



March 15, 2011

PRO-PHARMACEUTICALS REPORTS FULL YEAR and FOURTH QUARTER 2010 FINANCIAL RESULTS

NEWTON, Mass.--([BUSINESS WIRE](#))--**Pro-Pharmaceuticals, Inc. (OTC: PRWP)**, the leading developer of therapeutics that target Galectin receptors to treat cancer and fibrosis, today reported its financial results for full year and fourth quarter, ended December 31, 2010. These results are included in the Company's Annual Report on Form 10-K which has been filed today with the SEC.

"We continued to make progress towards our goal to commercialize our Galectin targeting therapeutic compounds: DAVANAT® and the GM/GR series of anti-fibrosis liver compounds. We met with officials from the U.S. Food & Drug Administration (FDA) in December to present our Phase III clinical development program for DAVANAT®. Agreement was reached on the design of a pivotal, randomized, controlled, and blinded Phase III clinical development program of DAVANAT® co-administered with standard chemotherapy for second line treatment of patients with metastatic colorectal cancer," said Theodore Zucconi, Ph.D., Chief Executive Officer, Pro-Pharmaceuticals. "The meeting with the FDA was an essential step in the clinical development of DAVANAT®. We are highly encouraged by the findings of our previous clinical studies, which suggest that DAVANAT® may be an effective anti-cancer agent that also reduces side effects of chemotherapy. We are actively pursuing regulatory approval for DAVANAT® in Colombia, South America. We are collaborating with PROCAPS S.A., who has exclusive rights to market DAVANAT® in that country.

"We are collaborating with the Ludwig Institute in Brussels to expand the application of DAVANAT® in administration with cancer vaccines for the treatment of metastatic melanoma. We expect to collaborate with the Ludwig Institute in a Phase I/II clinical trial later this year. We also announced our plan to collaborate with Mount Sinai School of Medicine to advance our Galectin therapeutic compounds to treat liver fibrosis, which is currently in pre-clinical studies. In November, we were notified that we had been awarded \$489,000 in two federal grants under the Federal Governments Qualifying Therapeutic Discovery Project ("QTDP") Program: one for DAVANAT® and a second grant for our GM/GR-Series of Galectin-targeting compounds, which have reversed liver fibrosis/cirrhosis in pre-clinical studies. The only treatment for late stage fibrosis or cirrhosis is liver transplantation," stated Dr. Zucconi.

Based on \$5.9 million of unrestricted cash as of December 31, 2010 and \$2.6 million received subsequent to year end, we believe that we have sufficient cash to meet our financial and operating obligations into the second half of 2012. We will require more cash to fund our operations and believe that we will be able to obtain additional financing. However, there can be no assurance that we will be successful in obtaining such new financing or, if available, that such financing will be obtainable on terms favorable to us.

For the fourth quarter of 2010, the Company reported a net loss applicable to common stock of \$1.5 million, or (\$0.02) per share, basic and diluted, compared with a net loss of \$1.3 million or (\$0.03) per share for the same period in 2009. For the full year 2010, the Company reported a net loss applicable to common stock of \$8.7 million, or (\$0.15) per share, basic and diluted, compared with a net loss of \$9.4 million, or \$(0.20) per share in 2009. The full year 2010 results include \$1.2 million of non-cash expense related to the change in the fair value of warrants compared with \$1.4 million of non-cash expense in 2009. The full year 2010 results include \$3.1 million of non-cash expense related to dividends and accretion on the preferred stock compared with \$2.0 million in 2009.

Research and development expense for the fourth quarter of 2010 was \$0.4 million, compared with \$0.2 million for the same period in 2009. The increase was due primarily to increased clinical program work related to a planned Phase III clinical trial. Research and development expense for the full year 2010 was \$1.1 million, compared with \$1.1 million in 2009. The year-over-year expenses were relatively unchanged due primarily to increased activity related to initiating a Phase III clinical trial in 2010, offset by lower pre-clinical and other R&D expense such as salaries and stock-based compensation.

General and administrative expense for the fourth quarter of 2010 was \$0.9 million, compared with \$0.9 million for the same period in 2009. General and administrative expense for the full year 2010 was \$3.8 million as compared with \$5.0 million for 2009. While G&A expense remained virtually unchanged for the fourth quarter, the decrease for the full year 2010 compared with 2009 is due primarily to lower payroll, legal and accounting expenses, offset by increased business development expense. Also, included in 2009 G&A expense was the severance expense related to our former CEO.

Annual Shareholders Meeting

The Company's Annual Meeting of Shareholders is scheduled to be held on May 26th at the Company's office in Newton, Massachusetts.

About DAVANAT®

DAVANAT®, the Company's lead product candidate, is a polysaccharide polymer that targets Galectin receptors on cancer cells and interferes with their activity. Peer-reviewed studies have demonstrated that Galectins affect cell development and play important roles in cancer, including tumor cell survival, angiogenesis, tumor metastasis and give the tumor the ability to evade the immune system. To date, DAVANAT® has been administered to approximately 100 cancer patients. Data from a Phase II trial for end-stage colorectal cancer patients showed that DAVANAT® in combination with 5-FU extended median survival by 46% compared with the best standard of care as determined by the patients' physicians. Clinical trial results also showed that patients experienced fewer serious adverse side effects of the chemotherapy.

About GM and GR Series of Anti-Fibrosis Compounds

The GM and GR series of compounds are first-in-class, novel carbohydrate compounds that significantly reduced collagen expression and reversed fibrosis in animal models. Uncontrolled collagen expression is a pathological process that occurs during the fibrotic process, affecting various organs leading to scar tissue. Chemical toxicity, microbial infection or physical injury cause hepatic, renal and other types of fibrosis. Carbohydrate polymers were created and screened to inhibit collagen production in in-vivo and in-vitro fibrosis models.

Pro-Pharmaceuticals, Inc.

Pro-Pharmaceuticals, OTC: PRWP, the leader in the field of Galectin therapeutics, is engaged in the discovery, development and commercialization of therapeutics that target Galectin receptors for advanced treatment of cancer and fibrosis. Initially, the product pipeline is focused on increasing the efficacy and decreasing the toxicity of chemotherapy drugs. The Company is headquartered in Newton, Mass. Additional information is available at <http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.pro-pharmaceuticals.com%2F&esheet=6646784&lan=en-US&anchor=www.pro-pharmaceuticals.com&index=1&md5=f570e6a54ba2750b0fa61a6599f21b66>.

FORWARD LOOKING STATEMENTS: Any statements in this news release about future expectations, plans and prospects for the Company constitute forward-looking statements as defined in the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, including statements about clinical trials and core operations funding, are based on management's current expectations and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in such statements. We caution investors that actual results or business conditions may differ materially from those projected or suggested in forward-looking statements as a result of various factors and not place undue reliance on forward-looking statements.

More information about those risks and uncertainties is contained and discussed in the Company's most recent quarterly or annual report and in the Company's other reports filed with the Securities and Exchange Commission. The forward-looking statements represent the Company's views as of the date of this news release and should not be relied upon to represent the Company's views as of a subsequent date. While the Company anticipates that subsequent events may cause the Company's views to change, the Company disclaims any obligation to update such forward-looking statements.



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DAVANAT is a registered trademark of Pro-Pharmaceuticals.