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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 September 30, 2005

☐ **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. 000-32877

PRO-PHARMACEUTICALS, INC.

Nevada	**04-3562325**
(State or other jurisdiction of incorporation)	**(I.R.S. Employer Identification No.)**
189 Wells Avenue, Newton, Massachusetts	**02459**
(Address of Principal Executive Offices)	**(Zip Code)**

(617) 559-0033
(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 is an accelerated filer (as defined in Exchange Act Rule 12b-2). YES ☐ NO ☒

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 November 10, 2005 was 27,315,411.

PRO-PHARMACEUTICALS, INC.

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FOR THE QUARTER ENDED SEPTEMBER 30, 2005

PART I FINANCIAL INFORMATION
Item 1. Financial Statements

PRO-PHARMACEUTICALS, INC.
(A Development-Stage Company)

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (dollars in thousands)

	September 30, 2005	December 31, 2004
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,002	$ 10,704
Prepaid expenses and other current assets	193	120
Total current assets	6,195	10,824
PROPERTY AND EQUIPMENT—NET	85	103
INTANGIBLE ASSETS—NET	243	156
DEPOSITS AND OTHER ASSETS	27	27
TOTAL ASSETS	$ 6,550	$ 11,110
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 163	$ 206
Other accrued expenses	1,061	799
Total current liabilities	1,224	1,005
CONTINGENCIES (Note 4)		
STOCKHOLDERS' EQUITY:		
Common stock, $0.001 par value; 100,000,000 shares authorized, 27,315,411 issued and outstanding; Undesignated shares, $.01 par value; 10,000,000 shares authorized, none issued and outstanding	27	27
Additional paid-in capital	29,980	29,965
Deferred compensation	—	(1)
Deficit accumulated during the development stage	(24,681)	(19,886)
Total stockholders' equity	5,326	10,105
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 6,550	$ 11,110

See notes to unaudited condensed consolidated financial statements.

PRO-PHARMACEUTICALS, INC.
(A Development-Stage Company)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(dollars in thousands except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,		Cumulative Period from Inception (July 10, 2000) to September 30, 2005
	2005	2004	2005	2004	
OPERATING EXPENSES: (a)					
Research and development	$ 859	$ 666	$ 2,292	$ 2,039	$ 9,761
General and administrative	846	1,133	2,594	3,070	13,003
Total operating expenses	$ (1,705)	$ (1,799)	$ (4,886)	$ (5,109)	$ (22,764)
INTEREST AND OTHER INCOME	25	36	91	87	334
INTEREST AND OTHER EXPENSES:					
Amortization of debt discount on convertible notes	—	—	—	—	1,258
Debt conversion expense	—	—	—	—	503
Interest expense on convertible notes	—	—	—	—	486
Other interest expense	—	—	—	—	4
Total interest and other expenses	—	—	—	—	(2,251)
NET LOSS	$ (1,680)	$ (1,763)	$ (4,795)	$ (5,022)	$ (24,681)
NET LOSS PER SHARE—BASIC AND DILUTED	$ (0.06)	$ (0.07)	$ (0.18)	$ (0.20)	
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING BASIC AND DILUTED	27,315,411	26,380,628	27,315,411	25,229,248	
(a) The following summarizes the allocation of the stock-based compensation charge:					
Research and development	$ —	$ 1	$ 1	$ 7	$ 141
General and administrative	—	—	15	117	909
Total	$ —	$ 1	$ 16	$ 124	$ 1,050

See notes to unaudited condensed consolidated financial statements.

PRO-PHARMACEUTICALS, INC.
(A Development-Stage Company)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (dollars in thousands)

	Nine Months Ended September 30,		Cumulative Period from Inception (July 10, 2000) to September 30, 2005
	2005	2004	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (4,795)	$ (5,022)	$ (24,681)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	52	63	278
Stock-based compensation expense	16	124	1,050
Amortization of deferred extension costs through interest expense	—	—	167
Settlement of accrued interest through issuance of common stock	—	—	10
Amortization of debt discount on convertible notes	—	—	1,258
Write-off of intangible assets	—	—	116
Debt conversion expense	—	—	503
Interest expense related to issuance of warrants to purchase common stock	—	—	236
Changes in current assets and liabilities:			
Prepaid expenses and other current assets	(73)	21	(190)
Deposits and other assets	—	—	(27)
Accounts payable and accrued expenses	219	228	1,343
Net cash used in operating activities	(4,581)	(4,586)	(19,937)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(20)	—	(315)
Increase in patents costs and other assets	(101)	(64)	(299)
Net cash used in investing activities	(121)	(64)	(614)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from issuance of common stock and warrants	—	9,496	25,309
Net proceeds from issuance of convertible notes payable	—	—	1,321
Repayment of convertible notes payable	—	—	(86)
Proceeds from shareholder advances	—	—	9
Net cash provided by financing activities	—	9,496	26,553
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,702)	4,846	6,002
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	10,704	7,608	—
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 6,002	$12,454	$ 6,002
NONCASH FINANCING ACTIVITIES			
Issuance of warrants in connection with equity offerings	$ —	$ 393	$ 6,645
Conversion of accrued expenses into common stock	—	—	303
Cashless exercise of employee stock options	—	—	74
Conversion of convertible notes and accrued interest into common stock	—	—	1,220
Conversion of extension costs related to conversion of convertible notes into common stock	—	—	171
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.

PRO-PHARMACEUTICALS, INC.
(A DEVELOPMENT-STAGE COMPANY)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (dollar amounts in thousands)

1. BASIS OF PRESENTATION

The consolidated financial statements as reported in Form 10-Q reflect all adjustments which are, in the opinion of management, necessary to present fairly the financial position of Pro-Pharmaceuticals, Inc. (the "Company") as of September 30, 2005 and the results of its operations and cash flows for the three and nine months ended September 30, 2005, and September 30, 2004. All adjustments made to the interim financial statements included all those of a normal and recurring nature. 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 the Company's annual report on Form 10-K for the year ended December 31, 2004.

As shown in the consolidated financial statements, the Company incurred net losses of $24,681 for the cumulative period from inception (July 10, 2000) through September 30, 2005. The Company's net losses have resulted principally from costs associated with research and development expenses, including clinical trial costs, and general and administrative activities. 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. From inception (July 10, 2000) through September 30, 2005, the Company has raised $26,630 in capital through (i) the issuance of convertible notes; (ii) the sale of common stock through a public offering; and (iii) the sale of common stock and warrants through private placements. From inception (July 10, 2000) through September 30, 2005, the Company used $19,937 in its operations. At September 30, 2005, the Company had $6,002 of cash and cash equivalents to fund future operations. Management believes there is sufficient cash to fund operations through at least May 2006.

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, however, that the Company will be able to obtain additional financing on favorable terms, or at all, or successfully market its products.

2. STOCK-BASED COMPENSATION

The Company accounts for stock-based compensation to employees and non-employee directors under the intrinsic method in accordance with Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and the related interpretations. Under APB No. 25, no compensation expense is recognized for stock options and restricted stock awards granted at fair market value and with fixed terms.

Stock or other equity-based compensation granted to non-employees is accounted for under the fair value method in accordance with SFAS No. 123, "Accounting for Stock-Based Compensation," and the Emerging Issues Task Force ("EITF") Abstract No. 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services," and the related interpretations. Under this method, compensation is recorded at the fair value of the consideration received or the fair value of the equity instrument until the final measurement date, which is the earlier of performance completion or vesting. Compensation related to stock appreciation rights and other variable stock option or award plans are remeasured at the end of each reporting period. Fluctuations in the quoted market price of the Company's stock covered by unvested equity instruments are reflected as an adjustment to deferred compensation and compensation expense over the periods the related service is performed.

The fair value of the equity instruments granted to non-employees, including options and warrants, is determined using the Black-Scholes option-pricing model. Key assumptions used to apply this option-pricing model are as follows:

	Nine Months Ended September 30,		Cumulative Period from Inception (July 10, 2000) to September 30, 2005
	2005	2004	
Risk-free interest rate	3.43%-3.96%	2.00%-2.27%	1.51%-3.96%
Expected life of the options and warrants	3 years	3 years	3 years
Expected volatility of the underlying stock	75%	95%	95%
Expected dividend rate	None	None	None

Had the Company used the fair-value method to measure all stock-based compensation awarded to employees and non-employee directors, the Company's net loss and basic and diluted loss per share would have been as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		Cumulative Period from Inception (July 10, 2000) to September 30, 2005
	2005	2004	2005	2004	
Net loss—as reported	$(1,680)	$(1,763)	$(4,795)	$(5,022)	$ (24,681)
Deduct employee stock-based compensation determined under the fair-value method	(38)	(227)	(188)	(684)	(4,115)
Net loss—pro forma	$(1,718)	$(1,990)	$(4,983)	$(5,706)	$ (28,797)
Basic and diluted loss per share:					
As reported	$ (0.06)	$ (0.07)	$ (0.18)	$ (0.20)	
Pro forma	$ (0.06)	$ (0.08)	$ (0.18)	$ (0.23)	

Pursuant to the 2001 Pro-Pharmaceuticals, Inc. Employee Stock Incentive Plan, the Company on February 11, 2005, granted to its Chief Financial Officer, in accordance with an employment agreement, options to purchase 150,000 shares of its common stock exercisable at $2.82 per share. Pursuant to the 2003 Pro-Pharmaceuticals, Inc. Non-Employee Director Stock Incentive Plan, the Company on February 24, 2005, granted to each of its non-management directors, in consideration of their service on the Board of Directors in 2004, options ranging from 5,000 to 11,000 per director to purchase shares of the Company's common stock, exercisable at $2.70 per share. The awards were granted at fair value and with fixed terms.

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123R, "Share-Based Payment" (SFAS No. 123R). This Statement is a revision of SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and its related implementation guidance. SFAS No. 123R focuses primarily on accounting for transactions in which a company obtains employee services in share-based payment transactions. SFAS No. 123R is effective for the Company on January 1, 2006. The Company is evaluating the methods of adoption allowed by SFAS No. 123R and does not yet have an estimate of the effect on its statements of operations of adopting SFAS No. 123R.

3. OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following:

	September 30, 2005	December 31, 2004
Legal and accounting fees	$ 178	$ 250
Scientific and clinical fees	617	374
Accrued payroll and vacation	248	150
Other	18	25
Total	$ 1,061	$ 799

4. CONTINGENCIES

In January 2004, Dr. Platt, the Company's Chairman and Chief Executive Officer, filed a lawsuit in Massachusetts Superior Court against GlycoGenesys, Inc. for various claims including breach of contract. In its filing in February 2004, GlycoGenesys asserted counterclaims against the Company and Dr. Platt alleging tortious interference and misappropriation of proprietary rights. The counterclaims seek monetary damages and injunctive relief related to the Company's intellectual property. In March 2004, the Company and Dr. Platt answered the counterclaims and denied any liability. In June 2004, the Court allowed, without opposition, a motion of GlycoGenesys for leave to file a supplemental counterclaim against the Company for defamation and unfair competition. Pretrial discovery has begun. The Company and Dr. Platt intend to contest these counterclaims vigorously and believe they will ultimately prevail. However, if the Company does not prevail, there could be a material adverse impact on the financial position, results of operations or cash flows of the Company.

Pursuant to Board approval, the Company has agreed to indemnify Dr. Platt for the expenses of his defense of the counterclaims, some of which may be recoverable under insurance. In the first nine months of 2005, the Company incurred $193 of expenses in connection with this defense. Through September 30, 2005, the Company has incurred cumulative costs of approximately $361 in legal and related costs in connection with the indemnification. No amount, if any, potentially recoverable from the insurance company has been recorded at September 30, 2005.

* * * * * *

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (dollar amounts in thousands)

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the financial information included in this Quarterly Report on Form 10-Q, the "Factors That May Affect Future Results" set forth below in this report and in our Annual Report on Form 10-K for the year ended December 31, 2004. The following discussion contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and is subject to the safe harbor created by such Act. Forward-looking statements express our expectations or predictions of future events or results. They are not guarantees and are subject to many risks and uncertainties. There are a number of factors – many beyond our control – that could cause actual events or results to be significantly different from those described in the forward-looking statement. Any or all of our forward-looking statements in this report or in any other public statements we make may turn out to be wrong. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" or words of similar meaning. They may also use words such as "would," "should," "could" or "may". Our actual results could differ materially from the results contemplated by these forward-looking statements as a result of many factors, including those discussed below and elsewhere in this Quarterly Report on Form 10-Q.

Overview

We are a development-stage company engaged in research and development of drug technologies to enable targeted delivery of chemotherapy drugs. We intend initially to "enhance" existing, widely used chemotherapies with our proprietary carbohydrate compounds. We believe our technology may increase the body's tolerance to these toxic drugs by targeting the delivery directly to cancerous cells and increasing the efficacy, thereby creating a preferable treatment to existing oncology regimens. For additional information, please see "Item 1. Business – Business of Pro-Pharmaceuticals" included in our Annual Report on Form 10-K for the year ended December 31, 2004.

All of our drug candidates are currently in preclinical and clinical development. We currently have only one drug candidate – DAVANAT® – in clinical development. In general, in order to commercialize our drug candidates, we are required to successfully complete preclinical studies and clinical trials and obtain regulatory approvals. Current requirements for regulatory approval include:

- preclinical toxicology, pharmacology and metabolism studies, as well as in-vivo efficacy studies in relevant animal models of disease;
- manufacturing of drug product for use in preclinical studies and clinical trials and ultimately for commercial supply;
- submission of the results of preclinical studies and information regarding manufacturing and control and proposed clinical protocol to the Food and Drug Administration (FDA) in an investigational new drug application (IND), or similar filings with regulatory agencies outside the United States;
- conduct of clinical trials designed to provide data and information regarding the safety and efficacy of the product candidate in humans; and

- submission of all the results of testing to the FDA in a new drug application (NDA), or similar filings with regulatory agencies outside the United States.

Upon approval by the appropriate regulatory authorities we may commence commercial marketing and distribution of the product. This process typically takes several years to complete and requires the expenditure of substantial resources. Any delay in obtaining or failure to obtain required approvals will materially adversely affect our ability to generate revenues from commercial sales relating to our drug candidates. We do not expect to file an NDA for a drug candidate before 2007. We anticipate our sources of funding for the next several years to come from financing transactions.

We are devoting substantially all of our efforts toward product research and development, and raising capital. We have no source of revenue and have incurred significant losses to date. We have incurred net losses of $24,681 for the cumulative period from inception (July 10, 2000) through September 30, 2005. Our losses have resulted principally from costs associated with research and development expenses including clinical trial costs, legal expenses associated with protecting our intellectual property and general and administrative activities. As a result of planned expenditures for future research, discovery, development and commercialization activities and potential legal cost to protect our intellectual property, we expect to incur additional operating losses for the foreseeable future.

From inception (July 10, 2000) through September 30, 2005, we have raised $26,630 in capital and used $19,937 in our operations. The capital was raised through (i) the issuance of convertible notes; (ii) the sale of common stock through a public offering; and (iii) the sale of common stock and warrants through private placements. At September 30, 2005 we had $6,002 of cash and cash equivalents, to fund future operations. We believe we have sufficient cash to fund our operations through at least May 2006.

Because we lack revenue and must continue our research and development, we must continually identify new sources of capital and complete financing transactions in order to continue our business. We must also continually monitor the monthly "burn rate" of our capital resources.

Results of Operations

Three Months Ended September 30, 2005 Compared to Three Months Ended September 30, 2004

Research and Development Expenses. Research and development expenses were $859 during the three months ended September 30, 2005, a 29% increase as compared to $666 incurred during the three months ended September 30, 2004. We generally categorize research and development expenses as either direct external expense, comprised of amounts paid to third party vendors for services, or all other expenses, comprised of employee payroll and general overhead allocable to research and development. We subdivide external expenses between clinical programs and preclinical activities. 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. We have one product candidate – DAVANAT® – in clinical trials at this time. Clinical program costs 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. Preclinical 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.

Our research and development expenses for the three months ended September 30, 2005 as compared to the three months ended September 30 2004 were as follows:

	Three Months Ended September 30,	
	2005	2004
Direct external expenses		
Clinical programs	$ 463	$ 323
Pre-clinical activities	267	246
All other research and development expenses	129	97
	$ 859	$ 666

The $193 increase was due principally to drug manufacturing costs associated with the Phase II clinical trial of DAVANAT®/5-FU. Expenses increased to a lesser degree due to payroll.

We completed dosing patients in our Phase I clinical trial in March of 2005. We began dosing patients in a Phase II of DAVANAT®/5-FU clinical trial in May of 2005. We expect to complete this Phase II clinical trial in 2006. In September 2005 we submitted an IND to the FDA for an additional Phase II clinical trial of DAVANAT®/5-FU. We expect to initiate additional Phase II clinical trials of DAVANAT®/5-FU in the near future. These trials are designed to test the efficacy of DAVANAT® as a drug delivery compound for specific cancer indications and/or in combination with chemotherapeutic drugs. The number of trials, number of patients participating and timing of the trials may cause our research and development expenses to increase in the future.

General and Administrative Expenses. General and administrative expenses were $846 during the three months ended September 30, 2005, or a 25% decrease as compared to $1,133 incurred during the three months ended September 30, 2004. General and administrative expenses consist primarily of salaries, legal and accounting fees, insurance, investor relations, business development and other office related expenses. Legal expenses decreased by approximately $390 due primarily to lower expenses associated with the patent arbitration proceeding and were offset in part by increases in payroll expense of approximately $130. General and Administrative expenses may increase in the future due to the cost of being a public company.

Interest and Other Income. Interest and other income for the three months ended September 30, 2005 was $25 compared to $36 for the three months ended September 30, 2004, and primarily consists of interest income on short-term investments. The decrease in interest income is due to lower average cash balances offset by higher average interest rates in 2005 as compared to 2004.

Nine Months Ended September 30, 2005 Compared to Nine Months Ended September 30, 2004

Research and Development Expenses. Research and development expenses were $2,292 during the nine months ended September 30, 2005, or a 12% increase as compared to $2,039 incurred during the nine months ended September 30, 2004. Please see "Three Months Ended September 30, 2005 Compared to Three Months Ended September 30, 2004" for an explanation of how we categorize research and development expenses.

Our research and development expenses for the nine months ended September 30, 2005 as compared to the nine months ended September 30 2004 were as follows:

	Nine Months Ended September 30,	
	2005	2004
Direct external expenses		
Clinical programs	$ 1,435	$ 988
Pre-clinical activities	461	756
All other research and development expenses	396	295
	$ 2,292	$ 2,039

Clinical trial expenses increased due to product manufacturing costs of approximately $301 and increased expenses associated with the Phase II clinical trial of DAVANAT®/5-FU. These increases were offset in part by lower pre-clinical activity. All other research and development expenses increased due to increased compensation.

We completed dosing patients in our Phase I clinical trial in March of 2005. We began dosing patients in a Phase II of DAVANAT®/5-FU clinical trial in May of 2005. We expect to complete this Phase II clinical trial in 2006. In September 2005 we submitted an IND to the FDA for an additional Phase II clinical trial of DAVANAT®/5-FU. We expect to initiate additional Phase II clinical trials of DAVANAT®/5-FU in the near future. These trials are designed to test the efficacy of DAVANAT® as a drug delivery compound for specific cancer indications and/or in combination with chemotherapeutic

drugs. The number of trials, number of patients participating and timing of the trials may cause our research and development expenses to increase in the future.

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 hence 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 finds 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. Please see "Risks Related to Pro-Pharmaceuticals" and "Risks Related to the Drug Development Industry" for additional risks and other factors that make estimates difficult at this time. 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 Expenses. General and administrative expenses were $2,594 during the nine months ended September 30, 2005, a 15% decrease as compared to $3,070 incurred during the nine months ended September 30, 2004. General and administrative expenses consist primarily of salaries, legal and accounting fees, insurance, investor relations, business development and other office related expenses. The decrease of $476 consists primarily of a decrease in legal expenses of approximately $690 due primarily to lower expenses associated with the patent arbitration proceeding and the former employee lawsuit offset in part by an increase in legal expenses to defend the Company against the GlycoGenesys counterclaim lawsuit. The decrease in legal expenses was offset by higher payroll expenses. General and Administrative expenses may increase in the future due to the cost of being a public company.

Interest and Other Income. Interest and other income for the nine months ended September 30, 2005 was $91 compared to $87 for the nine months ended September 30, 2004, and primarily consists of interest income on short-term investments. Average interest rates were slightly higher and average cash balances were somewhat lower in 2005 as compared to 2004.

Liquidity and Capital Resources

We are in the development stage and have not generated any revenues. Since our inception on July 10, 2000, we have financed our operations primarily through private placements of convertible debt, shares of common stock and warrants, and a public offering of shares of common stock. As of September 30, 2005, we had raised a total of $26,630 from these offerings and had $6,002 of available cash.

Net cash used in operations was $4,581 for the nine months ended September 30, 2005 as compared to $4,586 for the nine months ended September 30, 2004. Operating expenses did not materially change in the nine months ended September 30, 2005 relative to the same period in 2004 as decreases in legal litigation expense of approximately $690 were offset by increases in research and development expenses associated with the clinical trials and increases in compensation expense.

Net cash used in investing activities was $121 for the nine months ended September 30, 2005 compared to $64 for the nine months ended September 30, 2004. The investing activities consist entirely of fixed assets purchases and patent costs. Of the $57 increase $37 was related to patent costs and $20 was related to fixed asset purchases, primarily for computer related equipment. For the first nine months of 2004 expenditures were primarily for patent costs.

We believe that our cash on hand at September 30, 2005 of $6,002 will be sufficient to enable us to meet our operating requirements through at least May 2006. We will require more cash to fund our operations over the long-term and believe that we will be able to obtain additional financing. However, there can be no assurance that we will be successful in obtaining such new financing or, if available, that such financing will be on terms favorable to us.

Payments Due Under Contractual Obligation

The following table summarizes the payments due under our contractual obligations at September 30, 2005, and the effect such obligations are expected to have on liquidity and cash flow in future periods:

Contractual Obligations	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Clinical trial and related scientific contracts	$638	$ 544	$ 94	$—	$ —
Operating leases	73	73	—	—	—
Total payments due under contractual obligations	$711	$ 617	$ 94	$—	$ —

The majority of clinical trial and related scientific contracts are cancelable on thirty days notice and/or have a duration, as indicated in the table, of less than one year.

In connection with the operating lease for our office space in Newton, Massachusetts included in the table above, a commercial bank has issued a letter of credit collateralized by cash we have on deposit with the bank of approximately $21. This amount is included in the line item “Deposits and Other Assets” in the unaudited balance sheet contained in this report.

Off-Balance Sheet Arrangements

We have not created, and are not 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 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, income taxes, accrued expenses, stock-based compensation, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 annual report on Form 10-K for the fiscal year ended December 31, 2004.

New Accounting Pronouncement

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123R, “Share-Based Payment” (SFAS No. 123R). This Statement is a revision of SFAS No. 123, “Accounting for Stock-Based Compensation,” and supercedes Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” and its related implementation guidance. SFAS No. 123R focuses primarily on accounting for transactions in which a company obtains employee services in share-based payment transactions. SFAS No. 123R is effective for us on January 1, 2006. We are evaluating the methods of adoption allowed by SFAS No. 123R. We do not yet have an estimate of the effect on our statements of operations of adopting SFAS No. 123R.

RISK FACTORS THAT MAY AFFECT FUTURE RESULTS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information before deciding to invest in our common stock. The risks described below are not the only ones facing our company. Additional risks not presently known to us or that we currently consider immaterial may also adversely affect our business. We have attempted to identify below the major factors that could cause differences between actual and planned or expected results, but we cannot assure you that we have identified all of those factors.

If any of the following risks actually happen, our business, financial condition and operating results could be materially adversely affected. In this case, the trading price of our common stock could decline, and you could lose all or part of your investment.

Risks Related to Pro-Pharmaceuticals

We Are at an Early Stage of Development With Limited Operating History. We are a development-stage company with a limited operating history, and we have not generated any revenues to date. We have no therapeutic products available

for sale, and none are expected to be commercially available for several years, if at all. We may never generate revenue or become profitable, even if we are able to commercialize any products.

We Have Incurred Net Losses to Date and Depend on Outside Capital. Our accumulated deficit as of September 30, 2005 was $24,681. We will need to continue to conduct significant research, development, testing and regulatory compliance activities that, together with projected general and administrative expenses, we expect will result in substantial operating losses for the next several years. Accordingly, we will not be generating sales or other revenue and will remain dependent on outside sources of financing during that time. If we are unable to raise funds from outside sources for our continuing operations, we may be adversely affected.

We may raise capital through public or private equity financings, partnerships, debt financings, bank borrowings, or other sources. Additional funding may not be available on favorable terms or at all. If adequate funds are not available, we may need to significantly curtail operations. To obtain additional funding, we may need to enter into arrangements that require us to relinquish rights to certain technologies, products and/or potential markets. To the extent that additional capital is raised through the sale of equity, or securities convertible into equity, our equity holders may experience dilution of their proportionate ownership of the company.

Based on $6,002 of available cash and cash equivalents as of September 30, 2005, we believe that we have sufficient capital to fund our operations through at least May 2006.

Our Product Candidates Will Be Based on Novel Unproven Technologies. Our product candidates will be based on novel unproven technologies using proprietary carbohydrate compounds in “reformulations” of drugs currently used in the treatment of cancer and other diseases. Carbohydrates are difficult to synthesize, and we may not be able to synthesize carbohydrates that would be usable as delivery vehicles for the anti-cancer drugs we plan to work with.

Our Drug Candidates Are in Pre-Clinical and Clinical Trials, and Results Are Uncertain. We have one product candidate in human clinical trials. Pre-clinical results in animal studies are not necessarily predictive of outcomes in human clinical trials. Clinical trials are expensive, time-consuming and may not be successful. They involve the testing of potential therapeutic agents, or effective treatments, in humans, typically in three phases, to determine the safety and efficacy of the product candidates necessary for an approved drug. Many products in human clinical trials fail to demonstrate the desired safety and efficacy characteristics. Even if our products progress successfully through initial human testing, they may fail in later stages of development. We will be dependent on others to conduct our clinical trials, including clinical research organizations and, possibly, government-sponsored agencies. These trials may not start or be completed as we forecast, or may be unsuccessful.

Our Product Candidates May Not Be Successfully Commercialized. Even if our product candidates are successful in clinical trials, they may not be successfully commercialized. Potential products may fail to receive necessary regulatory approvals, be difficult to manufacture on a large scale, be uneconomical to produce, fail to achieve market acceptance, or be precluded from commercialization by proprietary rights of third parties.

Our Lack of Operating Experience May Cause Us Difficulty in Managing Our Growth. We have limited experience in manufacturing or procuring products in commercial quantities, conducting other later-stage phases of the regulatory approval process, selling pharmaceutical products, or negotiating, establishing and maintaining strategic relationships. Any growth of our company will require us to expand our management and our operational and financial systems and controls. If we are unable to do so, our business and financial condition would be materially harmed. If rapid growth occurs, it may strain our operational, managerial and financial resources.

We Will Depend on Third Parties to Manufacture and Market Our Products. We do not have, and do not now intend to develop, facilities for the manufacture of any of our products for clinical or commercial production. Accordingly, we will need to develop relationships with manufacturers and enter into collaborative arrangements with licensees or have others manufacture our products on a contract basis. We expect to depend on such collaborators to supply us with products manufactured in compliance with standards imposed by the FDA and foreign regulators.

In addition, we have limited experience in marketing, sales or distribution, and we do not intend to develop a sales and marketing infrastructure to commercialize our pharmaceutical products. If we develop commercial products, we will need to rely on licensees, collaborators, joint venture partners or independent distributors to market and sell those products.

We Depend on Key Individuals to Develop Our Products and Pursue Collaborations. We are highly dependent on Dr. David Platt, President and Chief Executive Officer; Dr. Anatole Klyosov, Consulting Chief Scientist; and Dr. Eliezer Zomer, Executive Vice President, Manufacturing and Product Development. The loss of any of these persons, or failure to attract or retain other key personnel, could prevent us from pursuing collaborations or developing our products and core technologies.

We Are a Counterclaim Defendant in a Lawsuit Instituted by Dr. Platt. Dr. Platt filed a lawsuit in Massachusetts in January 2004 against GlycoGenesys, Inc. for claims including breach of contract. In its answer GlycoGenesys named us as a counterclaim defendant alleging tortious interference and misappropriation of proprietary rights, and seeks monetary damages and injunctive relief related to our intellectual property. In March 2004, we answered the counterclaim and denied any liability. We and Dr. Platt intend to contest these counterclaims vigorously. If we do not prevail there could be a material adverse impact on our financial position, results of operations or cash flows.

Risks Related to the Drug Development Industry

We Will Need Regulatory Approvals to Commercialize Our Products. We currently do not have products approved for sale in the U.S. or any foreign market. We are required to obtain approval from the FDA in order to sell our products in the U.S. and from foreign regulatory authorities in order to sell our products in other countries. The FDA's review and approval process is lengthy, expensive and uncertain. Extensive pre-clinical and clinical data and supporting information must be submitted to the FDA for each indication for each product candidate in order to secure FDA approval. The FDA could reject an application or require us to conduct additional clinical or other studies as part of the regulatory review process. Delays in obtaining or failure to obtain FDA approvals would prevent or delay the commercialization of our products, which would prevent, defer or decrease our receipt of revenues. If we receive initial regulatory approval, our product candidates will be subject to extensive and rigorous ongoing domestic and foreign government regulation.

Our Competitive Position Depends on Protection of Our Intellectual Property. Development and protection of our intellectual property are critical to our business. If we do not adequately protect our intellectual property, competitors may be able to practice our technologies. Our success depends in part on our ability to obtain patent protection for our products or processes in the United States and other countries, protect trade secrets, and prevent others from infringing on our proprietary rights.

Since patent applications in the United States are maintained in secrecy for at least portions of their pendency periods (published on U.S. patent issuance or, if earlier, 18 months from earliest filing date for most applications) and since other publication of discoveries in the scientific or patent literature often lags behind actual discoveries, we cannot be certain that we are the first to make the inventions to be covered by our patent applications. The patent position of biopharmaceutical firms generally is highly uncertain and involves complex legal and factual questions. The U.S. Patent and Trademark Office has not established a consistent policy regarding the breadth of claims that it will allow in biotechnology patents.

We cannot assure you that all of our patent applications will issue as patents or that the claims of any issued patents will afford meaningful protection for our technologies or products. In addition, patents issued to us or our licensors may be challenged and subsequently narrowed, invalidated or circumvented. Patent litigation is widespread in the biotechnology industry and could harm our business. Litigation might be necessary to protect our patent position or to determine the scope and validity of third-party proprietary rights, and we may not have the required resources to pursue such litigation or to protect our patent rights.

Although we require our scientific and technical employees and consultants to enter into broad assignment of inventions agreements, and all of our employees, consultants and corporate partners with access to proprietary information to enter into confidentiality agreements, these agreements may not be honored.

We are a counterclaim defendant in a lawsuit instituted by Dr. Platt. See "Risks Related to Pro-Pharmaceuticals" above.

Products We Develop Could Be Subject to Infringement Claims Asserted by Others. We cannot assure that products based on our patents or intellectual property that we license from others will not be challenged by a third party claiming infringement of its proprietary rights. If we were not able to successfully defend our patents or licensed rights, we may have to pay substantial damages, possibly including treble damages, for past infringement.

We Face Intense Competition in the Biotechnology and Pharmaceutical Industries. The biotechnology and pharmaceutical industries are intensely competitive. We face direct competition from U.S. and foreign companies focusing on drug delivery technologies, which are rapidly evolving. Our competitors include major, multinational pharmaceutical and chemical companies, specialized biotechnology firms and universities and other research institutions. Many of these competitors have greater financial and other resources, larger research and development staffs and more effective marketing and manufacturing organizations, than we do. In addition, academic and government institutions are increasingly likely to enter into exclusive licensing agreements with commercial enterprises, including our competitors, to market commercial products based on technology developed at such institutions. Our competitors may succeed in developing or licensing

technologies and products that are more effective or less costly than ours, or succeed in obtaining FDA or other regulatory approvals for product candidates before we do.

Health Care Cost Containment Initiatives and the Growth of Managed Care May Limit Our Returns. Our ability to commercialize our products successfully will be affected by the ongoing efforts of governmental and third-party payors to contain the cost of health care. These entities are challenging prices of health care products and services, denying or limiting coverage and reimbursement amounts for new therapeutic products, and for FDA-approved products considered experimental or investigational, or which are used for disease indications without FDA marketing approval.

Even if we succeed in bringing any products to the market, they may not be considered cost-effective and third-party reimbursement might not be available or sufficient. If adequate third-party coverage is not available, we may not be able to maintain price levels sufficient to realize an appropriate return on our investment in research and product development. In addition, legislation and regulations affecting the pricing of pharmaceuticals may change in ways adverse to us before or after any of our proposed products are approved for marketing.

Our Insurance Coverage May Not Be Adequate in All Circumstances. In the future, we may, in the ordinary course of business, be subject to claims by, and liability to, persons alleging injury as a result of taking products we have under development. If we are successful in having products approved by the FDA, the sale of such products would expose us to additional potential product liability and other claims resulting from their use. This liability may result from claims made directly by consumers or by pharmaceutical companies or others selling such products. Although we currently have insurance coverage for both product liability and professional liability, it is possible that we will not be able to maintain such insurance on acceptable terms. Any inability to maintain insurance coverage on acceptable terms could prevent or limit the commercialization of any products we develop.

Risks Related to Our Stock

Stock Prices for Biopharmaceutical and Biotechnology Companies Are Volatile. The market price for securities of biopharmaceutical and biotechnology companies historically has been highly volatile, and the market from time to time has experienced significant price and volume fluctuations that are unrelated to the operating performance of such companies. Fluctuations in the trading price or liquidity of our common stock may adversely affect our ability to raise capital through future equity financings.

Large Sales Could Reduce the Trading Price of Our Common Stock. We listed our common stock on the American Stock Exchange in September 2003, prior to which our stock traded on the OTC Bulletin Board. Accordingly, there is a limited history of trading of our stock on a national exchange and, based on varying trading volume to date, our stock could be considered “thinly traded.” In 2003 and 2004 we registered, on behalf of certain stockholders, an aggregate of 14,644,946 shares of our common stock and 3,612,497 shares of stock issuable upon exercise of warrants. In general, shares of registered common stock may be re-sold into the public markets without volume or other restrictions. Large sales of our registered shares could place substantial downward pressure on the trading price of our common stock, particularly if the amount sold significantly exceeds the then-current trading volume of our stock.

Downward Pressure on Our Stock Price Could Result if Certain Stockholders Become Short-term Investors. We sold shares of common stock and warrants to purchase common stock in so-called PIPE (Private Investment in Public Equity) transactions in 2003 and 2004 to investors who, as an incentive to purchase our securities in private placements, required us promptly to register their shares (including shares issuable upon exercise of the warrants) for resale into the public markets. We may enter into similar financing transactions in the future with the same or different investors. Because such investors typically receive registered shares well in advance of the expiration of the holding periods under Rule 144 of the Securities Act, they may choose to sell their shares after a short period of holding our stock. If sufficient quantities of stock are sold during a brief interval of time, this could result in downward pressure on the market price for shares of our publicly traded common stock.

Four Principal Stockholders Own Enough Shares to Control the Company. Four of our principal stockholders, David Platt, James Czirr, Offer Binder and Anatole Klyosov, own or control approximately 42% of the outstanding shares of our common stock, and Dr. Platt and Mr. Czirr together own approximately 34%. Some or all of these stockholders, acting in concert, may be able to substantially influence the election of the Board of Directors and other corporate actions requiring stockholder approval, such as recapitalization or other fundamental corporate action, as well as the direction and policies of our company. Such concentration of ownership also could have the effect of delaying, deterring or preventing a change in control of the company that might otherwise be beneficial to stockholders.

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. We do not have any interest-bearing debt, foreign currency or other derivative financial instruments.

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 the SEC rules promulgated under the Securities Exchange Act of 1934, as amended) as of September 30, 2005. Based on this evaluation, our CEO and CFO concluded that, as of September 30, 2005, our disclosure controls and procedures were (1) designed to ensure that material information relating to Pro-Pharmaceuticals, Inc., including its consolidated subsidiaries, is made known to our CEO and CFO by others within Pro-Pharmaceuticals, Inc. particularly during the period in which this Report was being prepared, and (2) effective, in that they provide reasonable assurance that information that we are required to disclose in the reports we file under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

No change in our internal control over financial reporting (as defined in the SEC rules promulgated under the Securities Exchange Act of 1934, as amended) occurred during the quarter ended September 30, 2005 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – O THER INFORMATION

Item 1. Legal Proceedings (dollar amounts in thousands)

In January 2004, Dr. Platt, our Chairman and Chief Executive Officer, filed a lawsuit in Massachusetts Superior Court against GlycoGenesys, Inc. for various claims including breach of contract. In its filing in February 2004, GlycoGenesys asserted counterclaims against us and Dr. Platt alleging tortious interference and misappropriation of proprietary rights. The counterclaims seek monetary damages and injunctive relief related to our intellectual property. In March 2004, we and Dr. Platt answered the counterclaims and denied any liability. In June 2004, the Court allowed, without opposition, a motion of GlycoGenesys for leave to file a supplemental counterclaim against us for defamation and unfair competition. We and Dr. Platt intend to contest these counterclaims vigorously and believe we will ultimately prevail. However, if we do not prevail, there could be a material adverse impact on our financial position, results of operations or cash flows.

Pursuant to Board approval, we agreed to indemnify Dr. Platt for the expenses of his defense of the counterclaims, some of which may be recoverable under insurance. In the first nine months of 2005, we incurred $193 of expenses in connection with this defense. Through September 30, 2005, we have incurred cumulative costs of approximately $361 in legal and related costs in connection with the indemnification. No amount, if any, potentially recoverable from the insurance company has been recorded at September 30, 2005.

On January 28, 2005, we filed a request with the U.S. Patent and Trademark Office (USPTO) for an inter partes re-examination of U.S. Patent No. 6,680,306 owned by GlycoGenesys, Inc. because we believe that the invention claimed in this patent is disclosed in literature that preceded it, including our U.S. Patent No. 6,645,946 for DAVANAT®. On October 18, 2005 the USPTO issued its' ruling and rejected substantially all of the claims in the GlycoGenesys '306 patent. This strengthens our intellectual property position and establishes DAVANAT® as prior art to the GlycoGenesys '306 patent.

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Item 5. Other Information

The Board of Directors has approved an incentive compensation plan for 2005. Under the plan Dr. Platt may receive up to $100,000 for performance in the areas of intellectual property development, investigational new drug applications, clinical trial progress, and other Company matters including fund raising, public relations, investor awareness, litigation resolution and other matters as the Compensation Committee may determine. The other members of the Company participate in the incentive compensation plan based upon their level of contribution to the above identified areas.

Item 6. Exhibits

Exhibit Number	Description of Document
10.1	Summary of 2005 Employee Incentive Compensation Plan
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

* Filed herewith.

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

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 November 10, 2005.

PRO-PHARMACEUTICALS, INC.

By: /s/ David Platt
Name: David Platt, Ph.D.
Title: Chief Executive Officer

By: /s/ Carl L. Lueders
Name: Carl L. Lueders
Title: Chief Financial Officer

Exhibit 10.1

Summary of 2005 Employee Incentive Compensation Plan

The Board of Directors has approved an incentive compensation plan for 2005. Under the plan Dr. Platt may receive up to $100,000 for performance in the areas of intellectual property development, investigational new drug applications, clinical trial progress, and other Company matters including fund raising, public relations, investor awareness, litigation resolution and other matters as the Compensation Committee may determine. The other members of the Company participate in the incentive compensation plan based upon their level of contribution to the above identified areas.

Exhibit 31.1

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

I, David Platt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pro-Pharmaceuticals, 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) [Paragraph omitted in accordance with SEC transition instruction contained in SEC Release Nos. 34-47986 and 34-49313];
   (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: November 10, 2005

/s/ David Platt
Name: David Platt
Title: President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Carl L. Lueders, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pro-Pharmaceuticals, 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) [Paragraph omitted in accordance with SEC transition instructions contained in SEC Release Nos. 34-47986 and 34-49313];
   (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: November 10, 2005

/s/ Carl L. Lueders
Name: Carl L. Lueders
Title: Chief Financial Officer
(Principal Financial 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 Pro-Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Platt, 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: November 10, 2005

/s/ David Platt
Name: David Platt
Title: President and Chief Executive Officer
(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 Pro-Pharmaceuticals, Inc. and will be retained by Pro-Pharmaceuticals, 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 Pro-Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carl L. Lueders, 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: November 10, 2005

/s/ Carl L. Lueders
Name: Carl L. Lueders
Title: Chief Financial Officer
(Principal Financial 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 Pro-Pharmaceuticals, Inc. and will be retained by Pro-Pharmaceuticals, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.