife, Biocom, BioMedical Innovations Management and BPW Israel Investment LLC.

For additional info:

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