



August 13, 2010

## **PRO-PHARMACEUTICALS REPORTS SECOND QUARTER 2010 AND SIX MONTHS FINANCIAL RESULTS**

**Newton, Mass. (August 13, 2010) -- Pro-Pharmaceuticals, Inc. (OTC: PRWP)**, a developer of therapeutics that target Galectin receptors to treat cancer and fibrosis, today reported its financial results for the second quarter and the first six months ended June 30, 2010. These results are included in the Company's Quarterly Report on Form 10-Q, which has been filed with the SEC.

"We continue to make progress toward our goal to commercialize DAVANAT®," said Theodore Zucconi, Ph.D., Chief Executive Officer, Pro-Pharmaceuticals. "In the second quarter, we received our first commercial order from PROCAPS S.A. for DAVANAT®. We intend to market DAVANAT® in Colombia as soon as possible after we get regulatory approval in that country. We engaged Dr. Peter Traber, former GlaxoSmithKline Senior Vice President for Clinical Development and Medical Affairs and former Chief Executive Office of Baylor College of Medicine, as our Chief Medical Officer to manage our clinical trials and regulatory efforts. In addition, we are finalizing our plans to initiate a Phase III colorectal cancer trial in the U.S. with DAVANAT® and 5-FU."

For the second quarter of 2010, the Company reported a net loss applicable to common stock of \$2.5 million, or (\$0.05) per share, basic and diluted, compared with a net loss applicable to common stock of \$3.3 million or (\$0.07) per share for the same period in 2009. The second quarter 2010 results included \$0.3 million of non-cash expense related to the change in the fair value of warrants compared with an expense of \$0.9 million for the same period in 2009.

For the six months ended June 30, 2010, the Company reported a net loss applicable to common stock of \$5.3 million, or (\$0.10) per share, basic and fully diluted, compared with a net loss of \$6.2 million, or (\$0.13) per share for the same period in 2009. The results for the six-months ended June 30, 2010 included \$1.4 million of non-cash expense related to the change in the fair value of warrants compared with an expense of \$1.7 million for the same period in 2009.

Research and development expense for the three and six-months ended June 30, 2010 was \$234,000 and \$363,000, respectively, compared with \$423,000 and \$576,000 for the three and six-months ended June 30, 2009, respectively. The decrease is due primarily to cost containment measures and overall lower activity in clinical and pre-clinical programs.

General and administrative expense for the three and six-months ended June 30, 2010 was \$1,116,000 and \$2,019,000, respectively; compared with \$1,569,000 and \$3,150,000 for the three and six-months ended June 30, 2009, respectively. The decrease is due primarily to lower payroll, reduced legal and accounting expense, partially offset by increased business development expense to gain regulatory approval to commercialize DAVANAT®.

The Company believes that with the funds on hand at June 30, 2010 and with the cash received from warrant exercises subsequent to quarter end of \$359,000, there is sufficient cash to fund operations into March 2011.

### **About DAVANAT®**

DAVANAT®, the Company's lead product candidate, is a polysaccharide polymer that targets Galectin receptors on cancer cells. 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 to 6.7 months compared to 4.6 months for 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 and required less hospitalization, resulting in an improved quality of life.

### **Pro-Pharmaceuticals, Inc.**

Pro-Pharmaceuticals, OTC: PRWP, is a leader in the field of Galectin therapeutics and 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 [www.pro-pharmaceuticals.com](http://www.pro-pharmaceuticals.com).

**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 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.

DAVANAT is a registered trademark of Pro-Pharmaceuticals.

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