



May 13, 2011

## PRO-PHARMACEUTICALS REPORTS FIRST QUARTER 2011 FINANCIAL RESULTS

NEWTON, Mass.--(BUSINESS WIRE)--Pro-Pharmaceuticals, Inc. (OTC: PRWP), the leading developer of therapeutics that target galectin proteins to treat fibrosis and cancer, today reported its financial results for the first quarter, ended March 31, 2011. These results are included in the Company's Quarterly Report on Form 10-Q which has been filed with the SEC.

"This is an exciting new era for our company as we advance our galectin protein science into two indications with tremendous unmet medical needs. We are collaborating with The Ludwig Institute of Cancer Research in Brussels to expand the application of our galectin targeting compounds in administration with cancer vaccines, one of the most exciting new areas of cancer therapy," said Peter G. Traber, M.D., President and Chief Executive Officer, Pro-Pharmaceuticals. "We expect this collaboration to result in the initiation of a Phase 1/2 clinical trial later this year in patients with metastatic melanoma. In addition, Dr. Scott Friedman at the Mount Sinai School of Medicine is conducting pre-clinical trials to advance our galectin therapeutic compounds to treat liver fibrosis. Our compounds have reversed liver fibrosis and cirrhosis in pre-clinical studies. The only treatment for late stage fibrosis or cirrhosis is liver transplantation.

At March 31, 2011, the Company had \$6.9 million of unrestricted cash and cash equivalents available to fund future operations. Subsequent to March 31, 2011, the Company issued approximately 1.0 million shares of common stock for the exercise of common stock warrants and options, resulting in cash proceeds of \$0.6 million. The Company believes that with the funds on hand at March 31, 2011 and cash received subsequent to quarter end, there is sufficient cash to fund operations through 2012.

For the first quarter of 2011, the Company reported a net loss applicable to common stock of \$2.7 million, or (\$0.04) per share, basic and diluted, compared with a net loss applicable to common stock of \$2.8 million or (\$0.06) per share for the same period in 2010. The first quarter 2011 results included \$0.4 million of non-cash expense related to the change in the fair value of warrants compared with \$1.1 million in 2010.

Research and development expense for the first quarter of 2011 was \$0.7 million, compared with \$0.1 million for the same period in 2010. The increase was due primarily to increased stock-based compensation as well as increased activity in clinical and pre-clinical programs.

General and administrative expense for the first quarter of 2011 was \$1.3 million, compared with \$0.9 million for the same period in 2010. The increase was due primarily to increased payroll, legal, accounting and business development expense.

### Annual Shareholders Meeting

The Company's Annual Meeting of Shareholders is scheduled to be held on May 26th at 9:00am ET at the Company's office in Newton, Massachusetts.

### About Pro-Pharmaceuticals, Inc.

Pro-Pharmaceuticals, OTC: PRWP, the leader in the field of galectin therapeutics, is developing promising carbohydrate-based therapies for 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 [www.pro-pharmaceuticals.com](http://www.pro-pharmaceuticals.com).

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

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

views to change, the Company disclaims any obligation to update such forward-looking statements.

