

PALATIN TECHNOLOGIES INC
Form 424B3
May 13, 2011

PROSPECTUS SUPPLEMENT NO. 1
(To Prospectus dated February 24, 2011)

Filed pursuant to Rule 424(b)(3)
In connection with
Registration Statement No. 333-170227

PALATIN TECHNOLOGIES, INC.

Up to 2,000,000 Shares of Common Stock Issuable Upon Exercise of Series A Warrants

This Prospectus Supplement No. 1 supplements and amends the prospectus dated February 24, 2011 (the "Prospectus"), relating to the registration of 2,000,000 shares of our common stock, par value \$0.01, which we may issue upon exercise of registered Series A Warrants that we issued on March 1, 2011. The Series A Warrants were exercisable immediately upon issuance and expire on the fifth anniversary of the date of issuance at an initial exercise price of \$1.00 per share.

To the extent any holder of registered Series A Warrants determines to exercise its warrants, we will receive the payment of the exercise price in connection with such exercise. We will not receive any proceeds from the sale of the common stock by the holders of the outstanding registered Series A Warrants.

This prospectus supplement should be read in conjunction with the Prospectus, which is to be delivered with this prospectus supplement. This prospectus supplement is not complete without, and may not be delivered or utilized except in connection with, the Prospectus, including any amendments or supplements to the Prospectus.

On May 12, 2011, we filed a Current Report on Form 8-K dated May 11, 2011, and on May 13, 2011, we filed our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011. Those two reports, without exhibits, are attached to this prospectus supplement.

Investing in our securities involves a high degree of risk. See "Risk Factors" beginning on page 7 of the Prospectus, as well as the sections entitled "Risk Factors" included in our recent quarterly and annual reports filed with the Securities and Exchange Commission.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is May 13, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act Of 1934

Date of Report (Date of earliest event reported): May 11, 2011

Palatin Technologies, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-15543
(Commission
File Number)

95-4078884
(IRS employer
identification number)

4C Cedar Brook Drive, Cranbury, NJ
(Address of principal executive offices)

08512
(Zip Code)

Registrant's telephone number, including area code: (609) 495-2200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On May 12, 2011, we filed a certificate of amendment to our restated certificate of incorporation with the Secretary of State of the State of Delaware, effective immediately upon filing, to increase the number of authorized shares of common stock from 40,000,000 to 100,000,000. A copy of the certificate of amendment is attached hereto as Exhibit 3.1 and is incorporated by reference.

Item 5.07 Submission of Matters to a Vote of Security Holders

Our annual meeting of stockholders was held on May 11, 2011 to consider and vote on the following proposals:

- Election of directors;
- Ratification of the appointment of our independent registered public accounting firm for the fiscal year ending June 30, 2011;
- Approval of an amendment to our restated certificate of incorporation which will increase the number of authorized shares of common stock from 40,000,000 to 100,000,000; and
 - Approval of our 2011 Stock Incentive Plan.

Common stock and Series A convertible preferred stock voted as a single class on all matters, and common stock also voted as a separate class on the increase in authorized common stock. There were present in person or by proxy 30,340,109 votes, representing 86.9% of the total outstanding eligible votes. At the annual meeting, all nominated directors were re-elected, the selection of our independent registered accounting firm was ratified, the increase in authorized shares was approved and the 2011 Stock Incentive Plan was approved. The votes cast for, against or withheld, as well as the number of abstentions and broker non-votes, with respect to each matter are set forth below.

For the election of directors:

Director No.	Director	Votes For	Votes Withheld	Broker Non-Votes
1	Spana	20,273,041	144,918	9,922,150
2	Prendergast	19,992,536	425,423	9,922,150
3	Molinoff	20,279,375	138,584	9,922,150
4	deVeer	20,261,333	156,626	9,922,150
5	Horovitz	20,272,560	145,399	9,922,150
6	Taber	20,275,275	142,684	9,922,150
7	Hull	20,277,965	139,994	9,922,150

Ratification of appointment of KPMG LLP:

For	Against	Abstain	Broker Non-Votes
30,138,641	114,972	86,495	0

Approval of an amendment to Palatin's restated certificate of incorporation:

For	Against	Abstain	Broker Non-Votes
27,053,589	2,861,143	425,377	0

Approval of the adoption of Palatin's 2011 Stock Incentive Plan:

For	Against	Abstain	Broker Non-Votes
19,641,352	510,090	266,517	9,922,150

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

3.1 Certificate of Amendment of Restated Certificate of Incorporation of Palatin, dated May 12, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PALATIN TECHNOLOGIES, INC.

Date: May 12, 2011

By: /s/ Stephen T. Wills
Stephen T. Wills, CPA,
MST
Executive Vice President -
Operations and
Chief Financial Officer

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2011

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: 001-15543

PALATIN TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-4078884
(I.R.S. Employer Identification No.)

4C Cedar Brook Drive
Cranbury, New Jersey
(Address of principal executive
offices)

08512
(Zip Code)

(609) 495-2200
(Registrant's telephone number, including area code)

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 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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

No

As of May 12, 2011, 34,900,591 shares of the registrant's common stock, par value \$.01 per share, were outstanding.

Table of Contents

PALATIN TECHNOLOGIES, INC.
Table of Contents

	Page
PART I – FINANCIAL INFORMATION	
<u>Item 1. Financial Statements (unaudited)</u>	
<u>Consolidated Balance Sheets as of March 31, 2011 and June 30, 2010</u>	2
<u>Consolidated Statements of Operations for the Three and Nine Months Ended March 31, 2011 and 2010</u>	3
<u>Consolidated Statements of Cash Flows for the Nine Months Ended March 31, 2011 and 2010</u>	4
<u>Notes to Consolidated Financial Statements</u>	5
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	13
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	16
<u>Item 4. Controls and Procedures</u>	16
PART II – OTHER INFORMATION	
<u>Item 1. Legal Proceedings</u>	17
<u>Item 1A. Risk Factors</u>	17
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	25
<u>Item 3. Defaults Upon Senior Securities</u>	25
<u>Item 4. (Removed and Reserved)</u>	25
<u>Item 5. Other Information</u>	25
<u>Item 6. Exhibits</u>	25

Table of Contents

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

PALATIN TECHNOLOGIES, INC.
and SubsidiaryConsolidated Balance Sheets
(unaudited)

	March 31, 2011	Pro-forma March 31, 2011 (Note 9)	June 30, 2010
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 22,032,649	\$ 22,032,649	\$ 5,405,430
Available-for-sale investments	-	-	3,462,189
Accounts receivable	-	-	2,879
Prepaid expenses and other current assets	539,361	539,361	393,313
Total current assets	22,572,010	22,572,010	9,263,811
Property and equipment, net	1,511,892	1,511,892	2,388,365
Restricted cash	350,000	350,000	475,000
Other assets	253,403	253,403	261,701
Total assets	\$ 24,687,305	\$ 24,687,305	\$ 12,388,877
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Capital lease obligations	\$ 19,393	\$ 19,393	\$ 19,670
Accounts payable	386,261	386,261	155,795
Accrued compensation	211,941	211,941	-
Unearned revenue	70,796	70,796	-
Accrued expenses	1,208,920	1,208,920	2,219,466
Total current liabilities	1,897,311	1,897,311	2,394,931
Capital lease obligations	-	-	14,284
Warrant liability	6,370,555	-	-
Deferred rent	258,161	258,161	661,389
Total liabilities	8,526,027	2,155,472	3,070,604
Commitments (Note 6)			
Stockholders' equity:			
Preferred stock of \$.01 par value – authorized 10,000,000 shares;			
Series A Convertible; issued and outstanding 4,997 shares as of March 31, 2011 and June 30,	50	50	50

2010, respectively

Common stock of \$.01 par value – authorized

40,000,000 shares; issued and outstanding

34,900,591 and 11,702,818 shares as of March 31,

2011 and June 30, 2010, respectively

	349,006	349,006	117,028
Additional paid-in capital	234,493,100	240,863,655	218,236,723
Accumulated other comprehensive income	-	-	138,650
Accumulated deficit	(218,680,878)	(218,680,878)	(209,174,178)
Total stockholders' equity	16,161,278	22,531,833	9,318,273
Total liabilities and stockholders' equity	\$ 24,687,305	\$ 24,687,305	\$ 12,388,877

The accompanying notes are an integral part of these consolidated financial statements.

