GALECTIN THERAPEUTICS INC
Form 424B2
March 23, 2012
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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-172849

PROSPECTUS SUPPLEMENT

(To the Prospectus dated May 2, 2011)

1,159,445 Units

Units Consisting of Two Shares of Common Stock and One Warrant to Purchase One Share of Common Stock

We are offering 1,159,445 units at a purchase price of $9.00 per unit, with each unit consisting of two common voting shares, par value $0.001 per share (which we refer to as our common stock), and one warrant to purchase one share of common stock (and the shares of common stock issuable from time to time upon exercise of the offered warrants) pursuant to this prospectus supplement and the accompanying prospectus. The units may not be separated into the underlying shares of common stock and warrants until the earlier of (1) the exercise in full of the underwriters over-allotment option or (2) forty-five (45) days from the date of this prospectus supplement; and thereafter, the units may be separable only upon the request of a holder. Each warrant will have an initial exercise price of $5.63 per share, will be exercisable upon separation of the units and will expire on March 28, 2017.

Concurrently with the pricing of this offering, we completed a 1-for-6 reverse stock split of our common stock. Our common stock was previously quoted on the OTC Bulletin Board under the symbol GALT. We have received approval to list our common stock, units and warrants on The NASDAQ Capital Market under the symbols GALT, GALTU and GALTW , respectively. On March 22, 2012, the last reported sale price of our common stock on the OTC Bulletin Board was $5.94 per share (after giving effect to the reverse stock split).

Our business and an investment in our securities involve a high degree of risk. See Risk Factors beginning on page S-19 of this prospectus supplement and on page 4 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Unit	Total
Public offering price	$ 9.00	$ 10,435,005
Underwriting discount[(1)]	$ 0.63	$ 730,450
Proceeds, before expenses, to us	$ 8.37	$ 9,704,555

(1) The underwriters will receive compensation in addition to the underwriting discount. See Underwriting beginning on page S-46 of this prospectus supplement for a description of compensation payable to the underwriters.

The underwriters may also purchase up to an additional 173,916 units from us at the public offering price, less the underwriting discount, within 45 days from the date of this prospectus supplement to cover over-allotments, if any.

The underwriters expect to deliver the units against payment therefor on or about March 28, 2012.

Aegis Capital Corp

March 22, 2012

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Drugs that Inhibit Disease-Causing Galectin Proteins

1. Normal cells secrete small quantities of galectins

2. Increased levels of galectins are associated with diseases including cancer and fibrosis

3. Inhibition of galectins is associated with reduced disease pathology

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which is part of a shelf registration statement on Form S-3 (File No. 333-172849) that we filed with the Securities and Exchange Commission, or SEC, under the Securities Act of 1933, as amended, or the Securities Act. The accompanying prospectus gives more general information about securities we may offer from time to time, including the units, common stock and warrants in this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined together with all documents incorporated by reference. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement. However, if any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference into this prospectus supplement or the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any free writing prospectus we file with the SEC to which we have referred you. We have not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. The information contained in, or incorporated by reference into, this prospectus supplement, the accompanying prospectus and any free writing prospectus is accurate only as of the respective dates thereof, regardless of the time of delivery of this prospectus supplement, the accompanying prospectus and any free writing prospectus or of any sale of securities offered hereby. It is important for you to read and consider all information contained in this prospectus supplement, the accompanying prospectus and any free writing prospectus, including the documents incorporated by reference herein and therein, in making your investment decision. You should also read and consider the information in the documents to which we have referred you under the captions Where You Can Find More Information and Incorporation of Documents by Reference in this prospectus supplement and in the accompanying prospectus.

We are offering to sell, and are seeking offers to buy, the units only in jurisdictions where such offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the units in certain jurisdictions or to certain persons within such jurisdictions may be restricted by law. Persons outside of the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the offering of the units and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a

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solicitation of an offer to buy, any securities offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

Unless we have indicated otherwise or the context otherwise requires, references in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein to the Company, we, us and our refer to Galectin Therapeutics Inc. and its subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and accompanying prospectus, including the documents that we incorporate by reference, contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements relate to future events or our future financial performance and can be identified by the use of forward-looking terminology such as project, may, could, expect, anticipate, estimate, continue or other similar words. These forward-looking statements are based 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 these statements. The following are some of the important factors that could cause our actual performance to differ materially from those discussed in the forward-looking statements:

- We have incurred significant operating losses since our inception and cannot assure you that we will generate revenue or profit;
- Although we believe that we have sufficient cash on hand to meet our financial and operating obligations through the first quarter of 2013, if we cannot obtain additional financing by the end of the first quarter of 2013, our operations may be restricted and we may ultimately be unable to continue to develop and potentially commercialize our product candidates;
- We are subject to extensive and costly regulation by the U.S. Food and Drug Administration, or FDA, which must approve our product candidates in development and could restrict the sales and marketing of such products in development;
- We may be unable to achieve commercial viability and acceptance of our proposed products;
- We may be unable to improve upon, protect and/or enforce our intellectual property;
- We may be unable to enter into strategic partnerships for the development, commercialization, manufacturing and distribution of our proposed product candidates;
- We are subject to significant competition;

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As a publicly traded company, we may be required to implement additional and expensive finance and accounting systems, procedures and controls as we grow our business and organization to satisfy new reporting requirements, which will increase our costs and require additional management resources; and

The net proceeds from this offering may be invested in a way that does not yield a return, if any, that is favorable to us.

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 including, but not limited to, those described above, those described in the Risk Factors section of this prospectus supplement and the other information in this prospectus supplement, the accompanying prospectus and our Annual Report on Form 10-K for the year ended December 31, 2010.

We cannot assure you that we have identified all of the factors that create uncertainties. Moreover, new risks emerge from time to time and it is not possible for our management to predict all risks, nor can we assess the impact of all risks on our business or the extent to which any risk, or combination of risks, may cause actual results to differ from those contained in any forward-looking statements. You should not place undue reliance on forward-looking statements.

You should read this prospectus supplement, the accompanying prospectus and the documents that we incorporate by reference herein and therein completely and with the understanding that our actual future results may be materially different from what we expect. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the information incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may change. We undertake no obligation to publicly release the result of any revision of these forward-looking statements to reflect events or circumstances after the date they are made or to reflect the occurrence of unanticipated events. We qualify all of the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus and particularly our forward-looking statements, by these cautionary statements.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information that you should consider before deciding to invest in our securities. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the Risk Factors section contained in this prospectus supplement and our consolidated financial statements and the related notes and the other documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

Business Overview

We are a development-stage company engaged in drug development to create new therapies for cancer and fibrotic disease. Our drug candidates are based on our method of targeting galectin proteins, which are key mediators of biologic and pathologic function. We use naturally occurring plant materials to create complex carbohydrates with specific molecular weights and pharmaceutical properties. Using these unique carbohydrate-based candidate compounds that bind and inhibit galectin proteins, we are undertaking the 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 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 attempt to leverage our scientific and development expertise as well as established relationships with outside sources to achieve cost-effective and efficient development. We are pursuing a development pathway to clinical enhancement and commercialization for our lead compounds in immune enhancement for cancer therapy as well as in both liver fibrosis and fatty liver disease. All of our proposed products are presently in development, including pre-clinical and clinical trials.

Drug Compounds

We have two compounds in development, one intended to be used in cancer therapy and the other intended to be used in the treatment of liver fibrosis and fatty liver disease. These two compounds are produced from completely different natural starting materials, both possessing the property which lends itself to binding to and inhibiting galectin proteins. GM-CT-01, our lead product candidate for cancer therapy, is a proprietary linear polysaccharide polymer comprised of mannose and galactose that has a precisely defined chemical structure and is derived from a plant source. GR-MD-02, our lead product for treatment of liver fibrosis and fatty liver disease with inflammation and fibrosis, is a proprietary complex polysaccharide polymer possessing both linear and globular structures, which also is derived from a plant source.

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We believe the mechanism of action for GM-CT-01 and GR-MD-02 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 GM-CT-01 and GR-MD-02 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, as discussed below.

Galectin Inhibition in Cancer Therapy

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 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.

We believe the potential exists for galectin inhibition to play a key role in the burgeoning area of cancer immunotherapy. For example, there have been two recent approvals of drugs for using the patient s immune system to fight cancer, Provenge (Dendreon; a dendritic cell tumor vaccine) and Yervoy (BMS; a monoclonal inhibitor of CTLA4, which activates cytotoxic T-cells). With many additional vaccines and immune stimulatory agents in development, industry analysts forecast that this market could grow to over $7 billion by 2015. It is our goal to produce an effective galectin inhibitor that enhances the immune system s ability to fight cancer and, most important, that complements other approaches to this type of therapy.

The role of galectins in cancer immunotherapy can be understood through the Galectin Effect , a recent discovery of how tumors avoid the body s own immune system. Our current program to block the Galectin Effect is based on the research of Dr. Pierre van der Bruggen (of the Ludwig Institute of Cancer Research in Brussels, Belgium), demonstrating that galectin-3, which is produced by the vast majority of human cancers, binds to and blocks the actions of tumor-infiltrating T-lymphocytes, the major immune cell in the body s defense against cancers (see figure of Galectin Effect below). Based on these results, we believe that the body s immune cells are unable to attack and kill tumor cells in the presence of galectins. Using this approach, the mechanism of action for GM-CT-01 seeks to block galectins and, in turn, restore the ability of the T-lymphocytes to kill tumor cells.

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We recently 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. The operational conduct of the trial is under the control of the Cancer Centre at the Cliniques Universitaires Saint-Luc and the Ludwig Institute for Cancer Research. The study has been initiated and patients are beginning to be enrolled. We expect the first patient to be enrolled in March or April of 2012. We expect the first stage of this trial (involving 12 evaluable patients) to be completed within a year of enrollment of the first patient and that it will provide data that could deliver an indication of efficacy. Depending on the results of Stage 1, 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 will require funding from the Company, currently estimated at approximately $1 million. Positive results from this study could indicate that this approach of inhibiting the Galectin Effect would be an enabling technology for therapy in other tumor types. The Phase I/II clinical trial in Belgium is not being conducted under an FDA-approved IND, but there is an open IND under the FDA for GM-CT-01.

There are two additional pathways for the development of GM-CT-01 for use in treatment of cancer. GM-CT-01 was found to be generally safe when studied in a Phase I clinical trial in end-stage cancer patients with multiple tumor types alone and in combination with 5-Fluorouracil (5-FU), which is an FDA-approved chemotherapy used for treatment of various types of cancer. Three Phase II studies were conducted, but were only partially completed due to financing issues. DAVFU-003 was a Phase II, multi-center, open-label trial in end-stage, line 3/4 metastatic colorectal cancer patients, who were treated with a combination of GM-CT-01 and 5-FU. In the 20 enrolled patients, the median survival was 6.7 months and there was a notable reduction in the expected adverse events related to 5-FU therapy.

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DAVFU-003 was terminated in 2007. Although only partially completed, when compared to historical controls, the data collected for DAVFU-003 suggested a favorable effect of the therapy, since the controls had an overall survival of 4.6 months. DAVFU-006 was a Phase II, open-label clinical trial in line 1 patients with locally advanced and unresectable or metastatic colorectal cancer (who were unable to tolerate intensive chemotherapy), who were treated with a regimen of GM-CT-01, 5-FU, leucovorin and Avastin®. Ten patients were enrolled in this study. DAVFU-006 was terminated in March 2010. Finally, DAVFU-007 was a Phase II, multi-center, open-label clinical trial to evaluate the efficacy and safety of GM-CT-01 in combination with 5-FU when administered as first line chemotherapy in patients with advanced biliary cancer. Seventeen patients were enrolled in this study. This study was stopped in March 2010.

It was notable in these four studies that, when the results of adverse events were pooled, there appeared to be a marked reduction in the severity of 5-FU related adverse events when compared to historical controls. To examine 5-FU related side effects in patients receiving GM-CT-01 in all of the clinical trials, a post-hoc analysis was conducted of adverse events typically related to 5-FU including, diarrhea, nausea and vomiting, mucositis and neutropenia/leukopenia. Studies for comparison to our data were culled from the literature, providing a broad spectrum of 1128 patients treated with 5-FU (see table below). Comparison of adverse events between the literature-derived patients and the 57 patients in our clinical trials that received 5-FU with full dose GM-CT-01 demonstrates that patients in our trials had a markedly lower grade: 3/4 adverse events for all of the 5-FU related toxicities. These data suggest that GM-CT-01 may ameliorate toxicities related to 5-FU, which are important limiting events in cancer chemotherapy.

Event in percent of patients (%)	**Kabbinavar 5-FU/LV N=104**	**Cunningham 5-FU/LV N=212**	**Bolus 5-FU/LV N=219**	**5-FU/LV (Mayo) N=593**	**5-FU+GM-CT-01 N=57**
Adverse Events	Grade 3-4 (%)	Grade 3-4 (%)	Grade 3-4 (%)	Grade 3-4 (%)	Grade 3-4 (%)
Diarrhea	40	14	13	12	0
Nausea/Vomiting	NR	9	4	7	<2
Mucositis	NR	22	17	NR	<2
Neutropenia/ Leukopenia	7	7	67	21	<2

Data on 5-FU adverse events in the above table were compiled from the following references:

1. Rothenberg ML, et al. J Clin Oncol 19(18):3801-7, 2001.
2. Chiara S, et al. Cancer Chemother Pharmacol 42 (4): 336-40, 1998.
3. Goldberg RM, et al. J Clin Oncol 15 (11): 3320-9, 1997.
4. Sloan JA, et al. J Clin Oncol 20(6):1491-8, 2002.
5. Tsalic M, et al. Am J Clin Oncol 26(1): 103-6, 2003.
6. Kabbinavar, FF, et al J Clin Oncol 23:3697-370, 2005.
7. Cunningham, D, et. al. Ann Oncol 7:961-965, 1996.

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Based on these completed Phase I and partially completed Phase II clinical trials, we are exploring two additional potential indicia for the use of GM-CT-01 in combination with cancer chemotherapy:

- We are seeking potential strategic partners to assist in researching the use of GM-CT-01 in the amelioration of 5-FU related side effects. Such a partnership would permit additional clinical trials in the U.S., which would not be started until a partnership was consummated; and

- We are attempting to gain regulatory approval of GM-CT-01 for use in combination with 5-FU for metastatic colorectal cancer in Colombia. This approach was recommended to the Company by key oncology opinion leaders in Colombia and by PROCAPS S.A., a Colombia-based pharmaceutical company. While Colombian marketing is not a central component of our overall corporate strategy, it could potentially help us to generate revenue in 2012 to support development programs, reduce the amount of capital we would need to raise in future equity offerings and gain additional clinical experience with GM-CT-01. There can be no assurance that we will receive regulatory approval of GM-CT-01 in Colombia, particularly since there has been no approval of GM-CT-01 in a major region such as the U.S. or Europe. Moreover, even if we receive approval in Colombia, we cannot assure you that our approach will yield successful results or that we will generate any revenue or lead to approval in any other countries, including the United States.

Liver Fibrosis: New Approach for an Unmet Medical Need

The second main initiative in our development strategy is the application of galectin inhibition in connection with liver fibrosis, a condition that leads to cirrhosis. Currently, nearly 500,000 patients have cirrhosis with nearly 50,000 losing their lives yearly in the United States, while only 6,200 were saved by liver transplantation at a cost of $350,000 per transplantation. In addition, the National Institute of Health estimates that 9 million to 15 million Americans are affected by a form of liver fibrosis known as non-alcoholic steatohepatitis, or NASH. NASH (also known as fatty liver disease) is a liver disease characterized by the accumulation of fat in the liver with associated inflammation and fibrosis that can lead to end-stage cirrhosis requiring a liver transplantation. The NIH forecasts that the number of Americans affected by NASH is growing due to obesity and diabetes, and that NASH is an epidemic which has the potential to become the leading cause of liver cirrhosis and liver transplantation in the future. To the best of our knowledge, there are currently no therapies on the market for NASH or other forms of liver fibrosis.

We believe that GR-MD-02 has the potential to treat 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.

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We have evaluated the ability of GR-MD-02 to block galectin-3 in animal models of liver fibrosis, the conclusions of which yielded positive results. In the figure below, the microscopic section on the left shows a rat liver that was treated with a chemical toxin for eight weeks, which induced liver fibrosis and then was given a placebo for four weeks. The reddish scars that marble the tissue in this rat liver are indicative of severe fibrosis. In contrast, the figure on the right shows a microscopic section of a rat liver that was treated with the same chemical toxin for eight weeks and then given GR-MD-02 for four weeks. We believe that the lack of scar tissue seen in the figure on the right indicates that treatment with GR-MD-02 is able to reverse and prevent the development of scar tissue in the liver. These experiments, along with several others that include human liver cells, have identified what we believe to be the mechanism of action for the creation of fibrotic scar tissue in the liver.

Recently, we presented pre-clinical data at the European Society for the Study of the Liver in Lisbon, Portugal, which data demonstrated that GR-MD-02 reversed NASH-induced fibrosis in the liver of mice. The animal model used was analogous to that of humans, in that the mice were given diabetes and then subsequently fed a high-fat diet, both conditions associated with the human disease. The figure below shows that there is a reduction in fat accumulation, hepatocyte degeneration and inflammation in the liver histology on the left after 4 weeks of treatment with GR-MD-02, which was administered twice a week. The significant improvement is confirmed using a standard NASH grading system as shown in the graph on the right of the figure.

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In the next figure, the percent of collagen in the livers (fibrotic tissue as demonstrated by percent Sirius red staining) was reduced by treatment with GR-MD-02 to levels equivalent to normal levels irrespective of whether treatment was started early (before fibrosis developed) or late (after the development of fibrosis). These effects in the NASH mice were independent of serum glucose and lipid levels, which were elevated in all animals. In addition, the galectin-3 levels in the liver tissue were markedly reduced by the therapy, indicating the proposed mechanism of inhibiting galectin-3 is likely operative.

In summary, our pre-clinical data show that GR-MD-02 may have a therapeutic effect on liver fibrosis as shown in several relevant animal models. Therefore, we chose GR-MD-02 as

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the lead candidate in a development program targeted initially at fibrotic liver disease associated with NASH. GR-MD-02 is currently being evaluated in pre-clinical toxicology and pharmacology studies with the aim of obtaining an IND from the FDA by the end of 2012 for initiating human studies in patients with NASH. We will seek to gain FDA approval for Phase I and Phase II studies of GR-MD-02 in NASH as well as other indications in diseases with liver fibrosis.

Certain Contractual Arrangements

The 10X Fund, L.P. owns all of our issued and outstanding Series B-1 Convertible Preferred Stock and Series B-2 Convertible Preferred Stock (together, the Series B Preferred Stock). As a holder of Series B Preferred Stock, the 10X Fund is entitled to various rights with respect to our corporate governance. See Risk Factors Risks Related to Our Common Stock and this Offering One investor and certain of our directors, by virtue of ownership of our securities and related rights, may be able to control the Company in this prospectus supplement.

In February 2009, we entered into a separation agreement in connection with the resignation of David Platt, Ph.D., our former Chief Executive Officer and Chairman of the Board of Directors. This separation agreement provides, among other things, for the deferral of a $1.0 million severance payment, due to Dr. Platt under his employment agreement, for six (6) months following (1) the renewed listing of our securities on a national securities exchange and (2) our achieving a market capitalization of $100 million.

Recent Developments

Reverse Stock Split and NASDAQ Capital Market Listing

Concurrently with the pricing of this offering, we completed a 1-for-6 reverse stock split of our common stock and received approval to begin trading our common stock on The NASDAQ Capital Market. In connection with the reverse stock split, we amended our articles of incorporation to decrease the number of shares of authorized common stock from 300,000,000 shares to 50,000,000 shares.

Changes to Management

On March 2, 2012, we entered into a consulting agreement with Thomas A. McGauley, pursuant to which Mr. McGauley will serve as our Acting Chief Financial Officer, effective March 6, 2012. Mr. McGauley will serve as Acting Chief Financial Officer until the earlier of September 30, 2012 and the time upon which a permanent Chief Financial Officer can be found. Mr. McGauley replaces Anthony D. Squeglia, who stepped down from his current role as our Chief Financial Officer and left the Company upon the expiration of his executive employment agreement on March 6, 2012.

In addition, on March 1, 2012, we extended the term of our employment agreement with Maureen E. Foley, our Chief Operating Officer, until June 30, 2012.

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Cancer Program

On December 8, 2011, we, the Cancer Centre at the Cliniques Universitaires Saint-Luc and the Ludwig Institute for Cancer Research, or LICR, announced the initiation of a Phase 1/2 safety and efficacy trial testing a novel treatment combination in patients with advanced metastatic melanoma. The Belgian Federal Agency of Medicine and Health Products, or FAMHP, granted approval to evaluate GM-CT-01 together with an LICR peptide vaccine. The trial will enroll up to 46 patients from four clinical centers in Belgium and Luxembourg.

On October 18, 2011, we entered into a Collaboration, Supply, Marketing and Distribution Agreement (which supersedes a March 2010 definitive term sheet) which grants PROCAPS exclusive rights to market and sell GM-CT-01 in Colombia. PROCAPS is a large, international, privately-held pharmaceutical company based in Barranquilla, Colombia. Under terms of the agreement, PROCAPS is responsible for obtaining regulatory and pricing approval in Colombia. PROCAPS also will be responsible for the vial filling, packaging, marketing and distribution of GM-CT-01 in the region. In October 2010, we received a payment of $200,000 and shipped GM-CT-01 to PROCAPS to be used by PROCAPS to qualify its vial filling process and to replicate our stability study.

Liver Fibrosis Program

Between June 2011 and February 2012, we conducted pre-clinical experiments to directly compare the utility of GM-CT-01 and GR-MD-02 in the treatment of experimental fibrosis. The pre-clinical results showed that GR-MD-02 was the superior drug and, therefore, has been named the lead product candidate for the treatment of liver fibrosis and fatty liver disease, while GM-CT-01 remains the lead product candidate for cancer therapy. Pre-clinical toxicology studies of GR-MD-02 are currently in progress and we plan to file an IND for GR-MD-02 in NASH and liver fibrosis by the end of 2012. In addition, a Phase I clinical trial in NASH is planned to begin in the first quarter of 2013 with top line results expected in the third quarter of 2013 and Phase II studies in NASH and post-transplantation fibrosis to follow.

In December 2011, we presented our preclinical and animal experimental results at the European Association for the Study of the Liver demonstrating that GR-MD-02 was effective in reducing pathology in a mouse model of NASH, including a reduction in liver cell fat, necrosis, inflammation and collagen deposition. We believe these results establish GR-MD-02 as a candidate for NASH therapy, a large unmet medical need.

In October 2011, we announced the formation of a clinical trial advisory group composed of representatives from liver centers of Massachusetts General Hospital (Harvard), Mount Sinai School of Medicine, University of Pennsylvania, Emory University, the University of Michigan and University of Wisconsin.

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In December 2010, we announced an extension of our research collaboration with Mount Sinai School of Medicine which began in 2006 to evaluate, in pre-clinical models, the anti-fibrotic effects of several of our novel, galectin-targeting compounds.

Risks

We are a development-stage company and have not generated any revenues to date. Since our inception, we have incurred net losses in each year of operation. Our business and our ability to execute our business strategy are subject to a number of risks of which you should be aware before you decide to invest in the units, including our common stock and the warrants, offered hereby. In particular, you should carefully consider the following risks, which are discussed more fully under Risk Factors beginning on page S-19 of this prospectus supplement.

We have incurred net losses to date, and if we do not raise additional capital by the end of the first quarter of 2013, we may not be able to develop our product candidates.

We are a development-stage company and have not yet generated any revenue.

We are largely dependent on the success of our two lead product candidates, GM-CT-01 and GR-MD-02 and we cannot be certain that these product candidates will receive regulatory approval or be successfully commercialized.

Even if we receive regulatory approval, we may be unable to commercialize our product candidates.

Performance milestones may not occur as contemplated by the agreement with PROCAPS.

There are risks associated with our reliance on third parties to conduct trial protocols, including arranging for and monitoring the clinical trials and collecting and analyzing data.

There are risks associated with our reliance on third parties for manufacturing, marketing, sales, managed care and distribution infrastructure and channels.

We are exposed to product liability, pre-clinical and clinical liability risks, which could place a financial burden upon us, should we be sued, because we do not currently have product liability insurance beyond our general insurance coverage.

We face intense competition in the biotechnology and pharmaceutical industries.

The market for our proposed products is rapidly changing and competitive, and new drugs and new treatments which may be developed by others could impair our ability to maintain and grow our business and remain competitive.

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Our lack of operating experience may cause us difficulty in managing our growth.

We depend on key individuals to develop our products and core technologies and pursue collaborative relationships.

We may be unable to comply with our reporting and other requirements under federal securities laws.

We will need regulatory approvals to commercialize our products.

Even if we obtain regulatory approvals, our marketed drugs will be subject to ongoing regulatory review. If we fail to comply with ongoing regulatory requirements, we could lose our approvals to market drugs, in which case our business would be materially adversely affected.

The drug development process to obtain FDA approval is very costly and time consuming and if we cannot complete our clinical trials in a cost-effective manner, our results of operations may be adversely affected.

If users of our proposed products are unable to obtain adequate reimbursement from third-party payers, market acceptance of our proposed products may be limited and we may not achieve revenues or profits.

Data obtained from clinical trials may be negative or inconclusive, and are susceptible to varying interpretations, which could delay, limit or prevent regulatory clearances.

We will need to obtain FDA approval of any proposed product brand names, and any failure or delay associated with such approval may adversely impact our business.

Our competitive position is contingent upon the protection of our intellectual property.

We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights and we may be unable to protect our rights to, or use of, our technology.

Obtaining and maintaining our patent protection depends upon compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Our failure to secure trademark registration could adversely affect our ability to market our product candidates and our business.

Confidentiality agreements with employees and others may not adequately prevent disclosure of our trade secrets and other proprietary information and may not adequately protect our intellectual property, which could impede our ability to compete.

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We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

The market price of our common stock may be volatile and adversely affected by several factors.

Our board of directors has the power to designate, without stockholder approval, additional series of preferred stock, the shares of which could be senior to our common stock and be entitled to conversion or voting rights that adversely affect the holders of our common stock.

Nevada law and our charter documents could make it more difficult for a third party to acquire us and discourage a takeover, which could depress the trading price of our common stock.

One investor and certain directors, by virtue of ownership of our securities and related rights, may be able to control the Company.

You will experience immediate dilution in the net tangible book value per share of the common stock included in the units you purchase.

We may issue additional common stock, which might dilute the net tangible book value per share of our common stock.

A sale of a substantial number of shares of the common stock may cause the price of our common stock to decline.

Because we will have broad discretion and flexibility in how the net proceeds from this offering are used, we may use the net proceeds in ways in which you disagree.

We have not paid cash dividends in the past and do not expect to pay cash dividends in the foreseeable future. Any return on your investment in the units may be limited to the market price of our common stock.

Our shares of common stock and warrants may be thinly traded, so you may be unable to sell at or near ask prices or even at all if you need to sell your shares or warrants to raise money or otherwise desire to liquidate your shares or warrants.

There is presently no public market for the units and the warrants to purchase common stock being sold in this offering.

We cannot assure you that we will be able to continue to comply with the minimum bid price requirement of The NASDAQ Capital Market.

There can be no assurance that we will be able to comply with other continued listing standards of The NASDAQ Capital Market.

The reverse stock split may decrease the liquidity of the shares of our common stock.

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Following the reverse stock split, the resulting market price of our common stock may not attract new investors, including institutional investors, and may not satisfy the investing requirements of those investors. Consequently, the trading liquidity of our common stock may not improve.

Corporate Information

DTR-Med Pharma Corp., or DTR, was incorporated in Nevada on January 26, 2001. On April 25, 2001, DTR entered into a stock exchange agreement with Pro-Pharmaceuticals, Inc., a Massachusetts corporation, whereby DTR acquired all of the outstanding shares of common stock of Pro-Pharmaceuticals, Inc. On May 10, 2001, DTR changed its name to Pro-Pharmaceuticals, Inc. and on June 7, 2001, the Massachusetts corporation was merged into the Nevada corporation. On May 26, 2011, Pro-Pharmaceuticals, Inc. changed its name to Galectin Therapeutics Inc.

Our principal executive office is located at 7 Wells Avenue, Newton, Massachusetts 02459. Our telephone number is (617) 559-0033 and our website address is www.galectintherapeutics.com. The information on our website is not a part of, and should not be construed as being incorporated by reference into, this prospectus supplement or the accompanying prospectus.

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The Offering

Securities offered by us	1,159,445 units, each unit consisting of two shares of common stock and a warrant to purchase one share of common stock. The units may not be separated into the underlying shares of common stock and warrants until the earlier of (1) the exercise in full of the underwriters over-allotment option or (2) forty-five (45) days from the date of this prospectus supplement; and thereafter, the units may be separable only upon the request of a holder. Each warrant will have an initial exercise price of $5.63 per share, will be exercisable upon separation of the units and will expire on March 28, 2017.
Common stock to be outstanding after this offering	15,239,983 shares or 16,399,428 shares if the warrants sold in this offering are exercised in full.
Warrants	Warrants to purchase an aggregate of shares of common stock will be offered as part of the units being sold in this offering.
Warrant exercise price	The initial exercise price of the warrants is $5.63 per share.