

DERMA SCIENCES, INC.
Form 424B3
July 02, 2012

Rule 424(b)(3)

Registration No. 333-151028

PROSPECTUS SUPPLEMENT NO. 1 TO PROSPECTUS DATED JULY 27, 2010

OF

DERMA SCIENCES, INC.

RELATING TO REALES BY SELLING SHAREHOLDERS

OF SHARES OF COMMON STOCK

This Prospectus Supplement supplements the Prospectus included in Form S-3 (No. 333-151028), as amended, dated July 27, 2010 (the "Prospectus"). This Prospectus Supplement should be read in conjunction with the Prospectus, which is to be delivered by selling shareholders to prospective purchasers along with this Prospectus Supplement.

Investing in our common stock involves a high degree of risk. See "Risk Factors" on page 3 of the Prospectus, and the documents incorporated by reference into the Prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the Prospectus and this Prospectus Supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The information in the table below supplements and amends the information in the table under the heading "Selling Shareholders" in the Prospectus by adding OTA LLC as a selling shareholder and amending the information provided for WHI Select Fund LP as follows:

Selling Shareholders/ <u>Beneficial Owners (1)</u>	Shares Beneficially	Shares Offered	Shares to be Owned	Percentage of
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	<u>Owned</u>	<u>Hereby</u>	<u>After</u>	<u>Offering</u>	<u>Outstanding</u>	
					<u>Shares</u>	
					<u>to be</u>	
					<u>Owned</u>	
					<u>After</u>	
					<u>Offering</u>	
OTA LLC						
Ira Leventhal	161,757	78,125	(11)	83,632	*	
Chief Executive Officer and Senior Managing Director WHI Select Fund, L.P.						
Patricia Lanigan	<u>635,423</u>	<u>156,250</u>	(10)	<u>479,173</u>	3.7	%
Portfolio/Fund Administrator William Harris Investors, Inc.						

* Less than 1 percent.

(1) The term “Beneficial Owners” refers to those entities and individuals that maintain voting and dispositive authority relative to the shares.

(10) Shares offered hereby consist of shares of outstanding Common Stock.

(11) Shares offered hereby consist of shares of Common Stock issuable upon exercise of Series K Warrants.

The date of this Prospectus Supplement is July 2, 2012.