

PALATIN TECHNOLOGIES INC

Form 10-Q

May 12, 2010

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, 2010

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

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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 11, 2010, 107,028,183 shares of the registrant's common stock, par value \$.01 per share, were outstanding.

PALATIN TECHNOLOGIES, INC.
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2010	June 30, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$6,775,679	\$4,378,662
Available-for-sale investments	3,449,720	3,439,650
Accounts receivable	530,092	508,528
Prepaid expenses and other current assets	377,303	492,824
Total current assets	11,132,794	8,819,664
Property and equipment, net	2,688,702	3,650,783
Restricted cash	475,000	475,000
Other assets	257,420	254,364
Total assets	\$14,553,916	\$13,199,811
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Capital lease obligations	\$19,170	\$87,675
Accounts payable	681,190	206,363
Accrued expenses	1,477,682	1,420,741
Deferred revenue	-	6,955,553
Total current liabilities	2,178,042	8,670,332
Capital lease obligations	19,393	33,954
Deferred rent	793,608	1,182,026
Total liabilities	2,991,043	9,886,312
Stockholders' equity:		
Preferred stock of \$0.01 par value – authorized 10,000,000 shares; Series A Convertible; issued and outstanding 4,997 shares as of March 31, 2010 and June 30, 2009, respectively	50	50
Common stock of \$0.01 par value – authorized 150,000,000 shares; issued and outstanding 106,571,465 and 86,662,901 shares as of March 31, 2010 and June 30, 2009, respectively	1,065,715	866,629
Additional paid-in capital	215,308,724	209,712,379
Accumulated other comprehensive income	126,181	116,111
Accumulated deficit	(204,937,797)	(207,381,670)
Total stockholders' equity	11,562,873	3,313,499
Total liabilities and stockholders' equity	\$14,553,916	\$13,199,811

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

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and SubsidiaryConsolidated Statements of Operations
(unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2010	2009	2010	2009
REVENUES	\$2,559,852	\$5,159,453	\$13,505,770	\$7,124,704
OPERATING EXPENSES:				
Research and development	3,356,956	3,813,878	8,739,389	10,311,328
General and administrative	1,238,187	1,273,365	3,526,883	3,881,688
Total operating expenses	4,595,143	5,087,243	12,266,272	14,193,016
Income/(Loss) from operations	(2,035,291)	72,210	1,239,498	(7,068,312)
OTHER INCOME/ (EXPENSE):				