

PALATIN  
TECHNOLOGIES

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**Corporate Presentation**  
**September 2011**

# Forward-Looking Statement

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The statements in this presentation that relate to future plans, events or performance are forward-looking statements, which are made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve significant risks and uncertainties, and actual results, events and performance may differ materially from those expressed or implied in this presentation. Factors that could cause such differences include, but are not limited to, risks pertaining to product development, clinical trial outcomes, regulatory requirements and actions, availability of required financing and other sources of funds, corporate partnering agreements, development of the markets for Palatin's products and other risks disclosed in Palatin's most recent Annual Report on Form 10-K and other periodic reports filed with the Securities and Exchange Commission. The forward-looking statements in this presentation do not constitute guarantees of future performance. Palatin undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances that occur after the date of this presentation.

# Company Profile

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Palatin Technologies, Inc. (NYSE Amex: PTN) is a biopharmaceutical company developing targeted, receptor-specific peptide therapeutics for the treatment of diseases with significant unmet medical need and commercial potential. Our programs are based on molecules that modulate the activity of the melanocortin and natriuretic peptide receptor systems.

Our primary product in development is bremelanotide for the treatment of female sexual dysfunction. In addition, we have development programs or drug candidates for erectile dysfunction, pulmonary diseases, heart failure, obesity and inflammatory diseases.

# The Palatin Opportunity

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Well positioned to drive growth through our internal pipeline and external collaborations

- Our lead product: bremelanotide (BMT) for treatment of female sexual dysfunction (FSD)
- PL-3994: targeting natriuretic receptors for pulmonary indications
- Collaborations: melanocortin receptor 4 (MCR4) with AstraZeneca for obesity and diabetes

# Bremelanotide (BMT)

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Lead product: bremelanotide for the treatment of female sexual dysfunction (FSD)

- Unmet medical need with multi-billion dollar market opportunity
- Active Phase 2B clinical trial – enrolling patients
- Extensive clinical and manufacturing data; proof-of-principle established

# PL-3994

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## PL-3994 targets natriuretic receptors for pulmonary indications

- Novel mechanism of action – initial indication acute treatment of severe asthma
- Phase 1 subcutaneous clinical studies are complete, phase 2 program is ready
- Developing inhalation formulation of PL-3994



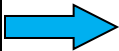




# Obesity/Diabetes – AstraZeneca

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## Collaboration with AstraZeneca on melanocortin specific compounds for obesity and metabolic syndrome

- AZD2820 currently in phase 1 clinical trials
- AstraZeneca responsible for clinical development and costs
- Potential of up to \$145 million in milestones plus royalties

# Pipeline

	Program	Indication	Preclinical	Phase I	Phase II	Phase III
Melanocortin Receptor (MCR) Programs	Bremelanotide	Female Sexual Dysfunction				
	AZD2820 (partnered with AstraZeneca)	Obesity and Diabetes				
	PL-6983	Female Sexual Dysfunction and Erectile Dysfunction				
	PL-3994: Inhalation	Acute Severe Asthma				
Natriuretic Receptor Programs	PL-3994: Subcutaneous	Acute Severe Asthma				
	PL-3994: Subcutaneous	Heart Failure				
	PL-3994: Subcutaneous	Refractory Hypertension				



Ongoing active program



Next step dependent on licensing or partnering

# Female Sexual Dysfunction Program

# Female Sexual Dysfunction Overview

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- Female sexual dysfunction (FSD) is a persistent or recurrent problem in sexual activity that is associated with distress
- FSD is prevalent in adult women
  - ~43% experience some form of FSD
  - ~22% have FSD associated distress
- FSD has a significant impact on patient self-image, relationships, and general well-being

# FSD: Untapped Market Opportunity

US market estimated  
~\$4B annual sales

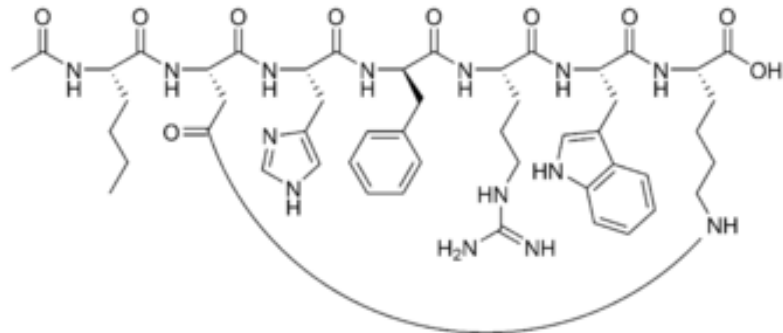
No FDA approved  
treatments available

>90% of FSD patients  
desire treatment



# Bremelanotide Profile

- First in class melanocortin receptor 4 agonist for female sexual dysfunction
- Novel mechanism of action activating endogenous pathways involved in sexual arousal response
- On demand use with rapid onset of activity
- Evaluated in 30 clinical studies with intranasal (IN) and subcutaneous (SC) formulations ,showing efficacy in both FSD & erectile dysfunction (ED)



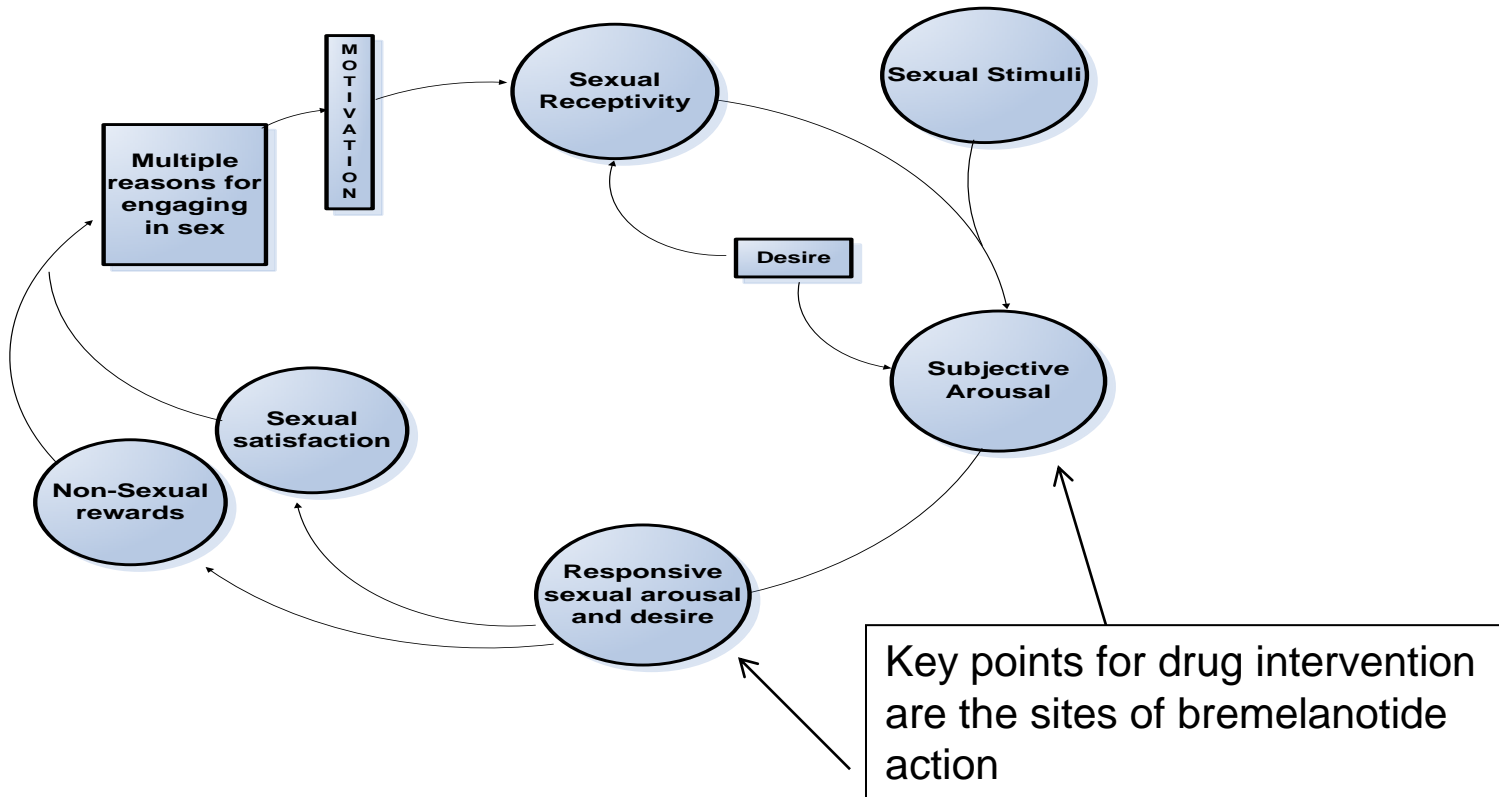
# Bremelanotide Subcutaneous Development

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- Demonstrated desired pharmacokinetics
  - Subcutaneous “on-demand” formulation: less variation in patient exposure
  - Good therapeutic window avoids known adverse events associated with high exposure
- Completed and submitted preclinical toxicology to FDA
  - Reproductive and carcinogenicity studies completed
- Proven manufacturing capabilities
  - Drug active ingredient manufactured at commercial scale



# Female Sexual Response Cycle



# Bremelanotide FSD Clinical Data

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- Studies in rodent and primate models of female sexual function demonstrated pronounced effects on perceptive and appetitive sexual behaviors
- Phase 2A Efficacy Studies
  - Double-blind, placebo controlled
  - SC or IN dosing in pre- and postmenopausal FSD patients
  - Significant effects on improving vaginal engorgement, arousal, desire and orgasm
- Data supported moving into phase 2B “at-home” studies

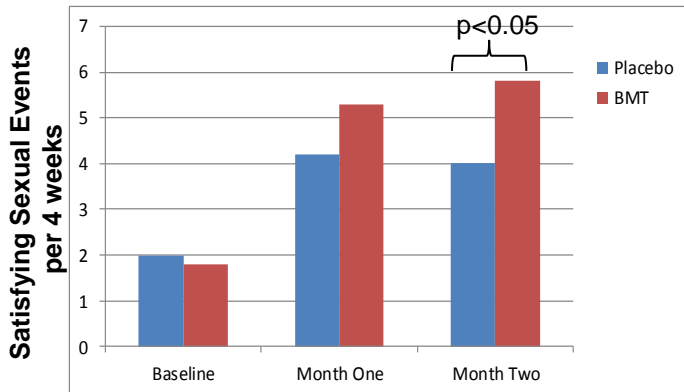
# Phase 2 “At-Home” Intranasal Study

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- “At-home” study of IN bremelanotide 10 mg
  - Pre- & Postmenopausal women with FSD
  - Double-blind placebo controlled study
  
- Objectives
  - Evaluated efficacy and safety of bremelanotide under “at-home” use conditions
  - Evaluated efficacy endpoints for larger studies

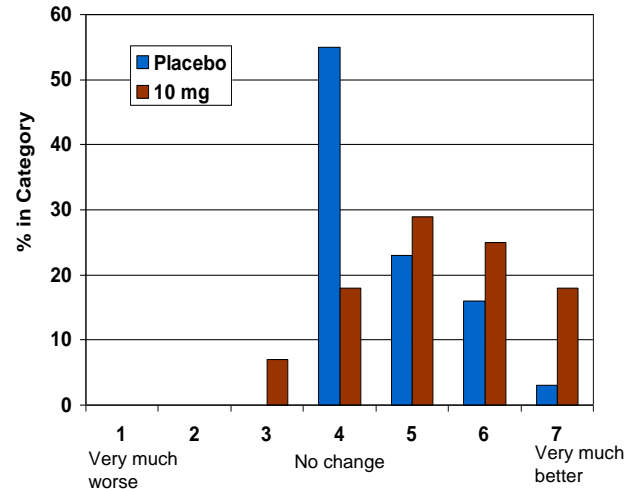


# Phase 2 IN “At-Home” FSD Efficacy Data



**Premenopausal Women**

“When using the drug, did you feel that your level of sexual excitement (arousal) changed?”



Phase 2 bremelanotide 10 mg intranasal,  
n=27 patients per arm  
Change in number of satisfying sexual  
events in last 4 weeks versus baseline

Improvement vs. no improvement  
 $p = 0.031$

Percent Improvement  
74% Active  
40% Placebo

# FSD Clinical Program: Next Step

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## Phase 2B subcutaneous bremelanotide trial design

- Dose ranging 16 week at-home placebo controlled study
  - Subcutaneous dosing: placebo; 0.75 mg BMT; 1.25 mg BMT and 1.75 mg BMT
  - Target enrollment 400 premenopausal FSD patients
- FDA accepted endpoints
  - Increase in satisfying sexual events as measured by event log
  - Improvement in arousal, desire and sexual distress
    - As measured by validated self-assessment questionnaires

## Objective

- Evaluate safety and efficacy in premenopausal FSD patients

## Trial status

- Began enrollment June 2011
- Data expected 2H 2012

# Summary FSD Program

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- Multiple phase 2 studies have established proof-of-concept in FSD patients
- SC on-demand formulation is well-tolerated
- Positive patient experience; notable improvement in the quality of sexual experience
  - Quality of orgasm improved
  - Increased desire, arousal and focus on sex
  - Improvement in sexual relationship with their partner

## Patient Testimonials

*“I was focused on sex, I wasn’t thinking of anything else”*  
*“Quality of orgasms was better - more intense, lasted longer”*

# Natriuretic Peptide Receptor Pulmonary Program

# The Need for New Treatments

- Current therapies can lead to a refractory state requiring emergency room (ER) treatment
- ER Standard of care requires several hours and patients remain at risk
- Recent FDA guidance has questioned the safety of beta-agonist monotherapy

Significant need for fast onset new therapies that act independently of beta-agonist mechanisms



# Pulmonary Market Opportunity



Administration	Indication	Stage	Market Potential
Subcutaneous	Acute Severe Asthma ER	Phase 2 Ready	>\$500M*
Nebulized	Acute Severe Asthma ER rescue medication PRN	Preclinical	>\$1B
Inhalation/DPI	Broader and Chronic COPD/Asthma**	Planned	>\$3B

\*Individual treatment cost \$1,000

\*\*Crossover use of asthma therapeutics in COPD approximately 30% of asthma market

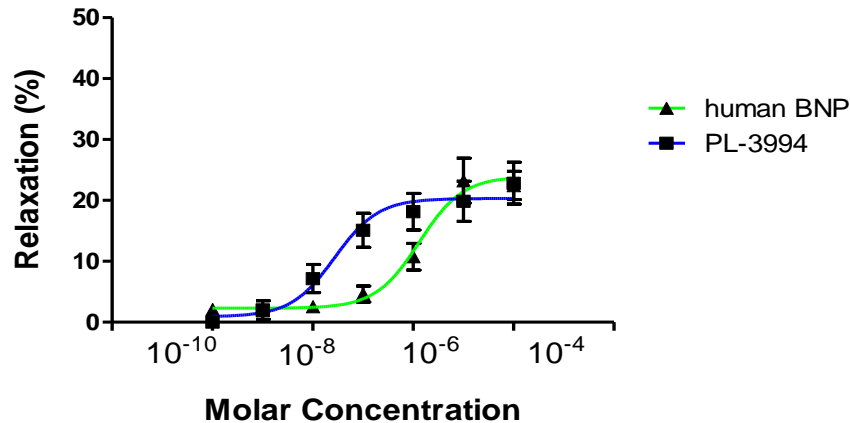
# PL-3994 Profile

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- Novel direct acting guanylate cyclase A (GC-A) activator
- Raises cGMP, and is a potent bronchodilator in guinea pig and human lung
- Half-life of 3 hours in man
- Desirable properties for development as a subcutaneous or inhaled therapy
- Enhances human airway smooth muscle responsiveness to beta-agonists

# PL-3994 in Asthma Disease Models

PL-3994 relaxed human lung slices at a lower concentration than the endogenous peptide, human BNP. Other studies showed that PL-3994 in combination with a beta-agonist resulted in increased relaxation.



# PL-3994 Asthma Development Program

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- Nebulized formulation under development
  - Physical chemical studies
  - Designed animal toxicology program
- Subcutaneous phase 2A study design is completed
  - In-clinic SC dosing in stable asthmatics
  - Objective is to determine if patients can have a clinically meaningful increase in pulmonary function ( $FEV_1$ )
- Goal: establishing a corporate collaboration
  - In discussions with multiple companies with pulmonary franchises

# Melanocortin Receptor 4 Agonist Obesity & Diabetes

# AstraZeneca Obesity Collaboration

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- Exclusive global licensing and research collaboration with AstraZeneca
  - \$10 million up-front and \$12 million milestones received
  - Royalties on commercialization
  - \$85 million in development and \$60 million in sales milestones remaining
- Clinical proof-of-concept studies for MCR-4 mechanism have been completed
  - Primary objectives met: significant decrease in food intake and weight loss
- AZD2820, a commercial drug candidate, is in phase 1 clinical study

# Development Programs and Technology Available to Partner

# Development Programs to Partner

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- Novel and highly selective and specific melanocortin receptor 1 peptides, with potential for treatment of inflammatory diseases and dermatology indications
- Novel melanocortin receptor 4 peptides, with potential for treatment of melanocortin receptor mediated diseases

# Milestones

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## Bremelanotide FSD Program

- Started patient enrollment 2Q11
- Patient enrollment completed 1Q12
- Top-line data 2H12

## AstraZeneca MCR4 obesity/diabetes program

- Phase 1 data 4Q11
- Initiation phase 2 program 1H12

## PL-3994 Acute Asthma

- Corporate collaboration target 1Q12
  - Inhaled formulation under development

# Financial Snapshot

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Ticker Symbol	NYSE AMEX: PTN
52-Week Price Range	\$0.50 - \$1.90
Shares Outstanding – 6/30/11	
➤ Common	34.9M
➤ Fully Diluted	60.5M
Market Capitalization – 6/30/11	\$45M
Cash and Investments Balance as of 6/30/11	\$18.9M

# Palatin Executive Management

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- Carl Spana, Ph.D.  
President & Chief Executive Officer
- Stephen T. Wills, CPA / MST  
Chief Financial Officer & Chief Operating Officer
- Jeffrey Edelson, M.D.  
Chief Medical Officer

# Palatin Board of Directors

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## Chairman of the Board

- John K.A. Prendergast, Ph.D.

## Directors

- Carl Spana, Ph.D.
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- Zola P. Horovitz, Ph.D.
- J. Stanley Hull
- Perry Molinoff, M.D.
- Robert I. Taber, Ph.D.
- Alan W. Dunton, M.D.