



KAHR Medical to Raise \$ 3 M for Development of Novel Cancer and Autoimmune Disease Drugs

Jerusalem, Israel, April 14th, 2011 - KAHR Medical Ltd. and Hadasit Bio-Holdings Ltd. (TASE:HDST), announced today the signing of an investment agreement in KAHR's initial external strategic fundraising.

The parties announced that \$2 million will be invested by the European drug giant Sanofi-Aventis, while Hadasit Bio Holdings, the main shareholder in KAHR, will invest \$1 million in cash and will convert \$2 million of convertible loans that were granted to the company. Further financial details were not disclosed.

The parties announced that the agreement contemplates a second closing of up to \$5 million at the same terms for a limited time including up to \$1 million from Sanofi. The capital will be used to fund the pre-clinical development and a Phase-I/II clinical trial of the company's lead product as well as the identification of new drug candidates based on KAHR's platform technology.

KAHR Medical is one of the advanced portfolio companies of Hadasit Bio-Holdings (HBL, traded on the Tel-Aviv stock exchange - HDST). According to Ophir Shahaf, CEO of HBL: "The investment in KAHR by a leading pharmaceutical company such as Sanofi-Aventis is another success exhibited by our portfolio companies. We see the Sanofi decision to invest in KAHR as a significant vote of confidence to its scientific and managerial excellence and to the business potential of the company and its widely applicable platform technology. We see this deal as an important validation of HBL's business model and our ability to select attractive technologies and significantly increase their value".

KAHR Medical is developing a technology platform known as SCP (Signal Converter Proteins), which allows the construction of protein-based drugs with **two** functional sides. In contrast to current biological drugs that possess only one functional side, the two functional sides of SCPs allow these drugs to block or activate two reinforcing biological signals at the same time. The SCP platform forms a new generation of biological drugs with great diversity and superior efficacy.

KAHR's leading products, KAHR-101 and KAHR-102, are in pre-clinical development towards treatment of several cancers and autoimmune diseases and are expected to enter clinical trials within the next 18-24 months.

The scientific and technological novelty in KAHR's developments is based on the decade-long studies of Prof. Mark Tykocinski; Dean of the Jefferson Medical College in Philadelphia, previously Chair of Pathology at the University of Pennsylvania, and of Dr. Michal Elhalel-Dranitzki; Chief of the Nephrology department at the Hadassah Medical Center in Jerusalem, Israel.

According to Dr. Noam Shani, CEO of KAHR Medical; "we are proud of our new partnership with one of the world's leading drug companies. Sanofi-Aventis is clearly a top strategic partner which brings much more than funding to this relationship. Their investment is not only a vote of confidence and an indication to the great potential of our technology, but also a direct link to extensive drug development knowhow and capabilities. We believe that this partnership will accelerate our product development process towards the clinic while expanding our research and business development capabilities to build significant company value".

About KAHR Medical:

KAHR Medical is a portfolio company of Hadasit Bio-Holdings. The company initiated operations in mid 2007 and is managed by Dr. Noam Shani, previous VP-R&D for Medgenics (AIM: MEDG) and for Compugen (NASDAQ: CGEN). KAHR develops novel drugs that are based on the SCP (Signal Converter Proteins) platform technology. For more information please visit - www.kahr-medical.com.

About Hadasit Bio-Holdings:

Hadasit Bio-Holdings LTD (traded on the Tel-Aviv stock exchange since 2006 under the symbol HDST) is the publicly traded holding company of Hadasit, the technology transfer company of Hadassah Medical Organization. Hadasit Bio-Holdings invests in seven portfolio biotech companies that are based on Hadassah scientific research. For more information please visit - www.hbl.co.il.