

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

OMB APPROVAL
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ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

[] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

[] Form 3 Holdings Reported

[] Form 4 Transactions Reported

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* Link, Max	2. Issuer Name and Ticker or Trading Symbol <p align="center">Discovery Laboratories, Inc. ("Discovery") DSCO</p>	6. Relationship of Reporting Person(s) to Issuer (Check all applicable) <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Director</td> <td>10% Owner</td> </tr> <tr> <td>Officer (give title below)</td> <td>Other (specify below)</td> </tr> </table>	<input checked="" type="checkbox"/> Director	10% Owner	Officer (give title below)	Other (specify below)
<input checked="" type="checkbox"/> Director	10% Owner					
Officer (give title below)	Other (specify below)					
(Last) (First) (Middle) 230 Central Park West (Street) New York, NY 10022	3. I.R.S. Identification Number of Reporting Person, if an entity (Voluntary) 	4. Statement for Month/Year <p align="center">December 2002</p> 5. If Amendment, Date of Original (Month/Year) 				
(City) (State) (Zip)	7. Individual or Joint/Group Reporting (check applicable line) <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Form Filed by One Reporting Person</td> </tr> <tr> <td><input type="checkbox"/> Form Filed by More than One Reporting Person</td> </tr> </table>		<input checked="" type="checkbox"/> Form Filed by One Reporting Person	<input type="checkbox"/> Form Filed by More than One Reporting Person		
<input checked="" type="checkbox"/> Form Filed by One Reporting Person						
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Table I 3/4 Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr.8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			

* If the form is filed by more than one reporting person, see instruction 4(b)(v).

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(Over)
SEC2270 (9-02)

FORM 5 (continued)	Table II 3/4 Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)													
	1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr.8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Year (Instr. 4)	10. Ownership of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
						(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Stock Option	\$1.41	5/21/02		A	20,000			5/21/02 (1)	5/20/12	Common Stock	20,000	\$1.41	73,400	D

(1) Director Automatic Option Grant – Vests one year from date of grant.

/s/Max Link

February 12, 2003

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.
See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

**Signature of Reporting Person

Date

Note: File three copies of this Form, one of which must be manually signed.
If space is insufficient, see Instruction 6 for procedure.

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