

August 15, 2011

Key Metrics

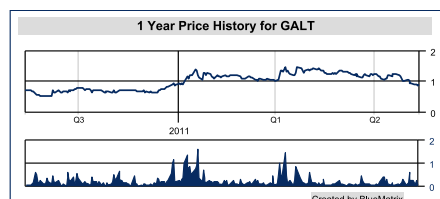
GALT - OTC BB	\$0.90
Pricing Date	Aug 12 2011
Price Target	\$6.00
52-Week Range	\$1.57 - \$0.48
Shares Outstanding (mm)	74.1
Market Capitalization (\$mm)	\$66.7
3-Mo Average Daily Volume	129,620
Book Value/Share	\$0.12
Price/Book	7.5x

EPS(\$) FY: December

	2010A	Prior 2011E	Curr. 2011E	Prior 2012E	Curr. 2012E
1Q-Mar	--	--	(0.04)A	--	--
2Q-Jun	--	(0.03)E	(0.06)A	--	--
3Q-Sep	--	(0.04)E	(0.05)E	--	--
4Q-Dec	--	(0.05)E	(0.04)E	--	--
FY	(0.15)	(0.17)E	(0.19)E	--	(0.21)E
P/E					

Revenue(\$mm)

	2010A	Prior 2011E	Curr. 2011E	Prior 2012E	Curr. 2012E
1Q-Mar	--	--	0.0A	--	--
2Q-Jun	--	--	0.0A	--	--
3Q-Sep	--	--	0.0E	--	--
4Q-Dec	--	--	0.0E	--	--
FY	0.0	--	0.0E	--	0.0E



Company Description:

Galectin Therapeutics Inc., a small biopharmaceutical company based in Newton, Massachusetts, is a leader of galectin science, applying its expertise to drug development for fibrotic disease and oncology.

Galectin Therapeutics Inc.

Rating: Buy

Liver Fibrosis Program On Track Following 2Q; Reiterating Buy Rating

Investment Highlights:

- **2Q11 Report.** This past Friday, Galectin Therapeutics reported a 2Q11 loss of (\$0.06). Results fell short of our loss-per-share estimate of (\$0.03) primarily because some R&D programs progressed faster than what we were projecting. The company is continuing on CEO Peter Traber's turnaround path, which focuses on liver fibrosis. Our long-term forecast remains largely unchanged. We are reiterating our Buy rating and \$6 price target on Galectin Therapeutics.
- **Expect GM-CT-01 Phase I in 1H12.** In our opinion, Phase I and II studies with lead drug candidate GM-CT-01 demonstrate solid proof of safety and encouraging signs of efficacy in colorectal cancer. In addition, Dr. Traber has begun to focus the company on developing a drug for the treatment of liver fibrosis. Because of the high unmet need in liver fibrosis, we believe peak sales for a drug that can reverse fibrosis could reach \$3.6 billion in 2018. We believe there is very strong preclinical proof that Galectin's drugs can reverse liver fibrosis. Management expects to initiate Phase I/II trials in 1H12, with possible proof of concept results by 1H13.
- **Other Key Catalysts.** We believe GALT has upside potential from additional pipeline projects. The company expects INVIMA, the Colombian regulatory agency, to make a decision on marketing approval in colorectal cancer, possibly by 1Q12. If approved, we believe the drug could eventually generate \$7mm-\$10mm of profit, which would help GALT finance development of its pipeline. In September, the Ludwig Institute for Cancer Research (Belgium) is expected to initiate a Phase I/II study to investigate the immunological mechanism of GM-CT-01 in advanced metastatic melanoma patients, with results possible by mid-2012. We think positive results could significantly expand the combination potential of GM-CT-01 with cancer vaccines and chemotherapeutics.

Investment Thesis

- **Galectin Science.** Galectin Therapeutics is pioneering a new technology based on galectin science, a unique area of confluence between carbohydrate and protein chemistry. Many scientists have been working to improve their understanding and application of galectin science due to the vast nature of its application in oncology and immunology. In our opinion, Galectin Therapeutics is far ahead of the competition with respect to developing drugs that can target galectin proteins. Because the backbone of this technology is carbohydrate-based, the company's drugs have the advantages of antibody technology (i.e., a long half-life and targeting) and are very safe because of simple breakdown molecules.
- **Turnaround Story.** Over the past few years, Galectin Therapeutics' research team has substantially developed galectin-targeting drugs despite tough macroeconomic conditions and inadequate strategies set forth by previous top management. Galectin's recently named CEO, Dr. Peter Traber, formerly the CMO of GlaxoSmithKline, has a very strong background in research, medicine, and business. In our opinion, Dr. Traber has been able to quickly reevaluate the company's business, redirecting its focus to areas of strategic interest that, in our opinion, could yield significant share price appreciation from current levels.
- **Liver Fibrosis.** Galectin Therapeutics is developing a potentially blockbuster therapy for liver fibrosis, an area of high unmet need. The company's significant near-term catalysts include potential approval of a colorectal cancer therapeutic in Colombia by 1Q12, potential proof of concept as an additive to chemotherapeutics and cancer vaccines for enhancing immunology by mid-2012, and potential human proof of concept of reversal in liver fibrosis starting in 1H13.

Investment Positives

1. **Galectin Technology.** Galectin Therapeutics, as the name suggests, is the leader in research and development in the area of galectin science. Galectin science relates to targeting galectin proteins, a group of about 15 proteins that are secreted from several different tissues in the body and normally act as key mediators of disparate biologic and pathologic functions. The company's initial data have shown galectin's potential role in several oncology and immunology-related disease areas. As a result, we believe galectin targeting has the ability to progress development of several therapeutics with blockbuster potential. In our opinion, Galectin Therapeutics stands out among its peers based on the company's expertise in galectin technology.
2. **Liver Fibrosis.** Specifically, we are very excited that the company's technology could yield blockbuster treatment of liver fibrosis, in light of the following:
 1. There is compelling evidence from preclinical data that this technology can potentially reverse liver fibrosis.
 2. The safety profile of the company's technology was established in prior Phase I and Phase II cancer trials, which lowers clinical risk and could shorten the time needed for clinical development.
 3. There is a high unmet need for patients with liver fibrosis; the disease results in a high rate of morbidity, and there are no approved drugs or investigational drugs that have shown reversal of the disease.
3. **Colorectal Cancer.** We believe the company's Phase I and II studies with lead drug candidate GM-CT-01 established solid proof of safety and encouraging signs of efficacy in colorectal cancer. Galectin has chosen to decelerate the development in colorectal cancer due to a shifting focus to immunology and also due to limited financial resources. We believe management will eventually be successful at finding a partner with which to fully develop GM-CT-01 in colorectal cancer.

4. **Inexpensive Valuation.** We calculate an intrinsic value of approximately \$6 per share for Galectin Therapeutics through our sum-of-parts methodology, in which we assign a per-share value to the company's liver fibrosis pipeline, oncology pipeline, and technology. Based on our valuation, there is approximately 5.7x upside to the stock price based on last Friday's closing price.
5. **Significant Upside From Pipeline.** Our model assumes probability-adjusted contributions from liver fibrosis and colorectal cancer; however, we believe realization of the following scenarios could provide upside to our estimates:
 1. GM-CT-01 could win approval for colorectal cancer in Colombia and other Latin American countries based on current data; we expect a final decision from INVIMA, the Colombian regulatory agency, by 1Q12.
 2. The company's drug candidate could enhance actions of immunological therapy of metastatic melanoma; we expect to start seeing results from a metastatic melanoma trial run by the Ludwig Institute for Cancer (Brussels) by mid-2012.
 3. There is early evidence that the company's technology could potentially be active in several solid tumors; we currently do not assume any contribution from this in our projections.
6. **Catalysts.** In our opinion, there are several catalysts over the next 6 to 18 months that could trigger meaningful upside to Galectin's stock price:
 1. The Ludwig institute for Cancer Research in Brussels expects to initiate a Phase I/Phase II study to evaluate GM-CT-01 in advanced metastatic melanoma by September, with results possibly beginning in mid-2012.
 2. The company expects approval of GM-CT-01 in Colombia during 1Q12, with other Latin American countries starting thereafter.
 3. In mid-2012 we expect the company to initiate a Phase I/II trial to evaluate GM-CT-01 or GR-MD-02 in liver fibrosis patients. We could see results from that trial during 1H13.
 4. Next year, we expect the company to focus on a partnership enabling Phase III testing of GM-CT-01 trials in colorectal cancer.
7. **Strong Management.** The depth of Galectin Therapeutics' management team is impressive, in our view. Management has extensive experience in both the healthcare and business fields. Dr. Peter Traber, who was named CEO of Galectin in March 2011, has a significant background in clinical development, medical affairs, research and business; he was previously the CEO of University of Pennsylvania Health System and CMO of GlaxoSmithKline plc. Anatole Klyosov, Ph.D., D.Sc., one of the company's founders, remains its CSO; Dr. Klyosov is widely published and considered an expert in galectin science. Dr. Traber is also supported by Eliezer Zomer, Ph.D., VP of Manufacturing and Product Development since 2003; Anthony Squeglia, CFO, since October 2007; and Maureen E. Foley, COO, since 2001. Dr. Scott Friedman, a pioneer in the field of liver fibrosis and currently the Chief of Liver Diseases at Mount Sinai School of Medicine, is one of Galectin Therapeutics' advisors.

Investment Risks

- **Financial Risks.** The company may need financing to sustain and grow its pipeline, which could be dilutive to current shareholders.
- **Clinical Risks.** Drugs in pre-clinical and clinical trials may not advance because of inadequate safety and/or efficacy, or because a determination of efficacy or safety cannot be made. Specifically, the company's drugs could fail to show efficacy in liver fibrosis and colorectal cancer in human trials.
- **Regulatory Risks.** Drugs may not gain approval from regulatory agencies such as the FDA, EMEA, or INVIMA.

Competition. Although competition in galectin technologies, and, hence, Galectin Therapeutics' drugs, is limited, it will likely increase from the many public and private companies developing pharmaceuticals using disparate technologies.

- **Reimbursement Risk.** Sales of Galectin Therapeutics' drugs will probably be highly dependent on reimbursement from private insurers, as well as government agencies. Success of an approved drug will depend on reimbursement, which can depend on the strength of clinical data.
- **Collaborative Risk.** Galectin Therapeutics may have little or no control over partnered programs, and, as such, the interests of collaborative partners may not be aligned with those of the company's shareholders.

Valuation

We calculate an intrinsic value of approximately \$6 per share for Galectin Therapeutics through our sum-of-parts methodology, in which we assign a per-share value to the company's liver fibrosis pipeline, oncology pipeline, and technology using an 89.5 million share count (in 2013), assuming meaningful dilution from current levels. We derive our price target of \$6 by rounding off our calculated intrinsic per-share values, as detailed in Figure 1, below:

Figure 1: Sum-of-Parts Valuation (in \$ millions and \$/share)

Component	Value
Severe Liver Fibrosis	342
Oncology	58
Technology value	100
Total	501
*Cash beyond 1 year	

Source: Morgan Joseph TriArtisan LLC estimates

In building our model for a potential treatment for liver fibrosis, we considered the sickest patients and assumed pricing of the drug at the lower end of similarly beneficial orphan disease drugs. Because the drug candidate is in the early stages of development, we ascribed the probability of approval at around 25%. We also assume that the drug will be partnered and that Galectin Therapeutics will retain a 30% share of profits of this program.

Figure 2: Estimated Acute Liver Fibrosis Market in the U.S.

Severe Liver Market	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Patient Market	61,000	64,050	67,253	70,615	74,146	77,853	81,746	85,833	90,125	94,631	99,363
Drug cost (\$/year)	98,012	101,932	106,010	110,250	114,660	119,247	124,016	128,977	134,136	139,502	145,082
Annual \$ market (\$ million)	5,979	6,529	7,129	7,785	8,502	9,284	10,138	11,071	12,089	13,201	14,416
Peak Penetration	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Peak Sales (\$ million)	1,793.6	1,958.6	2,138.8	2,335.6	2,550.5	2,785.1	3,041.3	3,321.2	3,626.7	3,960.4	4,324.7
Drug inflation	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Patient market growth	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Value (\$ million)									21,760	23,762	25,948
Present Value (\$million)	3,651	4,563	5,704	7,130	8,913	11,141	13,927	17,408			
Years to approval	5										
Years to peak from approval	3										
Total years to peak	8										
Peak Year	2018										
Sales Multiple	6										
Discount Rate	25%										
Probability of approval	25%										
Profitability to company	30%										
Prob. Adj. value (\$ million)	342										

Source: Morgan Joseph TriArtisan LLC estimates

The pricing of the drug is within the range of highly priced cancer and orphan disease drugs, as shown below:

Figure 3: Annual Pricing for Select Cancer and Orphan Disease Drugs

Drug	Disease	US prevalence	Delivery	Pricing (\$/year)
Sutent	Renal Cancer	90,000	Oral	48,000
Tarceva	Lung Cancer	148,800	Oral	70,000
Provenge	Prostate Cancer	2,276,000	Infusion	92,000
GM-CT-01*	Severe Liver Disease	60,000	Infusion	98,000
Zavesca	Gaucher's disease	5,000	Oral	128,000
Fabrazyme	Fabry's disease	2,500	Infusion	239,000
Elaprase	Hunter syndrome	1,500	Infusion	400,000
Naglazyme	MPS VI	1,200	Infusion	441,000
Cerezyme	Gaucher's disease	5,000	Infusion	521,000
Soliris	PNH	1,050	Infusion	497,000

Source: Morgan Joseph TriArtisan LLC estimates

In building our model for a potential treatment for oncology, we considered the metastatic colorectal cancer market, which is large and rife with competition. We assumed peak penetration of only 10%, as we have not yet seen data on this drug candidate from a randomized trial. We assigned a 35% probability of approval for this indication and 15% profitability to the company following a partnership.

Figure 4: Estimated Colorectal Cancer Market

Colorectal Cancer	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Patient Market	106,100	111,405	116,975	122,824	128,965	135,413	142,184	149,293	156,758	164,596	172,826
Drug cost (\$/year)	24,000	24,960	25,958	26,997	28,077	29,200	30,368	31,582	32,846	34,159	35,526
Annual \$ market (\$ million)	2,546	2,781	3,036	3,316	3,621	3,954	4,318	4,715	5,149	5,623	6,140
Peak Penetration	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Peak Sales (\$ million)	254.6	278.1	303.6	331.6	362.1	395.4	431.8	471.5	514.9	562.3	614.0
Drug Inflation	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Patient market growth	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Value (\$ million)									3,089	3,374	3,684
Present Value (\$million)	995	1,114	1,248	1,397	1,565	1,753	1,963	2,199			
Years to approval	6										
Years to peak from approval	4										
Total years to peak	10										
Peak Year	2020										
Sales Multiple	6										
Discount Rate	12%										
Probability of approval	35%										
Profitability to company	15%										
Prob. Adj. value (\$ million)	58										

Source: Morgan Joseph TriArtisan LLC estimates

Our valuation of the company's technology component ascribes 25% of the total value of the pipeline to the company's galectin-based technology assets. As it relates to Galectin Therapeutics, our methodology is similar or more conservative than the values we assign to companies with technology platforms such as ImmunoGen (IMGN/NASDAQ-\$10.62-Buy-PT \$16) and Nektar Therapeutics (NKTR/NASDAQ-\$5.40-Buy-PT \$15).

Income Sheet (\$in millions)	2010A	Q111A	Q211E	Q311E	Q411E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Revenues															
Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	62.7	136.9	207.6	272.0	297.0	324.4
Total Revenues	0.0	0.00	0.00	0.00	0.00	0.0	0.0	0.0	0.0	62.7	136.9	207.6	272.0	297.0	324.4
Operating Expenses															
COGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	9.6	14.5	19.0	20.8	22.7
R&D	1.1	0.7	0.6	1.2	1.8	4.3	10.2	13.7	15.8	17.4	19.1	21.0	23.1	25.4	28.0
SG&A	3.8	1.3	1.3	1.3	1.3	5.2	5.5	5.8	6.1	12.5	27.4	41.5	54.4	59.4	64.9
Other															
Total Operating Expenses	4.9	2.0	1.9	2.5	3.1	9.5	15.7	19.5	21.9	34.3	56.1	77.1	96.6	105.6	115.6
Operating Income	(4.9)	(2.0)	(1.9)	(2.5)	(3.1)	(9.5)	(15.7)	(19.5)	(21.9)	28.4	80.8	130.5	175.4	191.4	208.8
Interest and Other Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense	0.0	-0.4	-0.4	-0.4	-0.4	-1.6	-1.7	-1.7	-1.8	-2.1	-2.5	-2.6	-2.7	-2.9	-3.0
Other	-0.8														
Income Before Taxes	-5.6	-2.4	-2.2	-2.9	-3.6	-11.1	-17.4	-21.2	-23.7	26.3	78.3	127.9	172.7	188.5	205.8
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	(5.6)	(2.4)	(2.2)	(2.9)	(3.6)	(11.1)	(17.4)	(21.2)	(23.7)	26.3	78.3	127.9	172.7	188.5	205.8
Preferred stock dividends	-0.9	-0.3	-0.3	-0.3	-0.4	-1.4	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5
Preferred stock accretion	-2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income (shareholders)	-8.7	-2.7	-2.6	-3.3	-3.9	-12.5	-18.9	-22.7	-25.2	24.8	76.8	126.4	171.2	187.0	204.3
EPS	-0.15	-0.04	-0.03	-0.04	-0.05	-0.17	-0.21	-0.24	-0.25	0.27	0.76	1.18	1.51	1.57	1.63
Shares outstanding	56.3	66.9	74.2	75.7	79.0	74.0	81.4	89.5	94.0	98.7	103.6	108.8	114.2	119.9	125.9

Source: Company Reports and Morgan Joseph TriArtisan LLC estimates

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Balance Sheet (\$ in millions)	Dec-09A	Dec-10A	Dec-11E	Dec-12E	Dec-13E	Dec-14E	Dec-15E	Dec-16E	Dec-17E	Dec-18E	Dec-19E	Dec-20E
Assets												
Current Assets												
Cash And Cash Equivalents	0.3	5.9	7.3	8.9	4.7	1.8	32.6	106.7	230.7	399.5	582.9	782.4
Receivable	-	0.2	0.3	0.5	0.6	0.8	1.7	2.5	3.5	4.4	5.5	6.5
Prepaid expenses and other	0.1	0.1	(0.0)	(0.0)	(0.0)	0.0	0.0	0.1	0.1	0.1	0.1	0.2
Total Current Assets		6.2	7.6	9.4	5.3	2.6	34.3	109.3	234.3	404.0	588.6	789.1
Property Plant and Equipment	0.0	0.0	0.0	0.5	1.1	7.6	15.2	23.9	33.9	45.4	58.7	73.9
Restricted cash	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Intangible assets, net	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets		6.3	7.7	9.9	6.4	10.4	49.6	133.3	268.3	449.6	647.3	863.1
Liabilities												
Current Liabilities												
Accounts Payable	0.2	0.1	0.1	0.3	0.4	0.5	1.3	2.9	5.4	8.7	12.3	16.2
Accrued Expenses	0.8	0.5	0.5	0.5	0.5	0.5	1.1	2.2	4.0	6.2	8.7	11.5
Accrued Dividend Payable	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Revenue	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Warrant Liabilities	-	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Total Current Liabilities	1.1	1.8	1.8	1.9	2.0	2.2	3.5	6.3	10.5	16.0	22.1	28.7
Warrant Liabilities	1.6	-	-	-	-	-	-	-	-	-	-	-
Other Liabilities	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	3.0	1.8	1.8	1.9	2.1	2.2	3.5	6.3	10.5	16.1	22.1	28.7
Stockholders' Equity	Source: Morgan Joseph TriArtisan LLC estimates											
Convert Series B-1	1.3	1.7	1.7	1.7	-	-	-	-	-	-	-	-
Convert Series B-2	0.6	2.5	2.5	2.5	2.5	-	-	-	-	-	-	-
Series C	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Series A	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Common Stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Additional Paid in Capital	42.5	54.0	64.4	81.6	98.5	126.0	135.0	135.0	135.0	135.0	135.0	135.0
Accumulated Deficit	(47.7)	(56.4)	(65.4)	(80.5)	(99.4)	(120.6)	(91.7)	(10.7)	120.1	295.8	487.5	696.6
Total Stockholder Equity	(1.7)	4.5	5.9	8.0	4.4	8.2	46.1	127.1	257.8	433.5	625.2	834.3
Total liabilities and stockholders equity	4.467	6.3	7.7	9.9	6.4	10.4	49.6	133.3	268.3	449.6	647.3	863.1

Source: Company Reports and Morgan Joseph TriArtisan LLC estimates

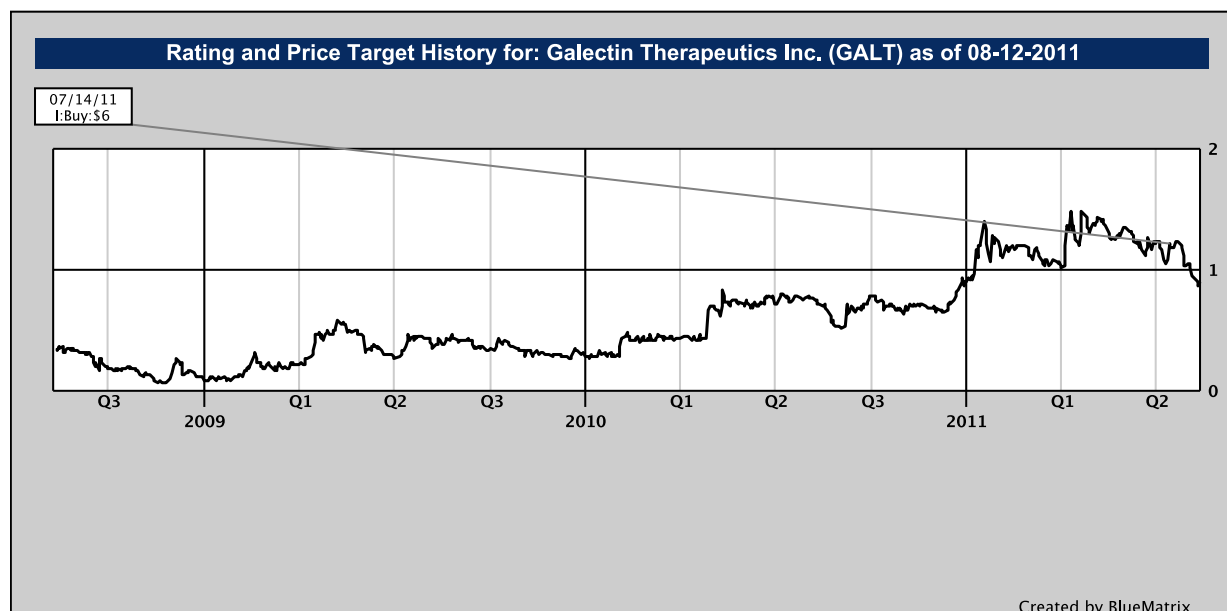
Cash Flow Statement (\$ in millions)	2009A	2010A	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Operating Cash Flows												
Net Income	(7.5)	(5.6)	(11.1)	(17.4)	(21.2)	(23.7)	26.3	78.3	127.9	172.7	188.5	205.8
Depreciation and amortization	0.0	0.0	0.1	0.1	0.1	0.6	0.7	0.8	0.9	1.1	1.2	1.4
Stock-based compensation expense	1.6	1.9	2.1	2.2	2.4	2.5	2.6	2.7	2.9	3.0	3.2	3.3
Change in fair value of warrant liabilities	1.4	-	-	-	-	-	-	-	-	-	-	-
Write off of intangible assets	0.2	-	-	-	-	-	-	-	-	-	-	-
Changes in operating assets and liabilities:												
Grant receivable	-	(0.2)	-	-	-	-	-	-	-	-	-	-
Accounts receivables	-	-	(0.1)	(0.1)	(0.2)	(0.2)	(0.8)	(0.9)	(0.9)	(1.0)	(1.0)	(1.1)
Prepaid expenses and other current assets	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Accounts payable	0.1	(0.1)	0.1	0.1	0.1	0.1	0.8	1.6	2.5	3.3	3.6	3.9
Accrued expenses	-	-	-	-	-	-	0.5	1.1	1.7	2.3	2.5	2.7
Other long-term liabilities	0.3	(0.3)	-	-	-	-	-	-	-	-	-	-
Total Cash Flow From Operating Activities	(3.9)	(4.4)	(8.9)	(15.0)	(18.8)	(20.6)	30.0	83.7	135.0	181.3	198.0	216.1
Investing Cash Flows												
Capital Expenditures	-	-	(0.1)	(0.5)	(0.7)	(7.2)	(8.3)	(9.5)	(11.0)	(12.6)	(14.5)	(16.7)
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Other Cashflows from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Flows From Investing Activities	-	-	(0.1)	(0.5)	(0.7)	(7.2)	(8.3)	(9.5)	(11.0)	(12.6)	(14.5)	(16.7)
Financing Cash Flows												
Sale Purchase of Stock	3.8	8.7	10.4	17.2	15.2	25.0	9.0	-	-	-	-	-
Other Cash Flows from Financing Activities	-	-	-	-	-	-	-	(0.0)	0.0	-	-	-
Total Cash Flows From Financing Activities	3.8	8.7	10.4	17.2	15.2	25.0	9.0	(0.0)	0.0	-	-	-
Effect Of Exchange Rate Changes	-	-	-	-	-	-	-	-	-	-	-	-
Change In Cash and Cash Equivalents	(0.1)	4.4	1.4	1.6	(4.3)	(2.8)	30.7	74.2	124.0	168.7	183.5	199.4

Source: Company Reports and Morgan Joseph TriArtisan LLC estimates

Income Sheet (\$in millions)	2010A	Q111A	Q211A	Q311E	Q411E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Revenues															
Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	62.7	136.9	207.6	272.0	297.0	324.4
Total Revenues	0.0	0.00	0.00	0.00	0.00	0.0	0.0	0.0	0.0	62.7	136.9	207.6	272.0	297.0	324.4
Operating Expenses															
COGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	9.6	14.5	19.0	20.8	22.7
R&D	1.1	0.7	1.3	1.4	1.2	4.6	10.2	13.7	15.8	17.4	19.1	21.0	23.1	25.4	28.0
SG&A	3.8	1.3	1.7	1.3	1.4	5.7	6.0	6.3	6.6	12.5	27.4	41.5	54.4	59.4	64.9
Other															
Total Operating Expenses	4.9	2.0	3.0	2.7	2.6	10.3	16.2	20.0	22.4	34.3	56.1	77.1	96.6	105.6	115.6
Operating Income	(4.9)	(2.0)	(3.0)	(2.7)	(2.6)	(10.3)	(16.2)	(20.0)	(22.4)	28.4	80.8	130.5	175.4	191.4	208.8
Interest and Other Income	0.0	0.0	-0.1	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3
Interest Expense	0.0	-0.4	0.0	0.0	0.0	-0.4	-0.4	-0.4	-0.4	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7
Other	-0.8														
Income Before Taxes	-5.6	-2.4	-3.1	-2.7	-2.6	-10.8	-16.7	-20.5	-23.0	27.7	80.0	129.6	174.5	190.4	207.8
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	(5.6)	(2.4)	(3.1)	(2.7)	(2.6)	(10.8)	(16.7)	(20.5)	(23.0)	27.7	80.0	129.6	174.5	190.4	207.8
Preferred stock dividends	-0.9	-0.3	-0.8	-0.8	-0.8	-2.8	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5
Preferred stock accretion	-2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income (shareholders)	-8.7	-2.7	-3.9	-3.5	-3.4	-13.6	-18.2	-22.0	-24.5	26.2	78.5	128.1	173.0	188.9	206.3
EPS	-0.15	-0.04	-0.06	-0.05	-0.04	-0.19	-0.21	-0.24	-0.25	0.29	0.80	1.23	1.58	1.64	1.70
Shares outstanding	56.3	66.9	69.5	70.9	79.0	71.6	78.8	86.6	91.0	95.5	100.3	105.3	110.6	116.1	121.9

Source: Company Reports and Morgan Joseph TriArtisan LLC estimates

Required Disclosures



Price Target

Our price target is \$6 per share.

Valuation Methodology

We calculate an intrinsic value of approximately \$6 per share for Galectin Therapeutics through our sum-of-parts methodology, in which we assign a per-share value to the company's liver fibrosis pipeline, oncology pipeline, and technology using an 89.5 million share count (in 2013), assuming meaningful dilution from current levels.

Risk Factors

Financial Risks. The company may need financing to sustain and grow its pipeline, which could be dilutive to current shareholders.

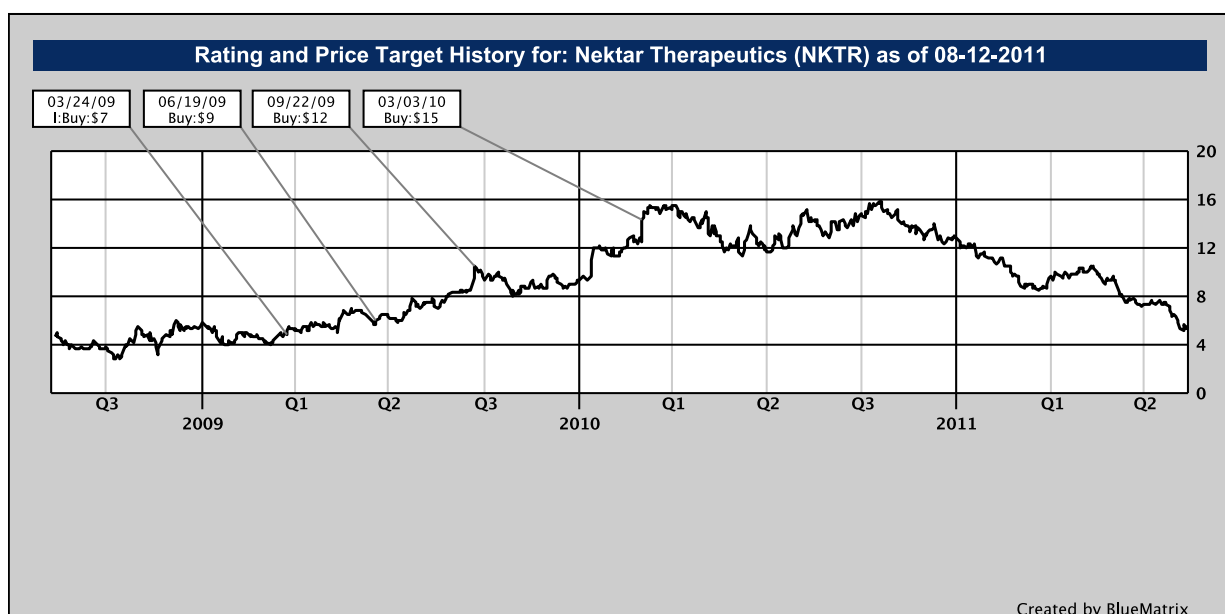
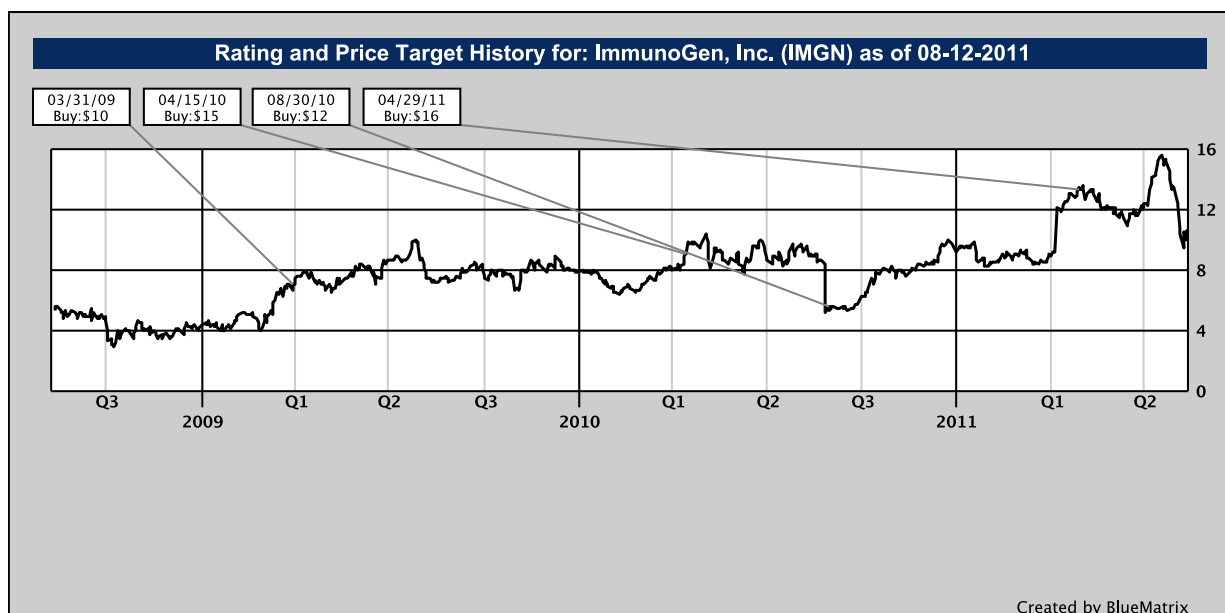
Clinical Risks. Drugs in pre-clinical and clinical trials may not advance because of inadequate safety, efficacy, or because a determination of efficacy or safety cannot be made.

Regulatory Risks. Drugs may not gain approval from regulatory agencies such as the FDA, EMEA, or INVIMA.

Competition. Although competition with galectin technologies is limited, We expect competition for Galectin Therapeutics' drugs from many public and private companies developing pharmaceuticals using disparate technologies.

Reimbursement Risk. Sales of Galectin therapeutics' drugs will likely be highly dependent on reimbursement from private insurers as well as government agencies. Success of an approved drug will depend on reimbursement, which can depend on the strength of clinical data.

Collaborative Risk. Galectin Therapeutics may have little or no control over partnered programs, and since interests of collaborative partners such as may not be aligned with those of the company's shareholders.



I, Shiv Kapoor, the author of this research report, certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers, and no part of my compensation was, is, or will be directly or indirectly tied to the specific recommendations or views contained in this research report.

Research analyst compensation is dependent, in part, upon investment banking revenues received by Morgan Joseph TriArtisan LLC.

Morgan Joseph TriArtisan LLC intends to seek or expects to receive compensation for investment banking services from the subject company within the next three months.

Morgan Joseph TriArtisan LLC makes a market in the shares of IMGN.

Morgan Joseph TriArtisan LLC has received compensation for investment banking services from ImmunoGen Inc. within the past 12 months.

Morgan Joseph TriArtisan LLC has managed or co-managed a public offering of securities for ImmunoGen Inc. within the past 12 months.

Rating	Investment Banking Services/Past 12 Mos.	
	Percent	Percent
BUY [B]	67.80	13.75
HOLD [H]	31.40	2.70
SELL [S]	0.80	0.00

Meaning of Ratings

- A) A Buy rating is assigned when we do not believe the stock price adequately reflects a company's prospects over 12-18 months.
 B) A Hold rating is assigned when we believe the stock price adequately reflects a company's prospects over 12-18 months.
 C) A Sell rating is assigned when we believe the stock price more than adequately reflects a company's prospects over 12-18 months.

Other Disclosures

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