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Galectin Therapeutics Reports Third Quarter and Nine Months 2011 Financial Results

NEWTON, Mass., Nov 10, 2011 (BUSINESS WIRE) -- **Galectin Therapeutics Inc. (OTC: GALT)**, the leading developer of therapeutics that target galectin proteins to treat fibrosis and cancer, today reported its financial results for the third quarter and first nine months, ended September 30, 2011. These results are included in the Company's Quarterly Report on Form 10-Q, which has been filed with the SEC.

"In the third quarter, Galectin Therapeutics continued to build the foundation for the development of our carbohydrate-based therapies for fibrotic liver disease and cancer based on the Company's unique understanding of galectin proteins, key mediators of biologic function," said Peter G. Traber, M.D., Chief Executive Officer, President and Chief Medical Officer, Galectin Therapeutics. "Our GM and GR series of compounds have demonstrated the ability to arrest and reverse liver fibrosis in pre-clinical studies and we are conducting additional studies to define the best compounds to take into clinical trials in 2012. There are currently no treatment options for liver fibrosis except liver transplantation.

"Our abstract was accepted by the European Association for the Study of the Liver (EASL) for its Special Conference on Liver Transplantation to be held in Lisbon, Portugal, December 15-17, 2011. The abstract, *'Improvement of Steatosis, Inflammation, and Fibrosis in a Mouse Model of Steatohepatitis Following Treatment with Galectin Inhibitor'*, will highlight pre-clinical data on Galectin Therapeutics' drug candidates for the treatment of non-alcoholic steatohepatitis (NASH). NASH is a common disease of the liver, affecting 9 to 15 million people in the United States. NASH is characterized by the presence of fat in the liver along with inflammation and damage in people who drink little or no alcohol. Over time, patients with NASH can develop fibrosis, or scarring of the liver, that can lead to cirrhosis, a severe liver disease where transplantation is the only current treatment available. Galectin Therapeutics is developing drug candidates as an alternative to transplantation, and lead candidates have shown in pre-clinical models to reverse fibrosis of the liver.

"We plan to make important progress in our cancer immunotherapy program as we expect The Ludwig Institute of Cancer Research and the cliniques Universitaires Saint-Luc Cancer Center in Brussels to initiate a Phase I/II clinical trial late 2011 or early 2012 of our GM-CT-01 compound with their cancer vaccine in patients with metastatic melanoma. GM-CT-01 has demonstrated robust reactivation of tumor infiltrating T-cells in pre-clinical trials, an exciting new area of cancer immunotherapy. In our cancer chemotherapy program, we are awaiting review of the application for marketing approval in Colombia, South America for the use of GM-CT-01 in combination with 5-FU for metastatic colorectal cancer. We recently finalized a collaboration, supply, marketing and distribution agreement with our partner PROCAPS S.A. in Colombia, and expect they will commercialize GM-CT-01 in that country pending clinical and regulatory approval," said Dr. Traber.

At September 30, 2011, the Company had approximately $7.9 million of non-restricted cash and cash equivalents available to fund future operations. The Company believes that with the funds on hand at September 30, 2011, there is sufficient cash to fund core operations through the first quarter 2013.

For the third quarter of 2011, the Company reported a net loss applicable to common stock of $2.3 million, or ($0.03) per share, basic and diluted, compared with a net loss applicable to common stock of $1.9 million or ($0.3) per share for the same period in 2010. Stock-based compensation increased by $0.3 million to $0.6 million in 2011 compared to 2010. Research and development expense for the third quarter of 2011 increased to $0.7 million, compared with $0.3 million for the same period in 2010. The increase was due primarily to greater activity in clinical and pre-clinical programs and stock-based compensation. General and administrative expense for the third quarter of 2011 was $1.4 million, compared with $0.9 million for the same period in 2010. The increase was due primarily to increased payroll and employee stock-based compensation expense and legal and litigation settlement costs.

For the nine months ended September 30, 2011, the Company reported a net loss applicable to common stock of $9.0 million, or ($0.13) per share, basic and fully diluted, compared with a net loss of $7.2 million, or ($0.13) per share for the same period in 2010. The results for the nine-months ended September 30, 2011 included $0.5 million of non-cash expense related to the change in the fair value of warrants compared with $1.3 million for the same period in 2010. Stock-based compensation increased by $1.1 million to $2.7 million in 2011 compared to 2010. Research and development expense for the nine-months ended September 30, 2011 increased to $2.7 million compared with $0.7 million for the nine-months ended September 30, 2010. The increase is due primarily to greater activity in clinical and pre-clinical programs and stock-based compensation expense. General and administrative expense for the nine-months ended September 30, 2011 was $4.3 million compared with $2.9 million for the nine-months ended September 30, 2010. The increase is due primarily to higher payroll, employee stock-based compensation expense and legal and litigation settlement costs.

About Galectin Therapeutics

Galectin Therapeutics (OTC: GALT) is developing promising carbohydrate-based therapies for the treatment of fibrotic liver disease and cancer based on the Company's unique understanding of galectin proteins, key mediators of biologic function. We are leveraging extensive scientific and development expertise as well as established relationships with external sources to achieve cost effective and efficient development. We are pursuing a clear development pathway to clinical enhancement and commercialization for our lead compounds in liver fibrosis and cancer. Additional information is available at http://www.galectintherapeutics.com.

Forward Looking Statements

This press release contains, in addition to historical information, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or future financial performance, and use words such as "may," "estimate," "could," "expect" and others. They are based on our current expectations and are subject to factors and uncertainties which could cause actual results to differ materially from those described in the statements. Factors that could cause our actual performance to differ materially from those discussed in the forward-looking statements include, among others: incurrence of operating losses since our inception, uncertainty as to adequate financing of our operations, extensive and costly regulatory oversight that could restrict or prevent product commercialization, inability to achieve commercial product acceptance, inability to protect our intellectual property, dependence on strategic partnerships, product competition, and others stated in risk factors contained in our SEC filings. We cannot assure that we have identified all risks or that others may emerge which we do not anticipate. You should not place undue reliance on forward-looking statements. Although subsequent events may cause our views to change, we disclaim any obligation to update forward-looking statements.

SOURCE: Galectin Therapeutics Inc.

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