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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2013

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

Commission File No. 001-31791

GALECTIN THERAPEUTICS INC.

Nevada	**04-3562325**
(State or other jurisdiction of incorporation)	**(I.R.S. Employer Identification No.)**
4960 Peachtree Industrial Blvd., Suite 240, Norcross, GA	**30071**
(Address of Principal Executive Offices)	**(Zip Code)**

(678) 620-3186
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.05 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐	Accelerated Filer ☐
Non-Accelerated Filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐Yes ☒ No

The number of shares outstanding of the registrant's common stock as of May 9, 2013 was 16,251,469.

GALECTIN THERAPEUTICS INC.

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FOR THE QUARTER ENDED MARCH 31, 2013

GALECTIN THERAPEUTICS INC.

(A Development-Stage Company)

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2013	December 31, 2012
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$7,018	$9,364
Prepaid expenses and other current assets	137	153
Total current assets	7,155	9,517
Property and equipment, net	7	8
Other long term assets	6	6
Intangible assets, net	28	30
Total assets	$7,196	$9,561
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current liabilities:		
Accounts payable	$316	$397
Accrued expenses	1,152	1,161
Accrued dividends payable	-	80
Total current liabilities	1,468	1,638
Other long-term liabilities	5	6
Total liabilities	1,473	1,644
Commitments and contingencies (Note 8)		
Series B-1 12% redeemable convertible preferred stock; 900,000 shares authorized, issued and outstanding at March 31, 2013 and December 31, 2012, redemption value: $1,800,000, liquidation value: $1,800,000 at March 31, 2013	1,702	1,698
Series B-2 12% redeemable convertible preferred stock; 2,100,000 shares authorized, issued and outstanding at March 31, 2013 and December 31, 2012, redemption value: $4,200,000, liquidation value: $4,200,000 at March 31, 2013	2,952	2,900
Series C super dividend convertible preferred stock; 1,000 shares authorized, 215 and 220 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively, redemption value: $5,078,000, liquidation value: $2,150,000 at March 31, 2013	2,105	2,154
Stockholders' equity (deficit):		
Undesignated stock, $0.01 par value; 20,000,000 shares authorized, 8,001,000 designated at March 31, 2013 and December 31, 2012		
Series A 12% convertible preferred stock; 5,000,000 shares authorized, 1,562,500 issued and outstanding at March 31, 2013 and December 31, 2012	632	632
Common stock, $0.001 par value; 50,000,000 shares authorized at March 31, 2013 and December 31, 2012, 16,190,429 and 16,060,853 issued and outstanding at March 31, 2013 and December 31, 2012, respectively	16	16
Additional paid-in capital	81,806	80,535
Deficit accumulated during the development stage	(83,490)	(80,018)
Total stockholders' (deficit) equity	(1,036)	1,165
Total liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity	$7,196	$9,561

See notes to unaudited condensed consolidated financial statements.

GALECTIN THERAPEUTICS INC.

(A Development-Stage Company)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended March 31,		Cumulative Period from Inception (July 10, 2000) to March 31,
	2013	2012	2013
	(in thousands except per share data)		
Operating expenses:			
Research and development	$ 1,752	$ 901	$ 29,362
General and administrative	1,456	1,052	48,492
Total operating expenses	3,208	1,953	77,854
Total operating loss	(3,208)	(1,953)	(77,854)
Other income (expense):			
Interest income	5	3	823
Interest expense	-	-	(4,451)
Change in fair value of convertible debt instrument	-	-	(3,426)
Change in fair value of warrant liabilities	-	-	9,022
Other income	-	-	691
Total other income (expense)	5	3	2,659
Net loss	$ (3,203)	$ (1,950)	$ (75,195)
Preferred stock dividends	(213)	(197)	(4,448)
Preferred stock accretion	(56)	(57)	(4,101)
Net loss applicable to common stockholders	$ (3,472)	$ (2,204)	$ (83,744)
Net loss per common share – basic and diluted	$ (0.22)	$ (0.17)	
Weighted average common shares outstanding – basic and diluted	16,079	13,010	

See notes to unaudited condensed consolidated financial statements.

GALECTIN THERAPEUTICS INC.

(A Development-Stage Company)

CONSOLIDATED STATEMENT OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' (DEFICIT) EQUITY

THREE MONTHS ENDED MARCH 31, 2013 (UNAUDITED)
(in thousands except share data)

	Series B-1 12% Redeemable Convertible Preferred Stock		Series B-2 12% Redeemable Convertible Preferred Stock		Series C Super Dividend Convertible Preferred Stock		Stockholders' Equity (Deficit)						
							Series A 12% Convertible Preferred Stock		Common Stock				
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Balance at December 31, 2012	**900,000**	**$ 1,698**	**2,100,000**	**$ 2,900**	**220**	**$ 2,154**	**1,562,500**	**$ 632**	**16,060,853**	**$ 16**	**$ 80,535**	**$ (80,018)**	**$ 1,165**
Accretion of Series B redeemable convertible preferred stock		4		39								(43)	(43)
Accretion of beneficial conversion feature for Series B-2				13								(13)	(13)
Series A 12% convertible preferred stock dividend									15,625		57	(10)	47
Series B-1 redeemable convertible preferred stock dividend									14,580		52	(52)	-
Series B-2 redeemable convertible preferred stock dividend									34,020		122	(122)	-
Series C super dividend convertible preferred stock dividend									17,114		62	(29)	33
Conversion of Series C to common stock					(5)	(49)			8,475		49		49
Issuance of common stock upon exercise of options									39,762		77		77
Stock-based compensation expense											852		852
Net loss												(3,203)	(3,203)
Balance at March 31, 2013	**900,000**	**$ 1,702**	**2,100,000**	**$ 2,952**	**215**	**$ 2,105**	**1,562,500**	**$ 632**	**16,190,429**	**$ 16**	**$ 81,806**	**$ (83,490)**	**$ (1,036)**

See notes to unaudited condensed consolidated financial statements.

GALECTIN THERAPEUTICS INC.

(A Development-Stage Company)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended March 31,		Cumulative Period from Inception (July 10, 2000) to March 31, 2013
	2013	2012	
	(in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (3,203)	$ (1,950)	$ (75,195)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	3	2	558
Stock-based compensation expense	852	473	13,226
Non-cash interest expense	-	-	4,279
Change in fair value of convertible debt instrument	-	-	3,426
Change in fair value of warrant liabilities	-	-	(9,022)
Write off of intangible assets	-	-	351
Changes in operating assets and liabilities:			
Prepaid expenses and other assets	16	(11)	(140)
Accounts payable and accrued expenses	(90)	-	1,536
Other long-term liabilities	(1)	-	5
Net cash used in operating activities	(2,423)	(1,486)	(60,976)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	-	-	(431)
Increase in patents costs and other assets	-	-	(404)
Net cash provided by (used in) investing activities	-	-	(835)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from issuance of common stock and warrants	-	10,403	39,093
Net proceeds from issuance of Series A preferred stock and related warrants	-	-	1,691
Net proceeds from issuance of Series B-1 preferred stock and related warrants	-	-	1,548
Net proceeds from issuance of Series B-2 preferred stock and related warrants	-	-	3,935
Net proceeds from issuance of Series C preferred stock	-	-	2,203
Net proceeds from issuance of convertible debt instruments	-	-	10,621
Repayment of convertible debt instruments	-	-	(1,641)
Proceeds from exercise of common stock warrants and options	77	-	11,370
Proceeds from shareholder advances	-	-	9
Net cash provided by financing activities	77	10,403	68,829
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,346)	8,917	7,018
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	9,364	6,397	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 7,018	$ 15,314	$ 7,018
SUPPLEMENTAL DISCLOSURE – Cash paid for interest	$ -	$ -	$ 114
NONCASH FINANCING ACTIVITIES:			
Issuance of equity warrants in connection with equity offerings	$ -	$ 4,445	$ 9,482
Conversion of accrued expenses into common stock	-	-	329
Cashless exercise of common stock options and warrants	38	8	712
Conversion and redemption of convertible notes and accrued interest into common stock	-	-	12,243
Conversion of extension costs related to convertible notes into common stock	-	-	171
Payment of preferred stock dividends in common stock	293	277	4,448
Issuance of warrants to induce conversion of notes payable	-	-	503
Issuance of stock to acquire Pro-Pharmaceuticals-NV	-	-	107

See notes to unaudited condensed consolidated financial statements.

GALECTIN THERAPEUTICS INC.

(A DEVELOPMENT-STAGE COMPANY)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

Galectin Therapeutics Inc. (the "Company") is a development-stage company that is applying its leadership in galectin science and drug development to create new therapies for fibrotic disease and cancer. These candidates are based on the Company's targeting of galectin proteins which are key mediators of biologic and pathologic function. These compounds also may have application for drugs to treat other diseases and chronic health conditions.

The unaudited condensed consolidated financial statements as reported in this Quarterly Report on Form 10-Q reflect all adjustments which are, in the opinion of management, necessary to present fairly the financial position of the Company as of March 31, 2013 and the results of its operations for the three months ended March 31, 2013 and 2012 and the cumulative period from inception (July 10, 2000) through March 31, 2013 and its cash flows for the three months ended March 31, 2013 and 2012, and for the cumulative period from inception (July 10, 2000) to March 31, 2013. All adjustments made to the interim financial statements include all those of a normal and recurring nature. The Company considers events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through the date these financial statements are available to be issued. The results for interim periods are not necessarily indicative of results which may be expected for any other interim period or for the full year. The unaudited condensed consolidated financial statements of the Company should be read in conjunction with its Annual Report on Form 10-K for the year ended December 31, 2012.

The Company has operated at a loss since its inception and has had no significant revenues. The Company anticipates that losses will continue for the foreseeable future. At March 31, 2013, the Company had $7,018,000 of unrestricted cash and cash equivalents available to fund future operations. The Company believes that with the cash on hand at March 31, 2013, there is sufficient cash to fund operations through the first quarter of 2014. The Company's ability to fund operations after its current cash resources are exhausted depends on its ability to obtain additional financing or achieve profitable operations, as to which no assurances can be given. The Company has developed several plans, including cost containment efforts and potential strategic alternatives in the event that such financing cannot be realized by the Company. Accordingly, based on the forecasts and estimates underlying the Company's current operating plan, the financial statements do not currently include any adjustments that might be necessary if the Company is unable to continue as a going concern.

As shown in the condensed consolidated financial statements, the Company incurred cumulative net losses applicable to common stockholders of $83.7 million for the cumulative period from inception (July 10, 2000) through March 31, 2013. The Company's net losses have resulted principally from costs associated with (i) research and development expenses, including clinical trial costs, (ii) general and administrative activities and (iii) the Company's financing transactions including interest, dividend payments, and the costs related to fair value accounting for the Company's convertible debt instruments. As a result of planned expenditures for future research, discovery, development and commercialization activities and potential legal cost to protect its intellectual property, the Company expects to incur additional losses and use additional cash in its operations for the foreseeable future. Through March 31, 2013, the Company had raised a net total of $68.8 million in capital through sale and issuance of common stock, common stock purchase warrants, convertible preferred stock and debt securities in public and private offerings. From inception (July 10, 2000) through March 31, 2013, the Company used cash of $61.0 million in its operations.

The Company was founded in July 2000, was incorporated in the State of Nevada in January 2001 under the name "Pro-Pharmaceuticals, Inc.," and changed its name to "Galectin Therapeutics Inc." on May 26, 2011. On March 23, 2012, the Company began trading on The NASDAQ Capital Market under the symbol GALT. Immediately prior to March 23, 2012, the Company was traded on the Over-the Counter Bulletin Board ("OTCBB") under the symbol GALT.OB.

The Company is subject to a number of risks similar to those of other development-stage companies, including dependence on key individuals, uncertainty of product development and generation of revenues, dependence on outside sources of capital, risks associated with clinical trials of products, dependence on third-party collaborators for research operations, need for regulatory approval of products, risks associated with protection of intellectual property, and competition with larger, better-capitalized companies. Successful completion of the Company's development program and, ultimately, the attainment of profitable operations is dependent upon future events, including obtaining adequate financing to fulfill its development activities and achieving a level of revenues adequate to support the Company's cost structure. There are no assurances that the Company will be able to obtain additional financing on favorable terms, or at all, or successfully market its products.

2. Accrued Expenses

Accrued expenses consist of the following:

	March 31, 2013	December 31, 2012
	(in thousands)	
Legal and accounting fees	$ 80	$ 109
Accrued compensation	61	42
Severance agreement (Note 8)	1,000	1,000
Other	11	10
Total	$ 1,152	$ 1,161

3. Stock-Based Compensation

Following is the stock-based compensation expense related to common stock options, common stock, restricted common stock and common stock warrants:

	Three Months Ended March 31,	
	2013	**2012**
Research and development	$ 319	$ 149
General and administrative	533	324
Total stock-based compensation expense	$ 852	$ 473

The following table summarizes the stock option activity in the Company's equity incentive plans, including non-plan grants to Company executives, from December 31, 2012 through March 31, 2013:

	Shares	Weighted Average Exercise Price
Outstanding, December 31, 2012	3,539,961	$ 5.66
Granted	200,426	3.36
Exercised	(39,762)	2.77
Options forfeited/cancelled	(44,408)	9.50
Outstanding, March 31, 2013	3,656,217	$ 5.52

As of March 31, 2013, there was $5,427,000 of unrecognized compensation related to 1,466,586 unvested options, which is expected to be recognized over a weighted–average period of approximately 3.9 years. The weighted-average grant date fair value for options granted during the three months ended March 31, 2013 was $2.73. There were no grants during the three months ended March 31, 2012.

The fair value of all other options granted is determined using the Black-Scholes option-pricing model. The following weighted average assumptions were used (there were no option grants to employees or consultants during the three months ended March 31, 2013):

	Three Months Ended March 31, 2013	Cumulative Period from Inception (July 10, 2000) to March 31, 2013
Risk-free interest rate	0.80%	1.76%
Expected life of the options	5.0 years	5.2 years
Expected volatility of the underlying stock	117%	119%
Expected dividend rate	0%	0%

4. Common Stock Warrants

The following table summarizes the common stock warrant activity from December 31, 2012 through March 31, 2013:

	Shares	Weighted Average Exercise Price
Outstanding, December 31, 2012	7,424,241	$ 3.71
Granted	5,000	2.65
Exercised	-	-
Forfeited/cancelled	-	-
Outstanding, March 31, 2013	7,429,241	$ 3.71

Consultant Warrants

In January 2013, the Company entered into an agreement with a consultant that provided for the grant of warrants for the purchase of 5,000 shares of common stock at an exercise price of $2.65 per share. The following assumptions were used to value the warrants: an expected life of 3 years, volatility of 87%, risk free interest rate of 0.42% and zero dividends. The Company recognized an expense of $7,000 related to these warrants during the three months ended March 31, 2013.

5. Fair Value of Financial Instruments

The Company has certain financial assets and liabilities recorded at fair value. Fair values determined by Level 1 inputs utilize observable data such as quoted prices in active markets. Fair values determined by Level 2 inputs utilize data points other than quoted prices in active markets that are observable either directly or indirectly. Fair values determined by Level 3 inputs utilize unobservable data points in which there is little or no market data, which require the reporting entity to develop its own assumptions. The carrying amounts reflected in the consolidated balance sheets for cash equivalents, accounts payable and accrued expenses approximates their carrying value due to their short-term nature. Included in cash and cash equivalents, as of March 31, 2013 and December 31, 2012, the Company had $192,000 and $583,000, respectively invested in money market funds which had calculated net asset values and were therefore classified as Level 2. There were no level 3 assets held at fair value at March 31, 2013 or December 31, 2012.

6. Loss Per Share

Basic net loss per common share is computed by dividing the net loss available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed by dividing the net loss available to common stockholders by the weighted average number of common shares and other potential common shares then outstanding. Potential common shares consist of common shares issuable upon the assumed exercise of in-the-money stock options and warrants and potential common shares related to the conversion of the preferred stock. The computation of diluted net loss per share does not assume the issuance of common shares that have an anti-dilutive effect on net loss per share.

	Three Months Ended March 31,	
	2013	2012
	(in thousands, except share and per share amounts)	
Basic and diluted net loss per common share:		
Net loss applicable to common stockholders	$(3,472)	$(2,204)
Weighted average common shares outstanding – basic and diluted	16,079	13,010
Net loss per common share – basic and diluted	$ (0.22)	$ (0.17)

Dilutive shares which could exist pursuant to the exercise of outstanding stock instruments and which were not included in the calculation because their affect would have been anti-dilutive are as follows:

	March 31, 2013 (shares)	March 31, 2012 (shares)
Warrants to purchase shares of common stock	7,429,241	7,424,241
Options to purchase shares of common stock	3,656,217	2,997,468
Shares of common stock issuable upon conversion of preferred stock	2,618,772	2,627,110
	13,704,230	13,048,819

7. Common Stock and Warrant Offering and Reverse Split

On March 22, 2012, the Company entered into an underwriting agreement, relating to the offer and sale of 1,159,445 units (the "Units") of the Company, each unit consisted of two shares of Common Stock and one warrant to purchase one share of Common Stock. Pursuant to the underwriting agreement, the Company granted the underwriters a 45-day option to purchase up to an additional 173,916 Units to cover over-allotments, which they exercised on March 26, 2012. The public offering price for each Unit was $9.00. Each warrant has an initial exercise price of $5.63 per share, is exercisable upon separation of the Units and expires on March 28, 2017.

On March 28, 2012, the Company sold and issued 1,333,361 Units (2,666,722 shares of common stock and related $5.63 warrants to purchase 1,333,361 shares of common stock) for gross proceeds of $12.0 million (net cash proceeds of $10,403,000 after the underwriting discount and offering costs). The warrants were valued at $4,445,000 as of the issuance date of March 28, 2012, using the closing price of $4.20, a life of 5 years, a volatility of 119% and a risk free interest rate of 1.05%. Based upon the Company's analysis of the criteria contained in ASC Topic 815-40, "Derivatives and Hedging—Contracts in Entity's Own Equity" the Company has determined that warrants issued in connection with this financing transaction were not derivative liabilities and therefore, were recorded as additional paid-in capital.

On March 28, 2012, in connection with this underwritten financing as per the underwriting agreement, the Company issued a total of 46,378 common stock purchase warrants to the underwriters. These warrants expire May 2, 2016, have an exercise price of $5.63 per share, and are exercisable beginning 1 year from March 22, 2012 (the date of the underwriting agreement). These warrants were valued at $143,000 as of the date of issuance (March 28, 2012), using the closing price of $4.20, life of 4.1 years, volatility of 117% and risk free interest rate of 0.78. Based upon the Company's analysis of the criteria contained in ASC Topic 815-40, "Derivatives and Hedging—Contracts in Entity's Own Equity", the Company has determined that these warrants issued in connection with this financing transaction were not derivative liabilities and therefore, were recorded as additional paid-in capital.

Effective as of March 23, 2012, and in connection with the pricing of the offering of Units, the Company effected a one-for-six reverse split of its Common Stock. Per the terms of the reverse split, all fractional shares were rounded up.

8. Commitments, Contingencies and Legal Proceedings

Agreement with CTI for Phase I Clinical Trial

On February 1, 2013, the Company entered into an Amended and Restated Master Services Agreement (the "Agreement") with CTI Clinical Trial Services, Inc. and CTI Clinical Consulting Services, Inc. (individually and collectively, "CTI"), whereby CTI is assisting the Company in the design, development and conduct of one or more clinical research studies from time to time. All work performed by CTI for the Company is being conducted pursuant to the terms of work orders that describe the specific obligations undertaken by CTI with respect to any particular clinical research study sponsored or conducted by the Company. Unless otherwise terminated sooner in accordance with the terms of the Agreement, the Agreement will be effective until January 31, 2018.

On February 1, 2013, the Company entered into a work order (the "Work Order") with CTI in accordance with the terms of the Agreement. The Work Order provides that CTI will provide services with respect to the Company's Phase I Clinical Trial to evaluate the safety of the Company's drug GR-MD-02 in subjects with Non-Alcoholic Steatohepatitis ("NASH") with advanced hepatic fibrosis. CTI is providing the following services, amongst others, with respect to the Work Order: reviewing and providing notices regarding IND safety reports, selecting investigators and monitors for the study, informing investigators of new observations, monitoring the progress of the study and reviewing ongoing investigations, keeping certain records, inspecting the Company's records and reports, and disposing of any unused supply of the investigational drug.

The Work Order provides for CTI's anticipated involvement in the study from February 1, 2013 until March 31, 2014. The estimated budget for the Work Order is $2,155,000, which is subject to change as necessary, with payments made throughout the term of the project as the work is performed. During the three months ended March 31, 2013, the Company recognized $728,000 of expenses related to this agreement for services performed during the period.

The Agreement or any work order may be terminated for any reason by any party upon ninety (90) days prior written notice to the other party. In addition, the Agreement may be terminated by either party immediately if the other party becomes insolvent, is dissolved or liquidated, makes a general assignment for the benefit of its creditors, files or has filed against it (and does not obtain a dismissal within ninety (90) days) a petition of bankruptcy, or has a receiver appointed for it or a substantial part of its assets, among other reasons. Further, the Agreement or any relevant work order may be terminated immediately by written notice from the Company, in the following circumstances: (1) the FDA withdraws authorization and approval to conduct a study; or (2) the Company reasonably determines that for medical, clinical or patient safety reasons, a study should terminate immediately. In addition, either party may terminate the Agreement or any work order for material breach upon thirty (30) days' written notice specifying the nature of the breach, if such breach has not been substantially cured within the thirty (30) day period.

Drug Discovery Program with the University of Georgia

In February 2013, the Company established a collaborative drug discovery program at the Complex Carbohydrate Research Center at the University of Georgia. This program is focused on the discovery of new carbohydrate molecules that can be used in the therapy of diseases where galectin proteins play a major role, including cancer and inflammatory and fibrotic disorders. The term of the agreement is effective through December 31, 2013, for which the Company will provide funding of $154,000 during the period as work is performed. This agreement may be terminated by either party upon 90 days notice.

Separation Agreement

In February 2009, the Company entered into a Separation Agreement in connection with the resignation of David Platt, Ph.D., the Company's former Chief Executive Officer and Chairman of the Board of Directors. The Separation Agreement provides for the deferral of a $1.0 million separation payment due to Dr. Platt upon the earlier occurrence of any of the following milestone events: (i) the approval by the Food and Drug Administration for a new drug application ("NDA") for any drug candidate or drug delivery candidate based on the Company's GM-CT-01 technology (whether or not such technology is patented), in which case Dr. Platt is also entitled to a fully vested 10-year cashless-exercise stock option to purchase at least 83,334 shares of common stock at an exercise price not less than the fair market value of the common stock determined as of the date of grant; (ii) consummation of a transaction with a pharmaceutical company expected to result in at least $10.0 million of equity investment or $50 million of royalty revenue to the Company, in which case Dr. Platt is also entitled to stock options on the same terms to purchase at least 50,000 shares of common stock; or (iii) the renewed listing of the Company's securities on a national securities exchange and the achievement of a market capitalization of $100 million. Payment upon the events (i) and (iii) may be deferred up to six months, and if the Company has insufficient cash at the time of any of such events, it may issue Dr. Platt a secured promissory note for such amount. If the Company files a voluntary or involuntary petition for bankruptcy, whether or not a milestone event has occurred, such event shall trigger the obligation to pay the $1.0 million with the result that Dr. Platt may assert a claim for such obligation against the bankruptcy estate. During 2011, when it became probable that the Company could be relisted on a national securities exchange and eventually reach a market capitalization of $100 million, the Company recognized the $1.0 million severance payment due to Dr. Platt and it is included in accrued expenses at March 31, 2013 and December 31, 2012.

On May 2, 2012, Dr. Platt instituted arbitration before the American Arbitration Association, seeking a $1.0 million separation payment based on a claim that a milestone event in the Separation Agreement has occurred (see clause (iii) above). On March 22, 2012, the Company's common stock was listed on the NASDAQ Capital Markets, but since that date, the stock has not achieved the required market capitalization. Therefore, it is the Company's position that a milestone event has not yet occurred. The arbitration hearing was held on October 16 - 17, 2012 and on November 1, 2012, the arbitrator denied Dr. Platt's demand in all respects. Insofar as the Company does not dispute its obligations under the Separation Agreement to pay Dr. Platt upon the occurrence of a milestone event, it has recorded the payment as an accrued expense payable if and when the milestone event occurs.

On October 12, 2012, Dr. Platt commenced a lawsuit under the Massachusetts Wage Act against Dr. Traber and Mr. McGauley who in their capacities as the Company's Chief Executive Officer and Chief Financial Officer respectively can be held individually liable under the Wage Act for non-payment of wages. The lawsuit is based on the facts and issues raised in the arbitration regarding the payment of the $1.0 million separation payment under the Separation Agreement, and other unspecified "wages". The statute provides that a successful claimant may be entitled to multiple damages, interest and attorneys fees. Although the Company is not a party to the lawsuit, it plans to indemnify Dr. Traber and Mr. McGauley consistent with its obligations under the by-laws and applicable law, believes the lawsuit is without merit, and intends a vigorous defense on their behalf. On April 29, 2013, the Court allowed Dr. Traber's and Mr. McGauley's motion to dismiss.

On March 29, 2013, the Company instituted arbitration before the American Arbitration Association, seeking to rescind or reform the Separation Agreement discussed above. The Company claims that Dr. Platt fraudulently induced the Company to enter into the Separation Agreement, breached his fiduciary duty to the Company, and was unduly enriched from his conduct. Along with removal of the $1.0 million milestone payment provided for under the Separation Agreement, the Company is seeking repayment of all separation benefits paid to Dr. Platt to date. Depending on the outcome of the arbitration, the previously accrued $1.0 million could be reversed. The timing and ultimate outcome of this arbitration, though, is uncertain and there is no guarantee that the Company will be successful in this demand.

Series C Post Conversion Dividend Rights

In January 2013, 5 shares of the Company's Series C Super Dividend Convertible Preferred Stock ("Series C") were converted into 8,475 shares of common stock (consisting of 8,334 shares of common stock for principal and 141 shares for accrued interest at the time of the conversion) which also resulted in the issuance of 5 Series C post-conversion dividend rights ("Dividend Rights"). Under the terms of the Series C, the Dividend Rights entitle the holder only to dividend payments based on actual sales of GM-CT-01 and will not participate in the 6% dividend payable on outstanding shares of Series C following a conversion to common stock. At March 31, 2013, there are a total of 10 outstanding Dividend Rights which were determined to have a de minimis value, because payment of a dividend for the Dividend Rights is considered improbable at this time and the Company has not recorded a liability related to the Dividend Rights. The Company will continue to evaluate and assess the Dividend Rights for each reporting period. At March 31, 2013, the Dividend Rights had a liquidation value of $241,000.

Other Legal Proceedings

The Company records accruals for such contingencies to the extent that the Company concludes that their occurrence is probable and the related damages are estimable, except as noted above. There has been no change in the matters reported in our Annual Report on Form 10-K for the year ended December 31, 2012.

9. Subsequent Events

The Company has evaluated all events or transactions that occurred through the date on which the financial statements were issued, noting the following:

On May 6, 2013, the Company modified the terms of the Class A-2 and Class B warrants that were originally issued with the Series B Preferred Stock offering. The Class B warrants were modified to allow for the cashless exercise of all 4,000,000 outstanding Class B warrants. Previously, only half of the Class B warrants allowed for cashless exercise. The Class A-2 warrants for the purchase of 1,000,000 shares of common and all of the Class B warrants had their exercisable life extended by an additional five years. In exchange for these modifications, the 10X Fund agreed that the Series B Preferred Stock will no longer be mandatorily redeemable, if and when the Company will no longer be required to issue Dr. Platt a promissory note as may currently be required under the separation agreement (see Note 8).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

In addition to historical information, the following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements as defined under Section 21E of the Securities Exchange Act of 1934, as amended, and is subject to the safe harbor created therein for forward-looking statements. Such statements include, but are not limited to, statements concerning our anticipated operating results, research and development, clinical trials, regulatory proceedings, and financial resources, and can be identified by use of words such as, for example, "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" and "would," "should," "could" or "may." All statements, other than statements of historical facts, included herein that address activities, events, or developments that the Company expects or anticipates will or may occur in the future, are forward-looking statements, including statements regarding:

- plans and expectations regarding clinical trials;
- plans and expectations regarding regulatory approvals;
- plans regarding lawsuits, arbitration, and any related indemnification of Company employees;
- our strategy and expectations for clinical development and commercialization of our products;
- potential strategic partnerships;
- expectations regarding the effectiveness of our products;
- plans for research and development and related costs;
- statements about accounting assumptions and estimates;
- expectations regarding liquidity and the sufficiency of cash to fund operations through the first quarter of 2014;

- our commitments and contingencies; and
- our market risk exposure.

Forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which Galectin Therapeutics operates, and management's beliefs and assumptions. These statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties are related to, without limitation: our early stage of development; our dependence on outside capital; uncertainties related to our technology and clinical trials, intellectual property protection, uncertainties of regulatory approval requirements for our products; competition and stock price volatility in the biotechnology industry, limited trading volume for our stock, concentration of ownership of our stock, and other risks detailed herein and from time to time in our SEC reports, including our Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31, 2012, and our subsequent SEC filings. The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto of Galectin Therapeutics appearing elsewhere herein.

Overview

We are a development-stage company engaged in drug research and development to create new therapies for fibrotic disease and cancer. Galectins are a class of proteins that are made by many cells in the body. As a group, these proteins are able to bind to sugar molecules that are part of other proteins in and on the cells of our body. Galectin proteins act as a kind of glue, bringing together molecules that have sugars on them. Galectin proteins are known to be markedly increased in a number of important diseases including scaring of organs (e.g. liver, lung, kidney, and heart) and cancers of many kinds. The increase in galectin protein promotes the disease and is detrimental to the patient.

Our drug candidates are based on our method of targeting galectin proteins, which are key mediators of biologic and pathologic functions. We use naturally occurring, readily-available plant materials as starting material in manufacturing processes to create proprietary complex carbohydrates with specific molecular weights and other pharmaceutical properties. These complex carbohydrate molecules are appropriately formulated into acceptable pharmaceutical formulations. Using these unique carbohydrate-based candidate compounds that bind and inhibit galectin proteins, we are undertaking the focused pursuit of therapies for indications where galectins have a demonstrated role in the pathogenesis of a given disease. We focus on diseases with serious, life-threatening consequences to patients and those where current treatment options are limited. Our strategy is to establish and implement clinical development programs that add value to our business in the shortest period of time possible and to seek strategic partners when a program becomes advanced and requires additional resources.

We endeavor to leverage our scientific and product development expertise as well as established relationships with outside sources to achieve cost-effective and efficient development. These outside sources, amongst others, provide us with expertise in preclinical models, pharmaceutical development, toxicology, clinical development, pharmaceutical manufacturing, sophisticated physical and chemical characterization, and commercial development. We also have established a collaborative scientific discovery program with leading experts in carbohydrate chemistry and characterization. This discovery program is aimed at the targeted development of new molecules which bind galectin proteins and offer alternative options to larger market segments in our primary disease targets. We are pursuing a development pathway to clinical enhancement and commercialization for our lead compounds in liver fibrosis and fatty liver disease as well as in immune enhancement for cancer therapy. All of our proposed products are presently in development, including pre-clinical and clinical trials.

Our Drug Development Programs

We have two compounds in development, one intended to be used in the treatment of liver fibrosis and fatty liver disease and the other intended to be used in cancer therapy. These two compounds are produced from completely different, natural, readily available, starting materials, which, following chemical processing, both exhibit the property of binding to and inhibiting galectin proteins.

Our product pipeline is shown below:

Indication	Drug	Status
Fibrosis		
NASH with Advanced Fibrosis	GR-MD-02	IND submitted January 2013, FDA indicated on March 1, 2013 that we could proceed with a Phase 1 US clinical trial. Phase I clinical trial expected to start Q2-2013
Cancer Immunotherapy		
Melanoma	GM-CT-01	Phase I/II study in process in Europe

We believe the mechanism of action for GR-MD-02 and GM-CT-01 is based upon interaction with, and inhibition of, galectin proteins, which are expressed at high levels in certain pathological states including inflammation, fibrosis and cancer. While GR-MD-02 and GM-CT-01 are capable of binding to multiple galectin proteins, we believe that they have the greatest affinity for galectin-3, the most prominent galectin implicated in pathological processes. Blocking galectin in cancer and liver fibrosis has specific salutary effects on the disease process.

GR-MD-02. The main initiative in our development strategy is the application of galectin inhibition in connection with liver fibrosis, a condition that leads to cirrhosis. We believe that GR-MD-02 has the potential to treat nonalcoholic steatohepatitis (NASH) and other forms of liver fibrosis. The driving factor for our commitment to galectin inhibition for fibrosis is scientific evidence that strongly suggests that galectin-3 is essential for the development of liver fibrosis in animals. Published data show that mice lacking the galectin-3 gene are incapable of developing liver fibrosis in response to toxin insult to the liver and in fatty liver disease. Moreover, mice that do not have the galectin-3 gene are resistant to lung and kidney fibrosis. Our preclinical data show that GR-MD-02 has a powerful therapeutic effect on liver fibrosis as shown in several relevant animal models. Therefore, we chose GR-MD-02 as the lead candidate in a development program targeted initially at fibrotic liver disease associated with non-alcoholic steatohepatitis (NASH, or fatty liver disease). Pre-clinical studies also show promise for the combination of GR-MD-02 with other approved immunotherapies and this additional use will be explored for possible advancement into clinical trials.

In January 2013, an Investigational New Drug (“IND”) was submitted to the FDA with the goal of initiating a Phase I study in patients with NASH and advanced liver fibrosis to primarily evaluate the human safety of GR-MD-02 and pharmacodynamics biomarkers of disease are also included in the trial design. On March 1, 2013, the FDA indicated we could proceed with a U.S. Phase 1 clinical trial for GR-MD-02 with a development program aimed at obtaining support for a proposed indication of GR-MD-02 for treatment of NASH with advanced fibrosis. In February 2013 we entered into an agreement with Clinical Trial Services Inc. (“CTI”) to conduct a Phase I clinical trial of GR-MD-02 to assess safety and preliminary evidence of efficacy in humans. We expect to begin enrolling patients in this trial late in the second quarter of 2013 and we expect top line results by late 2013 or early 2014. In mid-2014, depending on the results of the Phase I study and available funding, we may initiate a Phase II clinical trial to assess the efficacy of GR-MD-02 in patients with NASH and advanced liver fibrosis and based on that timing we would expect top-line clinical results by mid to late 2015.

GM-CT-01. We believe the potential exists for galectin inhibition to play an important role in cancer therapy. Galectin proteins, particularly galectin-1 and galectin-3, have been shown to be highly expressed in the majority of cancers and have multiple roles in promoting cancer progression, including tumor cell invasion, metastasis, angiogenesis, and tumor evasion of the immune system. GM-CT-01 has progressed in development for the therapy of colorectal cancer and is currently in a Phase I/II clinical trial in Europe as a combination therapy with a tumor vaccine in patients with advanced melanoma. The current developmental approach for GM-CT-01 is to enhance the activity of the immune system against the cancer.

In May 2012, we initiated a Phase I/II clinical trial of GM-CT-01 in Belgium in combination with a tumor vaccine in patients with advanced melanoma, a deadly skin cancer. The Belgian Federal Agency of Medicine and Health Products, or FAMHP, granted approval for this clinical trial, which is being conducted at three centers in Belgium and one in Luxembourg. There are two primary cohorts of patients in this study, one where GM-CT-01 is given intravenously (Cohort 1) and a second cohort where GM-CT-01 is given both intravenously and directly injected into a cutaneous metastasis (Cohort 2). Because of patient availability, Cohort 1 is expected to be enrolled faster than Cohort 2. For each cohort, 6 patients will be enrolled in stage one of the study, and if at least one out of six patients has a response (PR or CR by RECIST criteria), the remaining patients will be enrolled up to a total of 23 per cohort. We expect the first stage of Cohort 1 of this trial (involving 6 evaluable patients) to be completed in the second quarter of 2013 and that it will provide data that could deliver an indication of efficacy. Depending on the results of Stage 1, which is defined as a partial or complete response by RECIST criteria in at least one out of six patients, the study could continue enrollment to complete Stage 2 (46 total patients), initiate a new Phase II trial based on positive results or be halted because of lack of efficacy. Stage 1 of the trial is being funded by the Cancer Centre at the Cliniques Universitaires Saint-Luc and Stage 2 may require funding from the Company, beyond the provision of material, however, we have no commitment to fund Stage 2 of the trial. We do not control this Phase I/II clinical trial in Belgium which is being conducted under an EMA-approved IMPD. We are the sponsor of an open IND application under the FDA for GM-CT-01; no trials are currently being conducted in the U.S.

Results of Operations

Three Months Ended March 31, 2013 Compared to Three Months Ended March 31, 2012

Research and Development Expense.

	Three Months Ended March 31,		2013 as Compared to 2012 Three Months	
	2013	2012	$ Change	% Change
	(In thousands, except %)			
Research and development	$ 1,752	$ 901	$851	94%

We generally categorize research and development expenses as either direct external expenses, comprised of amounts paid to third party vendors for services, or all other research and development expenses, comprised of employee payroll and general overhead allocable to research and development. We consider a clinical program to have begun upon acceptance by the FDA, or similar agency outside of the United States, to commence a clinical trial in humans, at which time we begin tracking expenditures by the product candidate. Clinical program expenses comprise payments to vendors related to preparation for, and conduct of, all phases of the clinical trial, including costs for drug manufacture, patient dosing and monitoring, data collection and management, oversight of the trials and reports of results. Pre-clinical expenses comprise all research and development amounts incurred before human trials begin, including payments to vendors for services related to product experiments and discovery, toxicology, pharmacology, metabolism and efficacy studies, as well as manufacturing process development for a drug candidate.

We have two product candidates, GR-MD-02 and GM-CT-01. We filed for an IND for GR-MD-02 in January 2013 and in February 2013 we entered into an agreement with CTI to conduct a Phase I clinical trial of GR-MD-02 which we expect will begin enrolling patients late in the second quarter of 2013. GM-CT-01 is in a Phase I/II clinical trial in Europe at this time, which is being conducted in collaboration with the Cancer Centre at the Cliniques Universitaires Saint-Luc and the Ludwig Institute for Cancer Research in Belgium.

Our research and development expenses were as follows:

	Three Months Ended March 31,	
	2013	2012
	(in thousands)	
Direct external expenses:		
Clinical activities	$ 743	$ 248
Pre-clinical activities	553	320
All other research and development expenses	456	333
	$ 1,752	$ 901

Clinical programs expenses increased primarily due to the startup costs related to our Phase I clinical trial agreement with CTI during the three months ended March 31, 2013 versus primarily compound manufacturing costs during the three months ended March 31, 2012 for GM-CT-01. As we begin enrolling patients in the Phase I trial we expect our clinical activities costs will increase and may fluctuate from quarter to quarter as the trial progresses. Pre-clinical activities increased primarily due to pre-clinical work related to fibrosis prior to the IND approval as well as our agreement with the University of Georgia. Other research and development expense increased primarily due to increased stock-based compensation ($170,000).

Both the time required and costs we may incur in order to commercialize a drug candidate that would result in material net cash inflow are subject to numerous variables, and therefore we are unable at this stage of our development to forecast useful estimates. Variables that make estimates difficult include the number of clinical trials we may undertake, the number of patients needed to participate in the clinical trial, patient recruitment uncertainties, trial results as to the safety and efficacy of our product, and uncertainties as to the regulatory agency response to our trial data prior to receipt of marketing approval. Moreover, the FDA or other regulatory agencies may suspend clinical trials if we or an agency believes patients in the trial are subject to unacceptable risks, or find deficiencies in the conduct of the clinical trial. Delays or rejections may also occur if governmental regulation or policy changes during our clinical trials or in the course of review of our clinical data. Due to these uncertainties, accurate and meaningful estimates of the ultimate cost to bring a product to market, the timing of costs and completion of our program and the period during which material net cash inflows will commence are unavailable at this time.

General and Administrative Expense.

	Three Months Ended March 31,		2013 as Compared to 2012 Three Months	
	2013	2012	$ Change	% Change
	(In thousands, except %)			
General and administrative	$ 1,456	$ 1,052	$404	38%

General and administrative expenses consist primarily of salaries including stock based compensation, legal and accounting fees, insurance, investor relations, business development and other office related expenses. The primary reason for the increase for the three-months ended March 31, 2013 as compared to the same period in 2012 is due to increased stock-based compensation ($209,000), increased legal expenses ($125,000) related to ongoing litigation with the Company's former CEO, Dr. Platt, as well as increased investor relations, insurance and public company related costs (altogether an increase of $90,000), offset by decreased rent ($62,000) due to our relocation in October 2012.

Liquidity and Capital Resources

As described above in the Overview and elsewhere in this Quarterly Report on Form 10-Q, we are in the development stage and have not generated any revenues.

Since our inception on July 10, 2000, we have financed our operations from proceeds of public and private offerings of debt and equity. As of March 31, 2013, we raised a net total of $68.8 million from these offerings. We have operated at a loss since our inception and have had no significant revenues. We anticipate that losses will continue for the foreseeable future. At March 31, 2013, we had $7.0 million of unrestricted cash and cash equivalents available to fund future operations. We believe that with the cash on hand at March 31, 2013, there is sufficient cash to fund operations through the first quarter of 2014. Our ability to fund operations after our current cash resources are exhausted depends on our ability to obtain additional financing or achieve profitable operations, as to which no assurances can be given. We have developed several plans, including cost containment efforts and potential strategic alternatives in the event that such financing cannot be realized by us. Accordingly, based on the forecasts and estimates underlying our current operating plan, the financial statements do not currently include any adjustments that might be necessary if we are unable to continue as a going concern.

Net cash used in operations increased by $937,000 to $2,423,000 for the three months ended March 31, 2013, as compared to $1,486,000 for the three months ended March 31, 2012. Cash operating expenses increased principally due to increased research and development activities related to our clinical trial activity with GR-MD-02.

Net cash provided by financing activities was $77,000 during the three months ended March 31, 2013 from cash paid for option exercises as compared to $10,403,000 during the three months ended March 31, 2012, due to a public offering we completed in the first quarter of 2012.

Payments Due Under Contractual Obligations

The following table summarizes the payments due under our contractual obligations at March 31, 2013, and the effect such obligations are expected to have on liquidity and cash flow in future periods:

	Payments due by period (in thousands)				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Operating leases	$ 72	$ 46	$ 26	$ -	$ -
Total payments due under contractual obligations	$ 72	$ 46	$ 26	$ -	$ -

Operating leases.

In September 2012, we entered into an operating lease for office space in Norcross, GA for a term of twenty-six months, beginning on October 1, 2012 and ending November 30, 2014 at a rate of $3,000 per month. The lease provided for free rent for the first two months of the lease and required a security deposit of $6,000. In addition to base rental payments included in the contractual obligations table above, we are responsible for our pro-rata share of increases in the operating expenses for the building.

In October 2012, we entered into an operating lease for office space collocated with lab space for research and development activities. The lease is for a period of one year, beginning on October 1, 2012, for a rate of $15,000 for the term, payable in monthly increments.

Agreement with CTI for Phase I Clinical Trial

On February 1, 2013, the Company entered into an Amended and Restated Master Services Agreement (the "Agreement") with CTI Clinical Trial Services, Inc. and CTI Clinical Consulting Services, Inc. (individually and collectively, "CTI"), whereby CTI will assist the Company in the design, development and conduct of one or more clinical research studies from time to time. All work performed by CTI for the Company will be conducted pursuant to the terms of work orders that describe the specific obligations undertaken by CTI with respect to any particular clinical research study sponsored or conducted by the Company. Unless otherwise terminated sooner in accordance with the terms of the Agreement, the Agreement will be effective until January 31, 2018.

On February 1, 2013, the Company entered into a work order (the "Work Order") with CTI in accordance with the terms of the Agreement. The Work Order provides that CTI will provide services with respect to the Company's Phase I Clinical Trial to evaluate the safety of the Company's drug GR-MD-02 in subjects with Non-Alcoholic Steatohepatitis ("NASH") with advanced hepatic fibrosis. CTI will provide the following services, amongst others, with respect to the Work Order: reviewing and providing notices regarding IND safety reports, selecting investigators and monitors for the study, informing investigators of new observations, monitoring the progress of the study and reviewing ongoing investigations, keeping certain records, inspecting the Company's records and reports, and disposing of any unused supply of the investigational drug.

The Work Order provides for CTI's anticipated involvement in the study from February 1, 2013 until March 31, 2014. The estimated budget for the Work Order is $2,155,000, which is subject to change as necessary, with payments made throughout the term of the project as the work is performed. During the three months ended March 31, 2013, the Company recognized $728,000 of expenses related to this agreement for services performed during the period.

The Agreement or any work order may be terminated for any reason by any party upon ninety (90) days prior written notice to the other party. In addition, the Agreement may be terminated by either party immediately if the other party becomes insolvent, is dissolved or liquidated, makes a general assignment for the benefit of its creditors, files or has filed against it (and does not obtain a dismissal within ninety (90) days) a petition of bankruptcy, or has a receiver appointed for it or a substantial part of its assets, among other reasons. Further, the Agreement or any relevant work order may be terminated immediately by written notice from the Company, in the following circumstances: (1) the FDA withdraws authorization and approval to conduct a study; or (2) the Company reasonably determines that for medical, clinical or patient safety reasons, a study should terminate immediately. In addition, either party may terminate the Agreement or any work order for material breach upon thirty (30) days' written notice specifying the nature of the breach, if such breach has not been substantially cured within the thirty (30) day period.

Drug Discovery Program with the University of Georgia

In February 2013, the Company established a collaborative drug discovery program at the Complex Carbohydrate Research Center at the University of Georgia. This program is focused on the discovery of new carbohydrate molecules that can be used in the therapy of diseases where galectin proteins play a major role, including cancer and inflammatory and fibrotic disorders. The term of the agreement is effective through December 31, 2013, for which the Company will provide funding of $154,000 during the period as work is performed. This agreement may be terminated by either party upon 90 days notice.

Separation agreement.

In February 2009, we entered into a Separation Agreement in connection with the resignation of David Platt, Ph.D., the Company's former Chief Executive Officer and Chairman of the Board of Directors. The Separation Agreement provides for the deferral of a $1.0 million separation payment due to Dr. Platt upon the earlier occurrence of any of the following milestone events: (i) the approval by the Food and Drug Administration for a new drug application ("NDA") for any drug candidate or drug delivery candidate based on the GM-CT-01 technology (whether or not such technology is patented), in which case Dr. Platt is also entitled to a fully vested 10-year cashless-exercise stock option to purchase at least 83,334 shares of common stock at an exercise price not less than the fair market value of the common stock determined as of the date of grant; (ii) consummation of a transaction with a pharmaceutical company expected to result in at least $10.0 million of equity investment or $50 million of royalty revenue to the Company, in which case Dr. Platt is also entitled to stock options on the same terms to purchase at least 50,000 shares of common stock; or (iii) the renewed listing of our securities on a national securities exchange and the achievement of a market capitalization of $100 million. Payment upon the events (i) and (iii) may be deferred up to six months, and if we have insufficient cash at the time of any of such events, we may issue Dr. Platt a secured promissory note for such amount. If we file a voluntary or involuntary petition for bankruptcy, whether or not a milestone event has occurred, such event shall trigger our obligation to pay the $1.0 million with the result that Dr. Platt may assert a claim for such obligation against the bankruptcy estate. During 2011, when it

became probable that our common stock could be relisted on a national securities exchange and eventually reach a market capitalization of $100 million, we recognized the $1.0 million severance payment due to Dr. Platt and it is included in accrued expenses at March 31, 2013 and December 31, 2012.

On May 2, 2012, Dr. Platt instituted arbitration before the American Arbitration Association, seeking a $1.0 million separation payment based on a claim that a milestone event in the Separation Agreement has occurred (see clause (iii) above). On March 22, 2012, the Company's common stock was listed on the NASDAQ Capital Markets, but since that date, the stock has not achieved the required market capitalization. Therefore, it is the Company's position that a milestone event has not yet occurred. The arbitration hearing was held on October 16 – 17, 2012 and on November 1, 2012, the arbitrator denied Dr. Platt's demand in all respects. Insofar as the Company does not dispute its obligations under the Separation Agreement to pay Dr. Platt upon the occurrence of a milestone event, it has recorded the payment as an accrued expense payable if and when the milestone event occurs.

On October 12, 2012, Dr. Platt commenced a lawsuit under the Massachusetts Wage Act against Dr. Traber and Mr. McGauley who in their capacities as the Company's Chief Executive Officer and Chief Financial Officer respectively can be held individually liable under the Wage Act for non-payment of wages. The lawsuit was based on the facts and issues raised in the arbitration regarding the payment of the $1.0 million separation payment under the Separation Agreement, and other unspecified "wages". The statute provides that a successful claimant may be entitled to multiple damages, interest and attorneys fees. Although the Company is not a party to the lawsuit, it plans to indemnify Dr. Traber and Mr. McGauley consistent with its obligations under the by-laws and applicable law, believes the lawsuit is without merit, and intends a vigorous defense on their behalf. On April 29, 2013, the Court allowed Dr. Traber's and Mr. McGauley's motion to dismiss.

On March 29, 2013, the Company instituted arbitration before the American Arbitration Association, seeking to rescind or reform the Separation Agreement discussed above. The Company claims that Dr. Platt fraudulently induced the Company to enter into the Separation Agreement, breached his fiduciary duty to the Company, and was unduly enriched from his conduct. Along with removal of the $1.0 million milestone payment provided for under the Separation Agreement, the Company is seeking repayment of all separation benefits paid to Dr. Platt to date. Depending on the outcome of the arbitration, the previously accrued $1.0 million could be reversed. The timing and ultimate outcome of this arbitration, though, is uncertain and there is no guarantee that we will be successful in this demand.

Other.

We have engaged outside vendors for certain services associated with our clinical trials. These services are generally available from several providers and, accordingly, our arrangements are typically cancellable on 30 days notice.

Off-Balance Sheet Arrangements

We have not created, and are not a party to, any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating parts of our business that are not consolidated into our financial statements. We do not have any arrangements or relationships with entities that are not consolidated into our financial statements that are reasonably likely to materially affect our liquidity or the availability of capital resources.

Application of Critical Accounting Policies and Estimates

The preparation of condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to intangible assets, accrued expenses, stock-based compensation, contingencies and litigation. We base our estimates on historical experience, terms of existing contracts, our observance of trends in the industry, information available from other outside sources and on various other factors that we believe to be appropriate under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those policies that affect our more significant judgments and estimates used in preparation of our consolidated financial statements. We believe our critical accounting policies include our policies regarding stock-based compensation, accrued expenses and income taxes. For a more detailed discussion of our critical accounting policies, please refer to our 2012 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of loss that may impact our financial position, operating results or cash flows due to changes in the U.S. interest rates. The primary objective of our investment activities is to preserve cash until it is required to fund operations. To minimize risk, we maintain our portfolio of cash and cash equivalents in operating bank accounts and money market funds. Since our investments are short-term in duration, we believe that we are not subject to any material market risk exposure.

Item 4. Controls and Procedures

Our management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934) and concluded that, as of March 31, 2013, our disclosure controls and procedures were effective at a reasonable assurance level. During the quarter ended March 31, 2013, no change in our internal control over financial reporting has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

As previously disclosed in the Company's Form 10-K for the year ended December 31, 2012, David Platt, Ph.D., the Company's former Chief Executive Officer and Chairman of the Board of Directors, commenced a lawsuit on October 12, 2012, under the Massachusetts Wage Act against Peter G. Traber, M.D. and Mr. Thomas A. McGauley, who in their capacities as the Company's Chief Executive Officer and Chief Financial Officer respectively can be held individually liable under the Wage Act for non-payment of wages.

On April 29, 2013, the Court allowed Dr. Traber's and Mr. McGauley's motion to dismiss.

On March 29, 2013, the Company instituted arbitration before the American Arbitration Association, seeking to rescind or reform Dr. Platt's Separation Agreement with the Company. The Company claims that Dr. Platt fraudulently induced the Company to enter into the Separation Agreement, breached his fiduciary duty to the Company, and was unduly enriched from his conduct. Along with removal of the $1.0 million milestone payment provided for under the Separation Agreement, the Company is seeking repayment of all separation benefits paid to Dr. Platt to date.

Item 1A. Risk Factors

The information set forth in this report should be read in conjunction with the risk factors set forth in Item 1A, "Risk Factors," of Part I of our Annual Report on Form 10-K for the year ended December 31, 2012, which could materially impact our business, financial condition or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

On May 6, 2013, the Company modified the terms of the Class A-2 and Class B warrants that were originally issued with the Series B Preferred Stock offering. The Class B warrants were modified to allow for the cashless exercise of all 4,000,000 outstanding Class B warrants. Previously, only half of the Class B warrants allowed for cashless exercise. The Class A-2 warrants for the purchase of 1,000,000 shares of common and all of the Class B warrants had their exercisable life extended by an additional five years. In exchange for these modifications, the 10X Fund agreed that the Series B Preferred Stock will no longer be mandatorily redeemable, if and when the Company will no longer be required to issue Dr. Platt a promissory note as may currently be required under the separation agreement (see Note 8).

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Item 6. Exhibits

Exhibit Number	Description of Document	Note Reference
3.1	Amended and Restated Bylaws of Galectin Therapeutics Inc.	1
3.2	Restated Articles of Incorporation of Galectin Therapeutics Inc.	1
10.1*	Amended and Restated Master Services Agreement dated February 1, 2013 between Galectin Therapeutics Inc. and CTI Clinical Trial Services, Inc. and CTI Clinical Consulting Services Inc.	
31.1*	Certification Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934	
31.2*	Certification Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934	
32.1**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
32.2**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
101.INS	XBRL Instance Document*	
101.SCH	XBRL Taxonomy Extension Schema Document*	
101.CAL	XBRL Taxonomy Calculation Linkbase Document*	
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*	
101.LAB	XBRL Taxonomy Label Linkbase Document*	
101.PRE	XBRL Taxonomy Presentation Linkbase Document*	

* Filed herewith.

** Furnished herewith and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

1. Incorporated by reference to the Company’s Current Report on Form 8-K filed with the Commission on May 30, 2012.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on May 10, 2013.

GALECTIN THERAPEUTICS INC.

By: /s/ Peter G. Traber
Name: Peter G. Traber, M.D.
Title: Chief Executive Officer and President

/s/ Thomas A. McGauley
Name: Thomas A. McGauley
Title: Chief Financial Officer

Exhibit 10.1

AMENDED AND RESTATED MASTER SERVICES AGREEMENT

This Amended and Restated Master Services Agreement (the "Agreement") is made as of the 31st day of January, 2013 ("Effective Date") by and between Galectin Therapeutics ("Sponsor") with offices located at 7 Wells Avenue, Suite 34, Newton, MA 02459 and CTI Clinical Trial Services, Inc. and CTI Clinical Consulting Services, Inc. (individually and collectively, "CTI") with offices located at 10123 Alliance Road, Cincinnati, OH 45242.

Introduction

Sponsor and CTI entered into that certain Master Services Agreement dated as of August 30, 2012 (the "Original Agreement"), and desire to amend and restate the Original Agreement in its entirety as provided in this Agreement. Sponsor has sponsored and/or conducted pursuant to the Original Agreement, and may sponsor and/or conduct pursuant to this Agreement, one or more clinical research studies from time to time. CTI is knowledgeable and experienced in the design, management and conduct of such studies. Sponsor wishes to retain CTI to assist Sponsor in the design, development and conduct of these studies and CTI desires to provide such assistance, on the terms and conditions set forth in this Agreement.

To that end, Sponsor and CTI now agree as follows:

1. **Services**. From time to time, CTI will provide Sponsor certain clinical research or design and development services pursuant to the terms of this Agreement. Prior to the commencement of such services, CTI and Sponsor shall agree upon and execute and deliver a work order or work orders (each a "Work Order") that will describe the specific obligations transferred by Sponsor to CTI (the "Services") in the performance of a particular clinical research study sponsored or conducted by Sponsor (each a "Study"). Each Work Order will be a separate agreement and will incorporate the terms of this Agreement by reference. In the event of any conflict between the terms and conditions of this Agreement and the terms and conditions of any Work Order, terms and conditions of this Agreement shall control unless expressly specified otherwise in a Work Order, A sample form of Work Order is attached to this Agreement as Exhibit A.

CTI represents to Sponsor that it is not a party to any agreement which would prevent it from fulfilling its obligations under this Agreement and, that during the term, CTI agrees it will not enter into any agreement to provide services which would in any way prevent it from providing the Services as contemplated under this Agreement.

CTI will ensure that the Services are carried out by qualified and experienced staff. CTI covenants that it will render the Services in accordance with its applicable standard operating procedures and to the highest professional standards and will make all efforts to maintain consistently high levels of accuracy and expertise. CTI will comply with all applicable laws, rules, regulations and guidelines relating to the conduct of clinical investigations, including, without limitation, 21 C.F.R. Parts 50, 54, 56 and 312, the International Conference on Harmonization Guidelines for Good Clinical Practices

(collectively, “Applicable Law”) and other good clinical practice requirements (collectively, “Applicable Requirements”). The parties agree to comply with the Health Insurance Portability and Accountability Act (45 C.F.R. Parts 160, 162 and 164, as well as the regulations thereunder) and any state, municipal or local law, ordinance or regulation protecting the privacy of individual health information (collectively “Privacy Laws and Regulations”).

2. **Personnel**. CTI shall ensure that appropriately trained and qualified employees and contractors of CTI deliver the Services outlined in each Work Order. CTI must obtain the prior written consent of Sponsor regarding any contractor which CTI proposes to engage to deliver the Services outlined in any Work Order. CTI also must obtain the prior written consent of Sponsor with respect to a decision by CTI to utilize any CTI employee that CTI proposes to have a substantive role in the delivery of the Services with respect to any Work Order that is not so engaged as of the Effective Date. However, such prior written consent shall not be required with respect to those employees whose involvement in the Study is limited to only non-substantive activities (e.g., monitors, etc.).

If CTI contracts with investigators or investigative sites (collectively, “Investigators”), any such contract shall be on a form mutually acceptable to CTI and Sponsor. If an Investigator requests any material changes to such form, CTI shall submit the proposed change to Sponsor, and Sponsor shall promptly review, comment on and/or approve such proposed changes. The parties acknowledge and agree that Investigators shall not be considered the employees, agents, or subcontractors of CTI or Sponsor, and that Investigators shall exercise their own independent medical judgment with respect to the applicable Study. CTI’s responsibilities with respect to Investigators shall be limited to those responsibilities specifically set forth in this Agreement and applicable Work Orders.

If CTI will be paying Investigators on behalf of Sponsor, the parties will agree to a schedule of amounts to be paid to Investigators. Sponsor acknowledges and agrees CTI will only pay Investigators from advances or pre-payments received from Sponsor for Investigators’ services, and that CTI will not make payments to Investigators prior to receipt of sufficient funds from Sponsor. Sponsor acknowledges and agrees that CTI will not be responsible for delays in a Study to the extent that such delays are caused by Sponsor’s failure to make adequate pre-payment for Investigators’ services. Sponsor further acknowledges and agrees that payments for Investigator’s services are pass-through payments to third parties and are separate from payments for CTI Services. Sponsor agrees that it will not withhold Investigator payments except to the extent that it has reasonable questions about the services performed by a particular Investigator.

CTI shall have Investigators complete and return to Sponsor such financial disclosure forms as may be required to comply with Applicable Regulations pertaining to financial disclosures of clinical investigators.

The parties agree that any payments to Investigators are not intended to encourage, and are not being given in exchange for any explicit or implicit agreement to: (i) order,

purchase, prescribe or recommend any Sponsor product; or (ii) influence or provide favorable formulary status for any Sponsor product. Payments have not been determined in a manner that would take into account the volume or value of referrals or business, if any, generated between Sponsor and any investigator, sub-investigator or their practice.

By entering into this Agreement, each party attests that it understands what is required of it for the Study under Applicable Law and Applicable Requirements, and commits to complying with such law and requirements. CTI hereby certifies to Sponsor that it is not, has not been, or has not used, nor will it use the services of any person, debarred under 21 U.S.C, 335a, as amended, or disqualified by any regulatory authority, or otherwise found by any regulatory authority to have violated any Applicable Law or Applicable Requirements concerning the conduct of clinical investigations or excluded from participation in any state or federal healthcare program (collectively, "Debarred" or "Debarment") in any capacity in connection with any of the services or work provided hereunder. In the event that during the term of this Agreement, CTI or any of its Investigators or any of their employees or agents (i) becomes Debarred or (ii) receives notice of an action or threat of an action with respect to its Debarment, CTI shall notify Sponsor immediately.

3. **Transfer of Obligations; Regulatory Compliance; Inspection**. The specific obligations transferred by Sponsor to CTI in any particular Study will be detailed in the relevant Work Order or Transfer of Obligations Form. Sponsor will retain those responsibilities not specifically listed in that Work Order. Sponsor shall at all times be the "Sponsor" of each Study pursuant to the terms of the U.S. Food, Drug and Cosmetic Act, as from time to time amended (the "Act"). Sponsor will maintain all direct communication, whether oral, electronic or hard copy, with the U.S. Food and Drug Administration (the "FDA") at all times with respect to the Study, and CTI will not engage in any such communications regarding the Study without the prior written consent of Sponsor. Sponsor will cooperate with CTI in taking any action that CTI reasonably believes is necessary to comply with the regulatory obligations that have been transferred to CTI.

Each party acknowledges that the other party may respond independently to any regulatory correspondence or inquiry in which such party or its affiliates is named and which does not relate to the Services provided under this Agreement. Each party however, shall: (a) notify the other party promptly of any FDA or other U.S. or non-US. governmental or regulatory inspection or inquiry relating to the Services provided by CTI under this Agreement including, but not limited to, inspections of investigational sites; (b) forward to the other party copies (within five (5) business days) of any correspondence from any regulatory or governmental agency relating to a Study, including, but not limited to, Form FD-483 notices, and FDA refusal to file, rejection or warning letters, even if they do not specifically mention the other party; (c) give the other party the opportunity to review and comment upon any response to a regulatory authority relative to the Services or a Study under this Agreement before such response is submitted, such review and comment to be conducted promptly and without delay; and (d) obtain the written consent of the other party, which will not unreasonably be withheld, before referring to the other party or any of its affiliates in any regulatory correspondence

relative to the Services or a Study under this Agreement. Where reasonably practicable, each party will be given the opportunity to have a representative present during a FDA or regulatory inspection. Each party however, acknowledges that it may not direct the manner in which the other party fulfills its obligations to permit inspection by governmental entities. Notwithstanding the foregoing, CTI will promptly notify Sponsor of any FDA or other U.S. or non-US. governmental or regulatory inspection or inquiry with respect to CTI not relating to the Services or the Study but which is reasonably likely to have an impact on CTI's performance of the Services and/or its other obligations under this Agreement and, to the extent legally permissible, discuss with Sponsor such potential impact.

Each party agrees that, during an inspection by the FDA or other regulatory authority concerning any Study for which CTI is providing the Services, it will not disclose information and materials that are not required to be disclosed to such authority, without the prior written consent of the other party, which shall not unreasonably be withheld. Such information and materials includes, but are not limited to (i) financial data and pricing data (including, but not limited to, the Budget); (ii) sales data (other than shipment data); and (iii) personnel data (other than data as to qualification of technical and professional persons performing functions subject to regulatory requirements).

During the term of this Agreement, CTI will permit Sponsor's representatives (unless such representatives are competitors of CTI) to examine and review, without any additional cost to Sponsor, the work performed hereunder and any facilities at which the work is conducted, upon reasonable advance notice and at mutually agreeable times during regular business hours to determine that the Services are being performed in accordance with this Agreement and the Work Orders. In the event of a more format audit, unless the costs of governmental or Sponsor audits are specifically included in the Budget, or a governmental "for cause" audit is conducted as a result of CTI activities, Sponsor shall reimburse CTI for its time and expenses, including reasonable attorney fees, associated with such audits, including the costs of responding to the findings of any such audit.

4. **Scope of Work and Payment**. The Work Order or Work Orders for each Study will include a scope of work statement that details CTI's Services for that Study (the "Scope of "Work"). The Work Order will also include a budget and payment schedule for CTI's Services for each Study (the "Budget"), and Sponsor will pay CTI for the Services accordingly. The aggregate fees and expenses set forth in that schedule will not change or be modified unless authorized by both parties in writing. CTI will invoice Sponsor in accordance with the relevant Work Order. Each invoice will describe the Services performed, and any expenses billed will be supported by appropriate documentation. Sponsor will pay all uncontested amounts reflected on each invoice within 30 days of the date of its receipt thereof. If all or any portion of an invoice is contested, Sponsor will provide written notice and a summary of the contested items to CTI within ten (10) days of Sponsor's receipt of invoice. The parties shall work in good faith toward resolution of such items.

All changes to a Work Order will be in writing signed by both Sponsor and CTI and treated as amendments to the original Work Order. Any material changes in the details of this Agreement or a Work Order or the assumptions upon which the Agreement is based (including, but not limited to, changes in an agreed starting date for a Study, change in Scope of Work, or suspension of the Study) shall require a written amendment to this Agreement or the relevant Work Order(s) (a "Change Order"). Each Change Order shall detail the requested changes to the applicable task, responsibility, duty, budget, timeline or other matter. A Change Order will become effective upon execution of the Change Order by both parties, and CTI will be given a reasonable period of time within which to implement the changes. Both parties agree to act in good faith and promptly when considering a Change Order requested by the other party. CTI reserves the right to postpone effecting changes in a Work Order until such time as the parties agree to and execute the corresponding Change Order. Unless a Change Order is made in writing, Sponsor shall have no obligation to pay for charges not otherwise set forth in the Budget (Out of Scope Charges). For any Change Order that affects the scope of the regulatory obligations that have been transferred to CTI, CTI and Sponsor shall execute a corresponding amendment to the Transfer of Obligations Form. Such amendment shall be filed by Sponsor where appropriate, or as required by Applicable Law or Applicable Regulation.

5. **Term and Termination.** This Agreement will begin as of its stated Effective Date and will continue for a five (5) year period unless otherwise terminated under this Section 5. Each Work Order shall be effective as of, and remain in effect for the term specified in, each specific Work Order; provided, however, that if any Work Order does not specify an effective date or term, the effective date shall be the date that such Work Order is signed and dated by Sponsor and the term of such Work Order shall be the same as this Agreement. This Agreement or any Work Order may be terminated for any reason by any party upon ninety (90) days prior written notice to the other party. In addition, this Agreement may be terminated by either party immediately if the other party becomes insolvent, is dissolved or liquidated, makes a general assignment for the benefit of its creditors, files or has filed against it (and does not obtain a dismissal within ninety (90) days) a petition of bankruptcy, or has a receiver appointed for it or a substantial part of its assets. If a court order or Applicable Law or Applicable Regulation, including any applicable rules and regulations of the Securities and Exchange Commission, requires the termination of this Agreement or adversely impacts the continuation of the Study or the Study itself, then this Agreement may be terminated by either party immediately upon delivery of notice to the other party. Further, this Agreement or any relevant Work Order may be terminated immediately by written notice from Sponsor, in the following circumstances:

(1) The FDA withdraws authorization and approval to conduct a Study; or

(2) Sponsor reasonably determines that for medical, clinical or patient safety reasons, a Study should terminate immediately.

In addition, either party may terminate this Agreement or any Task Order for material breach upon thirty (30) days' written notice specifying the nature of the breach, if such breach has not been substantially cured within the thirty (30) day period.

Termination of a Work Order shall not affect any other Work Order; each Work Order shall continue in full force and effect until its expiration date or completion of the Services, unless specifically earlier terminated in accordance with the terms of this Agreement or the terms of that Work Order. Any termination of this Agreement will not affect the Services being performed under any particular Work Order, and the terms and conditions of this Agreement in its entirety shall remain incorporated by reference in that: Work Order except to the extent that the Work Order is also terminated in accordance with its terms or this Article 5. For any termination of this Agreement or any Work Order, both parties recognize that such an event will require discussion, cooperation and coordination between them to ensure patient safety, compliance with all Applicable Laws and Applicable Regulations and continuity of treatment (if appropriate). To that end, upon any termination of this Agreement or any Work Order, CTI will cooperate with Sponsor to provide for an orderly cessation of CTI Services. Additionally, unless otherwise stipulated by Sponsor, CTI will perform such Services as are reasonably necessary for an orderly termination and shall transfer to Sponsor all Study data, reports, and all related Study documents prepared but not yet submitted to Sponsor. Upon any termination of this Agreement or any Work Order, Sponsor shall promptly pay CTI for Services performed under this Agreement or such Work Order prior to the effective date of termination or in connection with the process of an orderly termination; provided, however, that the total of such payments shall not exceed the total amount remaining under the Budget. Sponsor's final payment to CTI will include reimbursement to CTI for all non-cancelable obligations and all pass-through expenses incurred prior to the effective date of termination or in connection with the process of an orderly termination. In the orderly cessation of activities, CTI will use its best efforts, consistent with good clinical practice, to minimize costs to be incurred by Sponsor for the Services.

6. **Confidentiality; Records**. In the course of fulfilling the mutual responsibilities under this Agreement and the Work Orders, there will be a sharing of confidential or proprietary information ("Confidential Information"), which will remain the property of the party disclosing such Confidential Information. Both parties expressly agree that all materials, documents and information concerning a Study (whether or not confidential), including, without limitation, the protocol, case report forms, all papers, records, clinical data and other data provided to or possessed or developed by CTI for use in a Study, except CTI Intellectual Property as defined in Section 9.D. below ("Records"), are the sole and exclusive Confidential Information and/or property of Sponsor. The parties agree that each will maintain the other party's Confidential Information in strict confidence, including, without limitation, methods, trade secrets, unpublished pending patents, ideas, products, services, processes, unpublished pre-clinical or clinical data, techniques and other proprietary information, and will use the same reasonable efforts to protect such information from unauthorized disclosures as are used to protect its own Confidential Information. The Confidential Information shall be used only for the purpose of performing the receiving party's obligations hereunder. Such Confidential Information shall not be disclosed to any other person without prior written permission of the disclosing party. This obligation of confidentiality shall extend to the parties' employees, officers, directors, agents and affiliates.

Confidential Information shall not include information that: (a) was already known to the receiving party, other than under an obligation of confidentiality, at the time of disclosure of the same, as demonstrated by competent written records; (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving party; (c) became generally available to the public or otherwise part of the public domain after its disclosure, other than through any act or omission of the receiving party in breach of this Agreement; (d) was disclosed to the receiving party, other than under an obligation of confidentiality, by a third party, who had no obligation not to disclose such information to others; or (e) was subsequently developed by the receiving party without use of the disclosing party's Confidential Information as demonstrated by competent written records.

The parties may disclose Confidential Information to the extent such disclosure is required to comply with applicable governmental regulations or to the extent ordered by a court exercising its right of authority over the disclosing party (subject to entry of an appropriate protective order), provided that if a party is required by such law, regulation or order to make any such disclosure of Confidential Information, such party shall give reasonable notice to the other party of such disclosure requirement and will use its reasonable efforts to secure confidential treatment of such Confidential Information required to be disclosed. The confidentiality provisions of this Agreement shall remain in full force and effect during the term of this Agreement and for ten (10) years thereafter.

CTI shall maintain all Records in a safe and secure manner and in compliance with all Applicable Laws and Applicable Requirements. CTI shall store all Records in compliance with the appropriate record retention regulations, Thereafter, prior to disposal of any Records, CTI shall give Sponsor not less than sixty (60) days written notice, and, if Sponsor so requests prior to such disposal, CTI shall transfer such Records to Sponsor at Sponsor's cost and expense. CTI shall make any and all Records available for inspection or duplication by Sponsor's authorized representatives during normal business hours. At any time and at Sponsor's cost and expense, Sponsor may request that CTI (i) deliver any or all Records to Sponsor or to a location specified by Sponsor, or (ii) dispose of Records as directed by Sponsor, unless such Records are required by Applicable Laws and Applicable Requirements to be stored or maintained.

7. **Non Exclusivity**.

The understanding contemplated herein is not exclusive and both parties shall be free to enter into similar arrangements with any third party, so long as such arrangements do not conflict with the terms of this Agreement or the interest of either party; provided, however, that the foregoing shall not serve to relieve either party from any other obligations hereunder including, without limitation, obligations of confidentiality, and with respect to ownership of information.

8. **Assignment**.

Neither party shall assign any or all of its rights and obligations under this Agreement without the prior written consent of the other, except that Sponsor and CTI may assign this Agreement in whole or in part to any of their affiliates.

9. **Intellectual Property**.

A. Ownership. All materials, documents and information obtained by, developed by or provided to CTI by or on behalf of Sponsor as part of the Services under this Agreement or any Work Order will be the exclusive property of Sponsor.

B. Inventions. CTI will disclose to Sponsor any and all inventions or discoveries that incorporate Sponsor Confidential Information and that are made by CTI as part of the Services under this Agreement or any Work Order ("Intellectual Property"). Further, CTI will assign all rights it may have in any such Intellectual Property to Sponsor.

C. Assistance. CTI will cooperate with Sponsor in executing any and all applications, assignments or other instruments reasonably necessary to apply for and obtain patent or other protection in the United States or any foreign country, or to otherwise protect Sponsor's interest in such Intellectual Property, Sponsor shall compensate CTI for its time and reasonable expenses required by this assistance.

D. Notwithstanding subsections A, B, and C above, all computer programs, software, applications, databases, proposals and other documentation generally used or developed by CTI, and any improvement, alteration or enhancement to these (that does not use Sponsor's Intellectual Property or unless specifically requested and paid for by Sponsor as part of the Services under this Agreement or any Work Order), are the exclusive and confidential property of CTI or the third parties from whom CTI has secured the right of use ("CTI Intellectual Property"). Any data sets in the format in which they are collected or any derivative thereof or other format to which such data sets may be converted are the property of Sponsor and will be transferred to Sponsor upon written request,

10. **Indemnification.**

A. CTI will hold harmless and indemnify Sponsor, its affiliates, employees, agents, representatives, officers, directors, shareholders, successors and assigns from and against all losses, damages, claims, costs, expenses, complaints, lawsuits or other liabilities, including reasonable attorney's fees and court costs, that arise as a result of the negligence or intentional misconduct of CTI or its affiliates, employees, agents, representatives, and assigns in its performance under this Agreement or any Work Order. This CTI indemnification does not apply to the extent any loss, damage, cost or expense is caused by or attributable to the negligence or intentional misconduct of Sponsor or any of its employees, agents, representatives or assigns. For purposes of this Section 10, intentional misconduct shall mean intentional falsification or destruction of data or records, intentional disclosure of confidential information, intentional mistreatment of Study subjects, intentional misuse of clinical trial materials, data or records, and/or similar intentional misconduct. Notwithstanding the

foregoing, CTI will indemnify and hold harmless Sponsor from any and all damages flowing from its, or any of its employees, violation of the Privacy Laws and Regulations.

B. Sponsor will hold harmless and indemnify CTI, its affiliates, employees, agents, representatives, officers, directors, shareholders, successors and assigns from and against all losses, damages, claims, costs, expenses, complaints, lawsuits or other liabilities, including reasonable attorney's fees and court costs, that arise as a result of (i) the negligence or intentional misconduct of Sponsor or its employees, agents, representatives and assigns, or (ii) personal injury or death alleged to have been caused by or attributed to any Study substance provided by Sponsor and dispensed or administered in the Study pursuant to the provisions of the Study protocol. This Sponsor indemnification does not apply to the extent any loss, damage, cost or expense is caused by or attributable to the negligence or intentional misconduct of CTI or any of its affiliates, employees, agents, representatives or assigns.

C. The indemnifying party shall be entitled, at its option, to control the defense and settlement of any claim for which it may be liable, provided that it shall act reasonably and in good faith with respect to all matters related to the settlement or disposition of the claim as the disposition or settlement relates to the indemnified party. The indemnified party shall reasonably cooperate in the investigation, defense and settlement of any claim for which indemnification is sought hereunder and shall provide prompt notice of any such claim or reasonably expected claim to the indemnifying party. Notwithstanding the foregoing, the indemnifying party shall not agree to any settlement of claim, liability or action without the consent of the indemnified party, which consent shall not be unreasonably withheld.

11. **Independent Contractor Relationship**. The parties to this Agreement and the applicable Work Orders are independent contractors. Neither party may offer or agree to incur or assume any obligations or commitments in the name of or on behalf of the other, except as specifically stated in this Agreement or in a Work Order.

12. **Miscellaneous.**

A. Delegation and Subcontracts. CTI may delegate part of its Services under a Work. Order to its affiliated companies or other subcontractors as it may require, and with prior written approval of Sponsor of such delegation. However, CTI remains principally responsible to Sponsor for the performance of all its Services and obligations under this Agreement, whether delegated, subcontracted or otherwise.

B. Non-Solicitation. During the term of this Master Agreement and for a period of twelve (12) months thereafter, neither Sponsor nor CTI shall recruit or otherwise induce any employee of the other party to terminate his/her employment or violate any agreement with, or duty to, CTI or Sponsor.

C. Force Majeure. Either party shall be excused from performing its obligations under this Agreement or any Work Order if its performance is delayed or prevented by a

cause beyond that party's reasonable control, including, but not limited to, acts of God, fire, explosion, weather, disease, war, insurrection, civil strife, riots, government action, or power failure. Performance will be excused only to the extent of and during the reasonable continuance of such disability. Any deadline or time for performance specified in a Work Order which falls due during or subsequent to the occurrence of any *force majeure* under this section will be extended for a period of time equal to the period of such disability, CTI will promptly notify Sponsor if, by reason of any *force majeure*, CTI is unable to meet any deadline or time for performance specified in a Work Order.

D. Binding Agreement. This Agreement is binding on and inures to the benefit of its parties and their respective legal representatives, successors and assigns. However, neither party can transfer or assign this Agreement without the prior written consent of the other party.

E. Amendments. This Agreement may be modified or amended only by a writing executed by the parties hereto.

F. Notices. All notices shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested to the parties, Federal Express or another nationally recognized overnight courier service, at the addresses each party will furnish to the other.

G. Waiver. The waiver or breach of any term or condition of this Agreement does not constitute a waiver of any other of its terms or conditions or any subsequent breach of the same term or condition.

H. Entire Agreement. This Agreement and the Work Orders constitute the entire agreement between its parties with respect to its subject matter. There are no representations, warranties, covenants or undertakings as to that subject matter other than those expressly set forth in this Agreement and the Work Orders. This Agreement and the Work Orders supersede all prior agreements between the parties with respect to its subject matter, including without limitation, the Original Agreement.

I. Severability. The invalidity or unenforceability of any Agreement or Work Order provision shall in no way affect the validity or enforceability of any other provision.

J. Governing Law. The laws of the State of Delaware (without regard to any provision or rule applying the law of another state or jurisdiction) shall govern this Agreement and the Work Orders.

K. Counterparts. This Agreement and its Work Orders may be executed in two (2) counterparts and by facsimile or electronic means, each of which shall be considered an original, but are one and the same document.

As witness to this Agreement, the authorized representatives of its parties have signed this Agreement below as of its Effective Date.

CTI Clinical Trial Services, Inc.
CTI Clinical Consulting Services, Inc.

By: /s/ Timothy J. Schroeder Date: 2/1/13
Name: Timothy J. Schroeder
Title: President & CEO

Galectin Therapeutics Inc.

By: /s/ Peter G. Traber, MD Date: 2/1/13
Name: Peter G. Traber, MD
Title: President, CEO and CMO

EXHIBIT A
Sample Work Order

This is Work Order No. dated this day of , 201 , between Galectin Therapeutics ("Sponsor") and CTI Clinical Trial Services, Inc. ("CTI") and arises from and is now part of their Master Services Agreement dated , 201 ("Agreement") which is incorporated in this Work Order by reference. In the Agreement, CTI agreed to perform certain services under written Work Orders, such as this one, that will describe such services and the payment terms associated therewith. Accordingly, the parties enter into this Work Order as to the Sponsor's Protocol No. , entitled: ("Study"), and agree as follows:

1. The specific services contemplated by this Work Order ("Services") and the related payment terms and obligations are set forth in the following attachments which are jointly and severally an integral part of this Work Order:

Study Protocol	Attachment 1
Transfer of Obligations	Attachment 2
Study Scope of Work and Budget	Attachment 3
Payment Schedule	Attachment 4

2. This Work Order begins on the date set forth above and will continue until the Services described in Attachment 3 are completed, unless this Work Order is terminated as provided in the Agreement.

3. CTI may use the services of its corporate affiliates or subcontractors to fulfill its obligations under this Work Order, subject to Section 12.A of the Agreement. Any affiliates or subcontractors will be bound by all the terms of the Agreement and this Work Order. The affiliates and subcontractors that CTI will use for the Services under this Work Order will be listed in Attachment 5 to this Work Order.

4. No change to or amendment of this Work Order is effective unless it is in writing and duly executed by, and delivered to, each party.

Acknowledged, Accepted and Agreed To:

Galectin Therapeutics Inc.	CTI Clinical Trial Services, Inc.
By: _____	By: _____
Name: Harold H. Shlevin, PhD	Name:
Title: Chief Operating Officer	Title:

Exhibit 31.1

Certification Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934

I, Peter G. Traber, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Galectin Therapeutics Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2013

/s/ Peter G. Traber

Name: Peter G. Traber, M.D.
Title: Chief Executive Officer and President
(principal executive officer)

Exhibit 31.2

Certification Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934

I, Thomas A. McGauley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Galectin Therapeutics Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2013

/s/ Thomas A. McGauley

Name: Thomas A. McGauley
Title: Chief Financial Officer
(principal financial and accounting officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Galectin Therapeutics Inc. (the "Company") on Form 10-Q for the period ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter G. Traber, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2013

/s/ Peter G. Traber

Name: Peter G. Traber, M.D.
Title: Chief Executive Officer and President
(principal executive officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Galectin Therapeutics Inc. and will be retained by Galectin Therapeutics Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Galectin Therapeutics Inc. (the "Company") on Form 10-Q for the period ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas A. McGauley, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2013

/s/ Thomas A. McGauley

Name: Thomas A. McGauley
Title: Chief Financial Officer
(principal financial and accounting officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Galectin Therapeutics Inc. and will be retained by Galectin Therapeutics Inc. and furnished to the Securities and Exchange Commission or its staff upon request.