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Galectin Therapeutics Reports Financial Results for Second Quarter 2011

NEWTON, Mass., Aug 12, 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 second quarter and first six months, ended June 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 second 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., President and Chief Executive 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.

"As we look forward in 2011, we plan to make important progress in our cancer immunotherapy program as we expect The Ludwig Institute of Cancer Research in Brussels to initiate a Phase I/II clinical trial this year of our GM-CT-01 (formerly referred to as DAVANAT®) 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 expect GM-CT-01 will be commercialized by our partner Pro-Caps in Colombia, pending regulatory approval in that country.

"Finally, we recently entered into a research collaboration with Dr. José Jalife of the University of Michigan Medical School to better understand the contribution of galectin 3 to cardiac fibrosis in chronic arrhythmias using proprietary inhibitors of galectins, GM-CT-01 and GR-MD-02. Galectin-3 is known to be increased in patients with heart failure and is felt to be a critical mediator in the development of cardiac fibrosis and deeper understanding of these mechanisms could lead to therapeutic approaches to cardiac fibrosis and chronic arrhythmias," Traber concluded.

At June 30, 2011, the Company had $8.0 million of unrestricted cash and cash equivalents available to fund future operations. The Company believes that with the funds on hand at June 30, 2011, there is sufficient cash to fund operations through 2012.

For the second quarter of 2011, the Company reported a net loss applicable to common stock of $3.9 million, or ($0.06) per share, basic and diluted, compared with a net loss applicable to common stock of $2.5 million or ($0.5) per share for the same period in 2010. Stock-based compensation increased by $0.8 million to $1.3 million in 2011 compared to 2010. Research and development expense for the second quarter of 2011 increased to $1.3 million, compared with $234 thousand for the same period in 2010. The increase was due primarily to increased activity in clinical and pre-clinical programs and stock-based compensation. General and administrative expense for the second quarter of 2011 was $1.7 million, compared with $1.1 million for the same period in 2010. The increase was due primarily to increased payroll, stock-based compensation and legal and accounting expense.

For the six months ended June 30, 2011, the Company reported a net loss applicable to common stock of $6.7 million, or ($0.10) per share, basic and fully diluted, compared with a net loss of $5.3 million, or ($0.10) per share for the same period in 2010. The results for the six-months ended June 30, 2011 included $0.5 million of non-cash expense related to the change in the fair value of warrants compared with $1.4 million for the same period in 2010. Stock-based compensation increased by $1.2 million to $2.0 million in 2011 compared to 2010. Research and development expense for the six-months ended June 30, 2011 increased to $2.0 million compared with $363 thousand for the six-months ended June 30, 2010. The increase is due primarily to increased activity in clinical and pre-clinical programs and stock-based compensation expense. General and administrative expense for the six-months ended June 30, 2011 was $3.0 million compared with $2.0 million for the six-months ended June 30, 2010. The increase is due primarily to higher payroll, stock-based compensation expense and legal 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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