UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2012**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________________ to ______________________

Commission file number: **000-54586**

BOSTON THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**27-0801073**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1750 Elm Street, Suite 103 Manchester, NH	**03104**
(Address of principal executive offices)	(Zip Code)

603-935-9799
(Registrant's telephone number, including area code)

33 South Commercial Street Manchester, NH 03101
(Former address)

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 X No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes X No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller Reporting Company	X

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 13, 2012
Common Stock, $0.001 par value per share	17,348,206 shares

BOSTON THERAPEUTICS, INC
FORM 10-Q

TABLE OF CONTENTS

Except as otherwise required by the context, all references in this report to "we", "us", "our", "BTI" or "Company" refer to the consolidated operations of Boston Therapeutics, Inc., a Delaware corporation, formerly called Avanyx Therapeutics, Inc., and its wholly owned subsidiaries.

PART I - FINANCIAL INFORMATION

Item 1. Unaudited Condensed Financial Statements

Boston Therapeutics, Inc.
(Formerly Avanyx Therapeutics, Inc.)
(A Development Stage Company)
Balance Sheets (Unaudited)
September 30, 2012 and December 31, 2011

		September 30, 2012		December 31, 2011
ASSETS				
Cash	$	169,321	$	225,995
Prepaid expenses and other current assets		14,564		5,331
Inventory, net		23,994		23,596
Total current assets		207,879		254,922
Property and equipment, net		7,443		-
Intangible assets		776,786		825,000
Goodwill		69,782		69,782
Other assets		2,125		-
Total assets	$	1,064,015	$	1,149,704
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$	351,820	$	341,873
Accrued expenses and other current liabilities		158,355		125,316
Total current liabilities		510,175		467,189
Advances - related parties		297,820		257,820
Total liabilities		807,995		725,009
COMMITMENTS AND CONTINGENCIES				
Stockholders' equity:				
Preferred stock, $0.001 par value, 5,000,000 shares authorized, none issued and outstanding		-		-
Common stock, $0.001 par value, 100,000,000 shares authorized, 17,348,206 and 16,223,206 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively		17,348		16,223
Additional paid-in capital		2,357,685		1,621,756
Deficit accumulated during the development stage		(2,119,013)		(1,213,284)
Total stockholders' equity		256,020		424,695
Total liabilities and stockholders' equity	$	1,064,015	$	1,149,704

Boston Therapeutics, Inc.
(Formerly Avanyx Therapeutics, Inc.)
(A Development Stage Company)
Statements of Operations (Unaudited)
For the Three and Nine Month Periods Ended September 30, 2012 and 2011
and the Period from Inception (August 24, 2009) through September 30, 2012

	For the Three Months Ended		For the Nine Months Ended		Period from Inception (August 24, 2009) to
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	September 30, 2012
Revenue	$ 2,520	$ 724	$ 23,750	$ 2,971	$ 28,290
Cost of goods sold	9,120	2,834	40,877	5,084	47,650
Gross margin	(6,600)	(2,110)	(17,127)	(2,113)	(19,360)
Operating expenses:					
Research and development	26,116	94,222	145,668	127,433	350,716
Sales and marketing	93,519	132,842	227,597	134,839	437,790
General and administrative	234,632	115,208	498,603	265,503	1,270,741
Total operating expenses	354,267	342,272	871,868	527,775	2,059,247
Operating loss	(360,867)	(344,382)	(888,995)	(529,888)	(2,078,607)
Interest expense	(5,166)	(4,224)	(13,522)	(11,434)	(37,194)
Foreign currency loss	(301)	-	(3,211)	-	(3,211)
Net loss	$ (366,334)	$ (348,606)	$ (905,728)	$ (541,322)	$ (2,119,012)
Net loss per share- basic and diluted	$ (0.02)	$ (0.02)	$ (0.05)	$ (0.04)	
Weighted average shares outstanding basic and diluted	17,348,206	16,095,575	16,619,598	14,800,575	

Boston Therapeutics, Inc.

(Formerly Avanyx Therapeutics, Inc.)

(A Development Stage Company)

Statements of Cash Flows (Unaudited)

For the Nine Month Periods Ended September 30, 2012 and 2011

and the Period from Inception (August 24, 2009) through September 30, 2012

	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011	Period from Inception (August 24, 2009) to September 30, 2012
Cash flows from operating activities:			
Net loss	$ (905,728)	$ (541,322)	$ (2,119,012)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	48,526	48,215	123,526
Stock based compensation	161,504	129,414	311,353
Issuance of common stock for consulting services	53,550	-	98,800
Changes in:			
Inventory	(398)	(8,015)	(19,624)
Prepaid expenses	(9,233)	(67)	(11,647)
Other assets	(2,125)	-	(2,125)
Accounts payable	9,947	170,731	351,820
Accrued expenses	33,039	(80,756)	111,536
Net cash used in operating activities	(610,918)	(281,800)	(1,155,373)
Cash flows from investing activities:			
Purchase of property and equipment	(7,756)	-	(7,756)
Net cash acquired in acquisition of Boston Therapeutics, Inc.	-	-	8,397
Net cash (used in) provided by investing activities	(7,756)	-	641
Cash flows from financing activities			
Proceeds from advances - related parties	40,000	80,000	237,820
Proceeds from issuance of common stock - related party	-	-	21,236
Proceeds from issuance of common stock	522,000	522,997	1,064,997
Net cash provided by financing activities	562,000	602,997	1,324,053
Net increase (decrease) in cash and cash equivalents	(56,674)	321,197	169,321
Cash and cash equivalents, beginning of period	225,995	15,193	-
Cash and cash equivalents, end of period	$ 169,321	$ 336,390	$ 169,321

Boston Therapeutics, Inc.
(Formerly Avanyx Therapeutics, Inc.)
(A Development Stage Company)
Statement of Cash Flows, Supplemental Disclosure (Unaudited)
For the Nine Month Periods Ended September 30, 2012 and 2011
and the Period from Inception (August 24, 2009) through September 30, 2012

	For the Nine Months Ended September 30, 2012	September 30, 2011	Period from Inception (August 24, 2009) to September 30, 2012
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest	$ -	$ -	$ -
Income taxes	$ -	$ -	$ -
Acquisition of Boston Therapeutics, Inc.:			
Fair value of assets acquired	$ -	$ -	$ 985,466
Assumed liabilities	-	-	(106,819)
Fair value of common stock issued	$ -	$ -	$ 878,647
Subsciption receivable	$ -	$ 8,867	$ 8,867

1. GENERAL ORGANIZATION AND BUSINESS

Boston Therapeutics, Inc. (the “Company”) was formed as a Delaware corporation on August 24, 2009 under the name Avanyx Therapeutics, Inc. On November 10, 2010, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Boston Therapeutics, Inc., a New Hampshire corporation (“Target”) providing for the merger of Target into the Company with the Company being the surviving entity (the “Merger”), the issuance by the Company of 4,000,000 shares of common stock to the stockholders of Target in exchange for 100% of the outstanding common stock of Target, and the change of the Company’s name to Boston Therapeutics, Inc. David Platt, the Company’s Chief Executive Officer and Chief Financial Officer, is a founder of Target and was a director and minority stockholder of Target at the time of the Merger. Dr. Platt received 400,000 shares of the Company’s common stock in connection with the Merger. Kenneth A. Tassey, Jr., who became the Company’s President shortly after the Merger, was the Chief Executive Officer, President and principal stockholder of Target at the time of the Merger. Mr. Tassey received 3,200,000 shares of our common stock in connection with the Merger.

Boston Therapeutics, headquartered in Manchester, NH, (OTC: BTHE) is a leader in the field of complex carbohydrate chemistry. The Company's initial product pipeline is focused on developing and commercializing therapeutic molecules for diabetes: SUGARDOWN®, a non-systemic chewable complex carbohydrate dietary supplement designed to moderate post-meal blood glucose; BTI-7, a new chewable dose form of the diabetes drug metformin hydrochloride; PAZ320, a non-systemic chewable therapeutic compound designed to reduce post-meal glucose elevation, and IPOXYN™, an injectable anti-necrosis drug specifically designed to treat lower limb ischemia associated with diabetes.

The Company has minimal operations and is considered to be in the development stage as of September 30, 2012. The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company is a recently formed entity with limited resources and operating history. As shown in the accompanying financial statements, the Company has incurred net losses of $2,119,012 for the period from August 24, 2009 (inception) to September 30, 2012 and has negative working capital of $302,296 as of September 30, 2012. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations from the development of its new business opportunities.

Management has plans to seek additional capital through private placements and public offerings of its common stock. There can be no assurance that the Company will be successful in accomplishing its objectives. Without such additional capital, the Company may be required to cease operations.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES**

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information and the rules of the Securities and Exchange Commission for quarterly reports on Form 10-Q. It is suggested that these condensed financial statements be read in conjunction with the Company's financial statements for its year ended December 31, 2011 included in its Form 10-K. In the opinion of management, the statements contain all adjustments, including normal recurring adjustments necessary in order to present fairly the financial position as of September 30, 2012 and the results of operations for the three and nine month periods ended September 30, 2012 and 2011 and the period from inception (August 24, 2009) through September 30, 2012.

The year-end balance sheet data was derived from the audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America.

The results disclosed in the Statements of Operations for the three and nine month periods ended September 30, 2012 are not necessarily indicative of the results to be expected for the full fiscal year.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Segment Information

Operating segments are identified as components of an enterprise about which separate, discrete financial information is available for evaluation by the chief operating decision-maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company views its operations and manages its business as one operating segment.

Cash and Cash Equivalents

For purposes of reporting within the statement of cash flows, the Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties, and all highly liquid investments with original maturities of 90 days or less at the time of acquisition to be cash equivalents.

The Company maintains its cash in institutions insured by the Federal Deposit Insurance Corporation.

Revenue Recognition

The Company generates revenues from sales of SUGARDOWN®. Revenue is recognized when there is persuasive evidence that an arrangement exists, the price is fixed and determinable, the product is shipped and collectability is reasonably assured.

Revenue is recognized as product is shipped from an outside fulfillment operation. Terms of product sales provide for 30 day money back guarantee. In practice, the Company has not experienced or granted significant returns of product. Shipping fees charged to customers are included in revenue and shipping costs are included in costs of sales.

Inventory

Inventory consists of raw materials and finished goods of SUGARDOWN®. Inventory is stated at the lower of cost (first-in, first-out) or market, not in excess of net realizable value. The Company adjusts the carrying value of its inventory for excess and obsolete inventory. The Company continues to monitor the valuation of its inventories.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES**…continued

Property and Equipment

Property and equipment is depreciated using the straight-line method over the following estimated useful lives:

Asset Category	Estimated Useful Life
Office Furniture and Equipment	5 years
Computer Equipment and Software	3 years

The Company begins to depreciate assets when they are placed in service. The costs of repairs and maintenance are expensed as incurred; major renewals and betterments are capitalized. Upon sale or retirement, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of operations.

Goodwill

The Company follows the guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 350, Goodwill and Other Intangible Assets. Under ASC 350, goodwill and certain other intangible assets with indefinite lives are not amortized, but instead are reviewed for impairment at least annually.

Impairment of Long-lived Assets

The Company reviews long-lived assets, which include the Company's intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amounts of the assets may not be fully recoverable. Future undiscounted cash flows of the underlying assets are compared to the assets' carrying values. Adjustments to fair value are made if the sum of expected future undiscounted cash flows is less than book value. To date, no adjustments for impairment have been made.

Loss per Share

Basic net loss per share is computed based on the net loss for the period divided by the weighted average actual shares outstanding during the period. Diluted net loss per share is computed based on the net loss for the period divided by the weighted average number of common shares and common equivalent shares outstanding during each period unless the effect of such common equivalent shares would be anti-dilutive. Common stock equivalents represent the dilutive effect of the assumed exercise of certain outstanding stock options using the treasury stock method. The weighted average number of common shares for the three and nine months ended September 30, 2012 did not include 1,878,400 and 20,000 options and warrants, respectively, because of their anti-dilutive effect. The weighted average number of common shares for the three and nine months ended September 30, 2011 did not include 1,578,400 options because of their anti-dilutive effect.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts payable, accrued expenses, and notes payable. The carrying value of cash and cash equivalents, accounts payable and accrued expenses approximates fair value due to their short-term nature.

The carrying value of the notes payable as of September 30, 2012 and December 31, 2011 is not materially different from the fair value of the notes payable.

Stock-Based Compensation

Stock–based compensation, including grants of employee and non-employee stock options and modifications to existing stock options, is recognized in the income statement based on the estimated fair value of the awards. The Company uses the Black-Scholes option pricing model to determine the fair value of options granted and recognizes the compensation cost of share-based awards on a straight- line basis over the vesting period of the award.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES**…continued

Stock-Based Compensation...continued

The determination of the fair value of share-based payment awards utilizing the Black-Scholes model is affected by the stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The Company has a minimal history of market prices of the common stock as, and as such volatility is estimated using historical volatilities of similar public entities. The expected life of the awards is estimated based on the simplified method. The risk-free interest rate assumption is based on observed interest rates appropriate for the terms of our awards. The dividend yield assumption is based on history and expectation of paying no dividends. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Stock-based compensation expense is recognized in the financial statements on a straight- line basis over the vesting period, based on awards that are ultimately expected to vest.

The Company grants stock options to non-employee consultants from time to time in exchange for services performed for the Company. Equity instruments granted to non-employees are subject to periodic revaluation over their vesting terms. In general, the options vest over the contractual period of the respective consulting arrangement and, therefore, the Company revalues the options periodically and records additional compensation expense related to these options over the remaining vesting period.

Recent Accounting Pronouncements

In July 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2012-02, Intangibles—Goodwill and Other (Topic 350)—Testing Indefinite-Lived Intangible Assets for Impairment (ASU 2012-02), to allow entities to use a qualitative approach to test indefinite-lived intangible assets for impairment. ASU 2012-02 permits an entity to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying value. If it is concluded that this is the case, it is then necessary to perform the currently prescribed quantitative impairment test by comparing the fair value of the indefinite-lived intangible asset with its carrying value. Otherwise, the quantitative impairment test is not required. ASU 2012-02 is effective for us in fiscal 2013 and early adoption is permitted. We do not believe that ASU No. 2012-02 will have a material impact on our financial statements.

3. **STOCKHOLDERS' EQUITY**

The Company is authorized to issue up to 5,000,000 shares of its $0.001 par value preferred stock and up to 100,000,000 shares of its $0.001 par value common stock.

Common Stock

On August 26, 2009, the Company issued 10,000,000 shares of its $0.001 par value common stock to its two founders. Eight million shares were issued to the Company's Chief Executive Officer (CEO), Chairman of the Board of Directors and co-founder, in exchange for a patent, a provisional patent and know-how. In accordance with ASC 845-10-S99, Transfers of Non-monetary Assets from Promoters or Shareholders, the transfer of non-monetary assets to a company by its shareholders in exchange for stock prior to the Company's initial public offering should be recorded at the transferor's historical cost basis determined under GAAP. As a result, the value of the patent, provisional patent and know-how was valued at the CEO's historical cost basis of zero because no records exist to support an historical cost basis in accordance with GAAP. The patent and provisional patent were assigned to the Company on December 10, 2009. The remaining 2,000,000 shares were issued to the co-founder for $10,000 in cash.

On March 31, 2010, the Company issued 20,000 shares of common stock for $10,000 cash to an investor. On April 9, 2010, the Company issued 11,236 shares of common stock in exchange for $11,236 to a related party. On October 4, 2010, the Company issued 10,000 shares for $10,000 cash to an investor. On November 6, 2010, the Company issued 4,000,000 shares of common stock in connection with the merger transaction described in Note 1.

On June 21, 2011, the Company sold 2,035,470 shares for $508,867 in a private placement offering. During August 2011, an additional 56,000 shares were sold for $14,130 in the private placement. On November 1, 2011, 80,500 shares were issued to a consultant for marketing services valued at $40,250. On December 22, 2011, 10,000 shares were issued to a consultant for services rendered valued at $5,000.

On March 20, 2012 the Company entered into a subscription agreement to sell 20,000 shares of common stock at a price per share of $1.10 and issued a warrant to purchase an additional 20,000 shares of common stock at $1.15 per share for gross proceeds of $22,000. The warrant associated with the subscription agreement is exercisable immediately and has a five year term. The Company estimated the relative fair value of the warrant to be $9,000 using the Black Scholes model, which has been recorded as a component of permanent equity in additional paid in capital. On May 7, 2012, the subscription agreement closed and the Company issued 20,000 shares of its common stock for $22,000.

3. **STOCKHOLDERS' EQUITY**…continued

During June 2012, the Company issued 105,000 shares of its common stock with a fair value of $53,550 in exchange for professional consulting services. On June 29, 2012, the Company issued 1,000,000 shares to an affiliate of Advance Pharmaceutical Co., Ltd. (APC) in a private placement for net proceeds of $500,000. APC is licensed to distribute SUGARDOWN® in Hong Kong, China and Macau. The Company reviewed the private placement issuance and determined that the issuance price of $0.50 per share approximates fair value as of the date of issuance.

During May 2012, the Company entered into a consulting agreement under which it is required to pay the consultant a monthly fee consisting of 25,000 shares of restricted common stock beginning June 1, 2012 through September 1, 2012. As of September 30, 2012 the Company had not issued the 75,000 total shares due under this agreement for services rendered during July, August and September 2012. An accrual in the amount of $35,250 representing the fair value of these shares at September 30, 2012 is included in the accompanying September 30, 2012 balance sheet.

During July 2012, the Company entered into a consulting agreement under which it is required to pay the consultant a monthly fee consisting of $4,000 paid in cash and 7,500 shares of restricted common stock. As of September 30, 2012 the Company had not issued the 22,500 total shares due under this agreement for services rendered during July, August and September 2012. An accrual in the amount of $10,575 representing the fair value of these shares at September 30, 2012 is included in the accompanying September 30, 2012 balance sheet. No other issuances of preferred or common stock have been made during the period covered by the accompanying financial statements.

4. **STOCK OPTION PLAN AND STOCK-BASED COMPENSATION**

During the year ended December 31, 2010, the Company adopted a stock option plan entitled "The 2010 Stock Plan" (2010 Plan) under which the Company may grant options to purchase up to 5,000,000 shares of common stock. As of September 30, 2012 and December 31, 2011, there were 78,400 and 78,400 and options outstanding under the 2010 Plan, respectively.

During the year ended December 31, 2011, the Company adopted a non-qualified stock option plan entitled "2011 Non-Qualified Stock Plan" (2011 Plan) under which the Company may grant options to purchase 2,100,000 shares of common stock. As of September 30, 2012, there were 1,800,000 options outstanding under the 2011 Plan. As of December 31, 2011, there were 1,500,000 options outstanding under the 2011 Plan.

Under the terms of the stock plans, the Board of Directors shall specify the exercise price and vesting period of each stock option on the grant date. Vesting of the options is typically three to four years and the options expire ten years from the date of grant.

The fair value of stock options granted or revalued for nine months ended September 30, 2012 and 2011 was calculated with the following assumptions:

	2012	2011
Risk-free interest rate	0.31-1.27%	0.28-0.84%
Expected dividend yield	0%	0%
Volatility factor	90%	90%
Expected life of option	2.90-7.00 years	4.75-5.00 years

The weighted-average fair value of stock options granted during the periods ended September 30, 2012 and 2011, under the Black-Scholes option pricing model was $0.21 and $0.20 per share, respectively.

The Company recognized $44,638 and $116,297 of stock-based compensation costs in the accompanying statement of operations for the three months ended September 30, 2012 and 2011, respectively. The Company recognized $161,504 and $129,414 of stock-based compensation costs in the accompanying statement of operations for the nine months ended September 30, 2012 and 2011, respectively. No actual tax benefit was realized from stock option exercises during these periods. As of September 30, 2012, there was $238,649 of unrecognized compensation expense related to non-vested stock option awards that is expected to be recognized over a weighted average period of 1.43 years

4. **STOCK OPTION PLAN AND STOCK-BASED COMPENSATION**…continued

	Shares	Exercise Price per Share	Weighted Average Exercise Price
Outstanding as of December 31, 2011	1,578,400	$ 0.10-1.85	$ 0.19
Granted	300,000	0.10	0.10
Exercised	-	-	-
Options forfeited/cancelled	-	-	-
Outstanding as of September 30, 2012	1,878,400	$ 0.10-1.85	$ 0.17

The following table summarizes information about stock options that are vested or expected to vest at September 30, 2012:

	Vested or Expected to Vest				Exercisable Options			
Exercise Price	Number of Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value	Number of Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
$ 0.10	1,800,000	$ 0.10	4.16	$ 666,000	1,212,500	$ 0.10	4.62	$ 448,625
1.85	78,400	1.85	2.90	-	68,600	1.85	2.90	-
$ 0.10-1.85	1,878,400	$ 0.17	4.11	$ 666,000	1,281,100	$ 0.21	4.20	$ 448,625

At September 30, 2012, the Company has 300,000 and 4,921,600 options available for grant under the 2011 Plan and 2010 Plan, respectively.

5. **RELATED PARTY TRANSACTIONS**

Through December 31, 2011, the CEO advanced $197,820 to the Company and $60,000 to Target to fund start-up costs and operations of the Company and Target. Advances by the CEO carry an interest rate of 6.5% and were due on June 29, 2013. On May 7, 2012, the Company's CEO and COO entered into promissory notes to advance to the Company an aggregate of $40,000. The notes accrue interest at 6.5% per year were due June 30, 2013. As of September 30, 2012, and December 31, 2011, $39,210 and $25,641, respectively, of accrued interest had been included in accrued expenses on the accompanying balance sheet. On August 6, 2012, the outstanding notes of $297,820 were amended to extend the maturity dates to June 29, 2014. The CEO intends, but is not legally obligated, to fund the Company's operations in this manner until the Company raises sufficient capital.

6. **INTANGIBLE ASSETS**

The SUGARDOWN® technology and provisional patents are being amortized on a straight-line basis over their useful lives of 14 years. Goodwill is not amortized, but is evaluated annually for impairment.

Intangible assets consist of the following at September 30, 2012 and December 31, 2011:

	2012	2011
SUGARDOWN® technology and provisional patents	$ 900,000	$ 900,000
Less accumulated amortization	(123,214)	(75,000)
Intangible assets, net	$ 776,786	$ 825,000

Amortization expense was $16,071 and $48,213 for each of the three and nine months ended September 30, 2012 and 2011, respectively.

7. **COMMITMENTS AND CONTINGENCIES**

The Company entered into a three year lease agreement for their office facility commencing July 1, 2012, with escalating rental payments. The effects of variable rent disbursements have been expensed on a straight-line basis over the life of the lease. As of September 30, 2012, there was $2,196 of deferred rent included in accrued expenses and other current liabilities in the accompanying balance sheets.

Future minimum lease payments under all non-cancelable operating leases as of September 30, 2012, are as follows:

Fiscal year	
2012	$ 6,375
2013	23,708
2014	24,625
2015	16,042
	$ 70,750

8. **SUBSEQUENT EVENTS**

The Company has evaluated events and transactions that occurred from September 30, 2012 through the date of filing, for possible disclosure and recognition in the financial statements. Except as discussed below, the Company did not have any material subsequent events that impact its financial statements or disclosures.

At a November 8, 2012 meeting of the Company’s Board of Directors, the Company’s Board of Directors approved an amendment to the 2011 Non-Qualified Stock Plan to increase the number of shares covered by the 2011 Non-Qualified Stock Plan from 2,100,000 to 12,000,000. The Company’s Board of Directors also approved the grant of non-qualified stock options to purchase 5,830,000 shares of the Company’s common stock to employees, directors and consultants of the Company.

On November 8, 2012 the Company’s Board of Directors approved the issuance of 122,500 shares of common stock to consultants of the Company in exchange for services rendered to the Company as previously discussed in Note 3.

On November 13, 2012, the Company entered into a securities purchase agreement pursuant to which the Company's Chief Operating Officer invested $625,000 pursuant to the Company's most recent S-1 financial offering to purchase an aggregate of 1,250,000 shares of the Company's common stock at $0.50 per share and 625,000 warrants to purchase 625,000 shares of its common stock. The exercise price of the warrants is $1.00 per share. The warrants have a five-year term.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis is based on, and should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this Form 10-Q . This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," or "continue," and similar expressions or variations. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. The forward-looking statements in this Quarterly Report on Form 10-Q represent our views as of the date of this Quarterly Report on Form 10-Q. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Report on Form 10-Q.

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012 COMPARED TO SEPTEMBER 30, 2011

Overview

We are a development-stage company that was formed on August 24, 2009.

Our Chief Executive Officer ("CEO") and founder contributed a provisional patent, a patent and know-how to the Company. In accordance with ASC 845-1-S99, *Transfers of Non-Monetary Assets from Promoters or Shareholders*, the transfer of non-monetary assets to a company by its shareholders in exchange for stock prior to the Company's initial public offering should be recorded at the transferor's historical cost basis determined under GAAP. Because no records exist to support a historical cost basis in accordance with GAAP, the patent, provisional patent and know-how were valued at the CEO's historical cost basis of zero.

On November 10, 2010, we entered into an Agreement and Plan of Merger with Boston Therapeutics, Inc. ("BTI"). BTI was in the business of developing, manufacturing and selling, among other things, dietary supplements including its initial product, SUGARDOWN®, a complex carbohydrate based dietary supplement based upon BTI's proprietary processes and technology. SUGARDOWN® is currently in the initial stage of market introduction, and in June 2011, we entered into an agreement with Advance Pharmaceutical Co. Ltd. to develop markets in Hong Kong, China and Macau for SUGARDOWN®. We believe that SUGARDOWN® has significant revenue and positive cash flow potential.

We issued 4,000,000 shares of common stock to the stockholders of BTI in exchange for all the outstanding common stock of BTI, and the Company's name was changed to Boston Therapeutics, Inc. The CEO is also a founder of BTI and was a 10% shareholder of BTI at the time of the merger. A valuation of the Company's common stock was performed resulting in a fair value per share of $0.2466. Based on the 4,000,000 shares of common stock issued for BTI the total consideration was valued at $986,400. However, because the Company's CEO was a 10% shareholder of BTI, 10% of BTI was valued at his historical cost basis and 90% of Target was valued at fair value.

We must raise new capital to continue our business operations and intend to use the provisional patent, patent and know-how contributed by our CEO and the assets acquired from BTI (as described in Notes 1 and 3 to the financial statements included elsewhere in this Form 10-Q) to raise capital. Our CEO intends to provide minimal cash to fund critical needs until shares are sold to raise capital. We anticipate the need for a range of $3,000,000 - $5,000,000 in additional funding to support the planned expansion of our operations over the next approximately 12 months. There is no guarantee that we will be successful in raising additional funds.

Overall Results

Revenue for the three and nine month periods ended September 30, 2012 were $2,520 and $23,750, respectively, compared to $724 and $2,971, respectively, for the same periods in the prior year, an increase of $1,796 and $20,779, respectively. Revenues for both periods were generated from the sale of SUGARDOWN®. The increase was a result of increased distribution through a new reseller, primarily in the first quarter of 2012.

Costs of Goods Sold

Cost of goods sold for the three and nine months ended September 30, 2012 were $9,120 and $40,877, respectively, compared to $2,834 and $5,084, respectively, for the same periods in the prior year, an increase of $6,286 and $35,793, respectively. Cost of goods sold consisted primarily of the cost of the materials and labor to manufacture SUGARDOWN®, shipping and fulfillment costs. The Company's negative gross profit is attributable to cost of goods sold outpacing sales as a result of additional fixed costs related to moving to a new fulfillment operation, and manufacturing scale-up from small to production grade equipment.

Operating Expenses

Research and development expense for the three and nine months ended September 30, 2012 were $26,116 and $145,668, respectively, compared to $94,222 and $127,433, respectively, for the same period in the prior year. Research and development expenses for the three months ended September 30, 2012 consisted of $16,000 in amortization of intellectual property and $10,000 in direct costs associated with the development of PAZ320. Research and development costs for the same period in 2011 consisted of $16,000 in amortization of intellectual property and $78,000 in direct costs associated with the development of SUGARDOWN®. Research and development expense for the nine month period ended September 30, 2012 consisted of $48,000 in amortization of intellectual property and $98,000 in direct costs associated with the development or PAZ320. Research and development expense for the nine month period ended September 30, 2011 consisted of $48,000 in amortization of intellectual property and $79,000 in costs associated with the development of SUGARDOWN®.

Sales and marketing expense for the three and nine months ended September 30, 2012 were $93,519 and $227,597, respectively, compared to $132,842 and $134,839, respectively, for the same periods in the prior year. The 2012 amounts represent costs incurred for investor relations and other marketing and promotion activities. The 2011 amounts are primarily related to stock based compensation.

General and administrative expense for the three and nine months ended September 30, 2012 were $234,632 and $498,603, respectively, compared to $115,208 and $265,503, respectively, for the same periods in the prior year, an increase of $119,424 and $233,100, respectively. These increases consist primarily of increases in consulting expenses of $94,000 and $114,000 for the three and nine month periods respectively.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2012

As of September 30, 2012, we had cash of $169,321 and accounts payable and accrued expenses and other current liabilities of $510,175. During the nine months ended September 2012, we used cash in the amount of $610,918 for operating activities and $7,756 for investing activities and have received cash in the amount of $562,000 from financing activities including $40,000 advanced from related parties and $522,000 from the issuance of common stock.

We received minimal revenues from SUGARDOWN®. Without substantial revenue and known, adequate and available financing, there is uncertainty regarding the Company's ability to continue as a going concern.

Management has plans to seek additional capital through private placements and public offerings of its common stock. There can be no assurance that the Company will be successful in accomplishing its objectives. Without such additional capital, the Company may be required to cease operations.

Our CEO and our President intend to provide minimal cash to fund critical needs once the proceeds of the private placement are exhausted until additional shares are sold to raise capital or SUGARDOWN® or other products generate sufficient revenue to fund the operations of the Company.

Our CEO also contributed a provisional patent, a patent and know-how to the Company. We intend to use these assets and SUGARDOWN® to attract investors in order to raise the capital required to fund operations.

Other than our CEO's and our President's intention to provide minimal cash, we have no current commitment from our officers and directors or any of our shareholders, to supplement our operations or provide us with financing in the future. If we are unable to raise additional capital from conventional sources and/or additional sales of stock in the future, we may be forced to curtail or cease our operations. Even if we are able to continue our operations, the failure to obtain financing could have a substantial adverse effect on our business and financial results. In the future, we may be required to seek additional capital by selling debt or equity securities, and we may be required to cease operations, or otherwise be required to bring cash flows in balance when we approach a condition of cash insufficiency. The sale of additional equity or debt securities, if accomplished, may result in dilution to our then shareholders. We provide no assurance that financing will be available in amounts or on terms acceptable to us, or at all.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our investors.

CRITICAL ACCOUNTING POLICIES

See Note 2 Summary of Significant Accounting Policies, of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 herein for a discussion of critical accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide the information requested by this item, as provided by Regulation S-K Item 305(e).

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Pursuant to Rules 13a-15(b) and 15-d-15(b) under the Securities Exchange Act of 1934, as amended (“Exchange Act”), the Company carried out an evaluation, with the participation of the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer (“CEO/CFO”) (the Company’s principal financial and accounting officer), of the effectiveness of the Company’s disclosure controls and procedures as of the end of the period covered by this report. The term “disclosure controls and procedures”, as defined under Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Based upon the evaluation of the disclosure controls and procedures at the end of the period covered by this report, the Company’s CEO/CFO concluded that the Company’s disclosure controls and procedures were not effective due to a material weakness in the Company’s internal control over financial reporting as discussed below.

Changes in Internal Control over Financial Reporting

The Company has evaluated the changes in its internal control over financial reporting that occurred during the quarter ended September 30, 2012 and concluded that the following matters have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

As of September 30, 2012, there was a material weakness in the Company’s internal control over financial reporting due to the fact that the Company did not have personnel with an appropriate level of knowledge and experience to ensure adequate levels of review of accounting and financial reporting matters, which resulted in our closing process not identifying all required adjustments in a timely fashion.

Although the Company has hired consultants to assist with SEC reporting and accounting matters, we expect that the Company will need to hire accounting personnel with the requisite knowledge to improve the levels of review of accounting and financial reporting matters. The Company may experience delays in doing so and any such additional employees would require time and training to learn the Company’s business and operating processes and procedures. For the near-term future, until such personnel are in place, this will continue to constitute a material weakness in the Company’s internal control over financial reporting that could result in material misstatements in the Company’s financial statements not being prevented or detected.

The Company’s management, including the Company’s CEO/CFO, does not expect that the Company’s internal control over financial reporting will prevent all errors and all fraud. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have not been any material changes from the risk factors previously disclosed under Item 1A of our amended Annual Report on Form 10-K/A for the year ended December 31, 2011.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In May 2012, the Company entered into a consulting agreement under which it is required to pay a consultant a monthly fee of 25,000 shares of restricted common stock in exchange for services, beginning June 1, 2012. That consultant has provided and continues to provide services to the Company. At a November 8, 2012, meeting of the Company's Board of Directors, the Board formally approved the issuance of 100,000 shares of restricted common stock to that consultant for its services through October 31, 2012.

In July 2012, the Company entered into a consulting agreement under which it was required to pay another consultant a monthly fee of $4,000 in cash and 7,500 shares of restricted common stock in exchange for services. At a November 8, 2012 meeting of the Company's Board of Directors, the Board formally approved the issuance of 22,500 shares of restricted common stock to that consultant.

Item 3. Defaults Upon Senior Securities

None.

Item 4. (Removed and Reserved)

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Title of Document
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended*
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14 and Rule 15d 14(a), promulgated under the Securities and Exchange Act of 1934, as amended*
32.1	Certification pursuant to Section 906 of Sarbanes Oxley Act of 2002 (Chief Executive Officer)**
32.2	Certification pursuant to Section 906 of Sarbanes Oxley Act of 2002 (Chief Financial Officer)**
101	The following financial statements from the Quarterly Report on Form 10-Q of Boston Therapeutics, Inc. for the quarter ended June 30, 2012 formatted in XBRL: (i) Condensed Balance Sheets (unaudited), (ii) Condensed Statements of Operations (unaudited), (iii) Condensed Statements of Cash Flows (unaudited), and (iv) Notes to Condensed Financial Statements (unaudited), tagged as blocks of text.*

*Filed as an exhibit hereto.

**These certificates are furnished to, but shall not be deemed to be filed with, the Securities and Exchange Commission.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

BOSTON THERAPEUTICS, INC.

Date: November _, 2012

By: /s/ David Platt
David Platt
Chief Executive Officer and
Chief Financial Officer

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14

I, David Platt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Boston Therapeutics, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   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 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 _, 2012

By: /s/ David Platt
David Platt
Chief Executive Officer and
Chief Financial Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14

I, David Platt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Boston Therapeutics, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   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 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 _, 2012

By: /s/ David Platt
David Platt
Chief Executive Officer and
Chief 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 on Form 10-Q of Boston Therapeutics, Inc. (the "Company") for the quarter ending September 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David Platt, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his 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 _, 2012

By: /s/ David Platt
David Platt
Chief Executive Officer and
Chief Financial Officer

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 on Form 10-Q of Boston Therapeutics, Inc. (the "Company") for the quarter ending September 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David Platt, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his 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 _, 2012

By: /s/ David Platt
David Platt
Chief Executive Officer and
Chief Financial Officer