

DERMA SCIENCES, INC.  
Form SC 13G/A  
February 10, 2011

**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549  
SCHEDULE 13G**

**Under the Securities Exchange Act of 1934  
(Amendment No. 2)\***

**Derma Sciences, Inc.**

(Name of Issuer)

Common Stock

(Title of Class of Securities)

249827205

(CUSIP Number)

December 31, 2010

(Date of Event Which Requires Filing of This Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see the Notes*).

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CUSIP No. 249827205

13G

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1 NAME OF REPORTING PERSONS  
Galen Partners III, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2 (a)  
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

5 SOLE VOTING POWER

NUMBER OF 438,819\*

6 SHARES BENEFICIALLY OWNED BY SHARED VOTING POWER  
0

7 EACH REPORTING PERSON SOLE DISPOSITIVE POWER  
438,819\*

8 WITH: SHARED DISPOSITIVE POWER  
0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
438,819\*

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

6.4%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

\* Includes 14,190 shares issuable upon conversion of Series A Preferred Stock, 47,299 shares issuable upon conversion of Series B Preferred Stock, 70,694 shares issuable upon conversion of Series C Preferred Stock and 122,343 shares issuable upon conversion of Series D Preferred Stock.

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1 NAME OF REPORTING PERSONS  
Galen Partners International III, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2 (a)  
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

5 SOLE VOTING POWER

NUMBER OF 40,149\*

6 SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 0

7 SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON 40,149\*

8 SHARED DISPOSITIVE POWER  
WITH: 0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
40,149\*

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.6%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

\* Includes 1,374 shares issuable upon conversion of Series A Preferred Stock, 4,578 shares issuable upon conversion of Series B Preferred Stock, 6,400 shares issuable upon conversion of Series C Preferred Stock and 11,075 shares issuable upon conversion of Series D Preferred Stock.

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1 NAME OF REPORTING PERSONS  
Galen Employee Fund III, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2 (a)  
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

5 SOLE VOTING POWER  
NUMBER OF 1,819\*

6 SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 0

7 SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON 1,819\*

8 SHARED DISPOSITIVE POWER  
WITH: 0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
1,819\*

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.0%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

\* Includes 63 shares issuable upon conversion of Series A Preferred Stock, 208 shares issuable upon conversion of Series B Preferred Stock, 290 shares issuable upon conversion of Series C Preferred Stock and 501 shares issuable upon conversion of Series D Preferred Stock.

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1 NAME OF REPORTING PERSONS  
Claudius, L.L.C.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2 (a)  
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

5 SOLE VOTING POWER

NUMBER OF 478,968\*

6 SHARES BENEFICIALLY OWNED BY SHARED VOTING POWER  
0

7 EACH REPORTING PERSON SOLE DISPOSITIVE POWER  
478,968\*

8 WITH: SHARED DISPOSITIVE POWER  
0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
478,968\*



CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

10

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

7.0%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

12

OO

\* The shares are held as follows: 438,819 by Galen Partners III, L.P. (14,190 of which are issuable upon conversion of Series A Preferred Stock, 47,299 of which are issuable upon conversion of Series B Preferred Stock, 70,694 of which are issuable upon conversion of Series C Preferred Stock and 122,343 of which are issuable upon conversion of Series D Preferred Stock) and 40,149 by Galen Partners International III, L.P. (1,374 of which are issuable upon conversion of Series A Preferred Stock, 4,578 of which are issuable upon conversion of Series B Preferred Stock, 6,400 of which are issuable upon conversion of Series C Preferred Stock and 11,075 of which are issuable upon conversion of Series D Preferred Stock). The Reporting Person is the direct general partner of Galen Partners III, L.P. and Galen Partners International III, L.P.

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1 NAME OF REPORTING PERSONS  
Wesson Enterprises, Inc.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2 (a)  
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

|           |   |                   |
|-----------|---|-------------------|
|           | 5 | SOLE VOTING POWER |
| NUMBER OF |   | 1,819*            |

|                       |   |                     |
|-----------------------|---|---------------------|
| SHARES                | 6 | SHARED VOTING POWER |
| BENEFICIALLY OWNED BY |   | 0                   |

|                  |   |                        |
|------------------|---|------------------------|
| EACH             | 7 | SOLE DISPOSITIVE POWER |
| REPORTING PERSON |   | 1,819*                 |

|       |   |                          |
|-------|---|--------------------------|
| WITH: | 8 | SHARED DISPOSITIVE POWER |
|       |   | 0                        |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
1,819\*

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.0%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

\* The shares are held by Galen Employee Fund III, L.P. (63 of which are issuable upon conversion of Series A Preferred Stock, 208 of which are issuable upon conversion of Series B Preferred Stock, 290 of which are issuable upon conversion of Series C Preferred Stock and 501 of which are issuable upon conversion of Series D Preferred Stock). The Reporting Person is the direct general partner of Galen Employee Fund III, L.P.

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1 NAME OF REPORTING PERSONS  
Galen Management, L.L.C.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2 (a)  
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

5 SOLE VOTING POWER  
NUMBER OF 53,594\*

6 SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 0

7 SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON 53,594\*

8 SHARED DISPOSITIVE POWER  
WITH: 0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
53,594\*

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.8%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

\* Includes 3,125 shares held by Bruce F. Wesson and 50,469 shares issuable upon exercise of options held by Bruce F. Wesson and Srimi Conjeevaram, a former employee of Galen Management, L.L.C. ( Galen Management ) within 60 days of December 31, 2010. Galen Management may be deemed to have sole power to direct the voting and disposition of such shares pursuant to an arrangement between Galen Management and Messrs. Wesson and Conjeevaram.

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1 NAME OF REPORTING PERSONS  
Bruce F. Wesson

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2 (a)  
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

5 SOLE VOTING POWER  
NUMBER OF 14,788\*

6 SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 519,593\*\*

7 SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON 14,788\*

8 SHARED DISPOSITIVE POWER  
WITH: 519,593\*\*

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
534,381

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

7.8%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

\* Includes 3,125 shares held by the Reporting Person, 9,844 shares issuable upon exercise of options held by the Reporting Person that are exercisable within 60 days of December 31, 2010 and 1,819 shares held by Galen Employee Fund III, L.P. ( Galen Employee III ) (63 of which are issuable upon conversion of Series A Preferred Stock, 208 of which are issuable upon conversion of Series B Preferred Stock, 290 of which are issuable upon conversion of Series C Preferred Stock and 501 of which are issuable upon conversion of Series D Preferred Stock). Wesson Enterprises, Inc. is the direct general partner of Galen Employee III. The Reporting Person is the sole shareholder of Wesson Enterprises, Inc. and may be deemed to have sole power to direct the voting and disposition of shares held by Galen Employee III.

\*\* The shares are held as follows: 438,819 by Galen Partners III, L.P. (14,190 of which are issuable upon conversion of Series A Preferred Stock, 47,299 of which are issuable upon conversion of Series B Preferred Stock, 70,694 of which are issuable upon conversion of Series C Preferred Stock and 122,343 of which are issuable upon conversion of Series D Preferred Stock), 40,149 by Galen Partners International III, L.P. (1,374 of which are issuable upon conversion of Series A Preferred Stock, 4,578 of which are issuable upon conversion of Series B Preferred Stock, 6,400 of which are issuable upon conversion of Series C Preferred Stock and 11,075 of which are issuable upon conversion of Series D Preferred Stock) and 40,625 shares issuable upon the exercise of options held by Mr. Conjeevaram that are exercisable within 60 days of December 31, 2010, which may be deemed to be beneficially owned by Galen Management L.L.C. ( Galen Management ). The Reporting Person is a member of Galen Management and may be deemed to have shared power to direct the voting and disposition of such shares pursuant to an arrangement between Galen Management and Mr. Conjeevaram.

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1 NAME OF REPORTING PERSONS  
L. John Wilkerson

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2 (a)  
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

5 SOLE VOTING POWER  
NUMBER OF 0

6 SHARES BENEFICIALLY OWNED BY 532,562\*  
SHARED VOTING POWER

7 EACH REPORTING PERSON 0  
SOLE DISPOSITIVE POWER

8 WITH: 532,562\*  
SHARED DISPOSITIVE POWER

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
532,562\*



**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

7.7%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

\* The shares are held as follows: 438,819 by Galen Partners III, L.P. (14,190 of which are issuable upon conversion of Series A Preferred Stock, 47,299 of which are issuable upon conversion of Series B Preferred Stock, 70,694 of which are issuable upon conversion of Series C Preferred Stock and 122,343 of which are issuable upon conversion of Series D Preferred Stock), 40,149 by Galen Partners International III, L.P. (1,347 of which are issuable upon conversion of Series A Preferred Stock, 4,578 of which are issuable upon conversion of Series B Preferred Stock, 6,400 of which are issuable upon conversion of Series C Preferred Stock and 11,075 of which are issuable upon conversion of Series D Preferred Stock). Also includes 3,125 shares and 9,844 shares issuable upon exercise of options held by Mr. Wesson that are exercisable within 60 days of December 31, 2010 and 40,625 shares issuable upon the exercise of options held by Mr. Conjeevaram that are exercisable within 60 days of December 31, 2010. The shares held by Messrs. Wesson and Conjeevaram may be deemed to be beneficially owned by Galen Management L.L.C. ( Galen Management ). The Reporting Person is a member of Galen Management and may be deemed to have shared power to direct the voting and disposition of such shares pursuant to an arrangement between Galen Management and Messrs. Wesson and Conjeevaram.

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**Item 1**

(a) Name of Issuer: Derma Sciences, Inc.

(b) Address of Issuer's Principal Executive Offices:

214 Carnegie Center, Suite 300  
Princeton, New Jersey 08540

**Item 2**

(a) Name of Person Filing:

Galen Partners III, L.P.

Galen Partners International III, L.P.

Galen Employee Fund III, L.P.

Claudius, L.L.C.

Wesson Enterprises, Inc.

Galen Management, L.L.C.

Bruce F. Wesson

L. John Wilkerson

(b) Address of Principal Business Office or, if none, Residence:

c/o Galen Management, L.L.C.

680 Washington Boulevard

Stamford, CT 06901

(c) Citizenship:

All entities were organized in Delaware. The individuals are all United States citizens.

(d) Title of Class of Securities:

Common Stock

(e) CUSIP Number:

249827205

**Item 3. If this statement is filed pursuant to §§240.13d-1(b), or 240.13d-2(b) or (c), check whether the person filing is a:**

Not Applicable

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**Item 4. Ownership**

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount Beneficially Owned:

|  |               |
|--|---------------|
| Galen Partners III, L.P.               | 438,819(1)    |
| Galen Partners International III, L.P. | 40,149(2)     |
| Galen Employee Fund III, L.P.          | 1,819(3)      |
| Claudius, L.L.C.                       | 478,968(4)    |
| Wesson Enterprises, Inc.               | 1,819(5)      |
| Galen Management, L.L.C                | 53,594(6)     |
| Bruce F. Wesson                        | 534,381(7)(8) |
| L. John Wilkerson                      | 533,562(9)    |
| Percent of Class:                      |               |

|  |      |
|--|------|
| Galen Partners III, L.P.               | 6.4% |
| Galen Partners International III, L.P. | 0.6% |
| Galen Employee Fund III, L.P.          | 0.0% |
| Claudius, L.L.C.                       | 7.0% |
| Wesson Enterprises, Inc.               | 0.0% |
| Galen Management, L.L.C.               | 0.8% |
| Bruce F. Wesson                        | 7.8% |
| L. John Wilkerson                      | 7.7% |

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(b) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

|  |            |
|--|------------|
| Galen Partners III, L.P.               | 438,819(1) |
| Galen Partners International III, L.P. | 40,149(2)  |
| Galen Employee Fund III, L.P.          | 1,819(3)   |
| Claudius, L.L.C.                       | 478,968(4) |
| Wesson Enterprises, Inc.               | 1,819(5)   |
| Galen Management, L.L.C.               | 53,594(6)  |
| Bruce F. Wesson                        | 14,788(7)  |
| L. John Wilkerson                      | 0          |

(ii) Shared power to vote or to direct the vote

|  |            |
|--|------------|
| Galen Partners III, L.P.               | 0          |
| Galen Partners International III, L.P. | 0          |
| Galen Employee Fund III, L.P.          | 0          |
| Claudius, L.L.C.                       | 0          |
| Wesson Enterprises, Inc.               | 0          |
| Galen Management, L.L.C.               | 0          |
| Bruce F. Wesson                        | 519,593(8) |
| L. John Wilkerson                      | 532,562(9) |

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(iii) Sole power to dispose or to direct the disposition of

|  |            |
|--|------------|
| Galen Partners III, L.P.               | 438,819(1) |
| Galen Partners International III, L.P. | 40,149(2)  |
| Galen Employee Fund III, L.P.          | 1,819(3)   |
| Claudius, L.L.C.                       | 478,968(4) |
| Wesson Enterprises, Inc.               | 1,819(5)   |
| Galen Management, L.L.C.               | 53,594(6)  |
| Bruce F. Wesson                        | 14,788(7)  |
| L. John Wilkerson                      | 0          |

(iv) Shared power to dispose or to direct the disposition of

|  |            |
|--|------------|
| Galen Partners III, L.P.               | 0          |
| Galen Partners International III, L.P. | 0          |
| Galen Employee Fund III, L.P.          | 0          |
| Claudius, L.L.C.                       | 0          |
| Wesson Enterprises, Inc.               | 0          |
| Galen Management, L.L.C.               | 0          |
| Bruce F. Wesson                        | 519,593(8) |
| L. John Wilkerson                      | 532,562(9) |

- (1) Includes 14,190 shares issuable upon conversion of Series A Preferred Stock, 47,299 shares issuable upon conversion of Series B Preferred Stock, 70,694 shares issuable upon conversion of Series C Preferred Stock and 122,343 shares issuable upon conversion of Series D Preferred Stock.
- (2) Includes 1,374 shares issuable upon conversion of Series A Preferred Stock, 4,578 shares issuable upon conversion of Series B Preferred Stock, 6,400 shares issuable upon conversion of Series C Preferred Stock and 11,075 shares issuable upon conversion of Series D Preferred Stock.
- (3) Includes 63 shares issuable upon conversion of Series A Preferred Stock, 208 shares issuable upon conversion of Series B Preferred Stock, 290 shares issuable upon conversion of Series C Preferred Stock and 501 shares issuable upon conversion of Series D Preferred Stock.
- (4) The shares are held as follows: 438,819 by Galen Partners III, L.P. ( Galen III ) (14,190 of which are issuable upon conversion of Series A Preferred Stock, 47,299 of which are issuable upon conversion of Series B Preferred Stock, 70,694 of which are issuable upon conversion of Series C Preferred Stock and 122,343 of which are issuable upon conversion of Series D Preferred Stock) and 40,149 by Galen Partners International III, L.P. ( Galen International III ) (1,374 of which are issuable upon conversion of Series A Preferred Stock, 4,578 of which are issuable upon conversion of Series B Preferred Stock, 6,400 of which are issuable upon conversion of Series C Preferred Stock and 11,075 of which are issuable upon conversion of Series D Preferred Stock). The Reporting Person is the direct general partner of Galen III and Galen International III.
- (5) The shares are held by Galen Employee Fund III, L.P. ( Galen Employee III ) (63 of which are issuable upon conversion of Series A Preferred Stock, 208 of which are issuable upon conversion of Series B Preferred Stock, 290 of which are issuable upon conversion of Series C Preferred Stock and 501 of which are issuable upon conversion of Series D Preferred Stock). The Reporting Person is the direct general partner of Galen Employee III.

- (6) Includes 3,125 shares held by Bruce F. Wesson and 50,469 shares issuable upon exercise of options held by Bruce F. Wesson and Srini Conjeevaram, a former employee of Galen Management, L.L.C. ( Galen Management ) within 60 days of December 31, 2010. Galen Management may be deemed to have sole power to direct the voting and disposition of such shares pursuant to an arrangement between Galen Management and Messrs. Wesson and Conjeevaram.
- (7) Includes 3,125 shares held by the Reporting Person, 9,844 shares issuable upon exercise of options held by the Reporting Person that are exercisable within 60 days of December 31, 2010 and 1,819 shares held by Galen Employee III (63 of which are issuable upon conversion of Series A Preferred Stock, 208 of which are issuable upon conversion of Series B Preferred Stock, 290 of which are issuable upon conversion of Series C Preferred Stock and 501 of which are issuable upon conversion of Series D Preferred Stock). Wesson Enterprises, Inc. is the direct general partner of Galen Employee III. The Reporting Person is the sole shareholder of Wesson Enterprises, Inc. and may be deemed to have sole power to direct the voting and disposition of shares held by Galen Employee III.
- (8) The shares are held as follows: 438,819 by Galen III (14,190 of which are issuable upon conversion of Series A Preferred Stock, 47,299 of which are issuable upon conversion of Series B Preferred Stock, 70,694 of which are issuable upon conversion of Series C Preferred Stock and 122,343 of which are issuable upon conversion of Series D Preferred Stock), 40,149 by Galen International III (1,374 of which are issuable upon conversion of Series A Preferred Stock, 4,578 of which are issuable upon conversion of Series B Preferred Stock, 6,400 of which are issuable upon conversion of Series C Preferred Stock and 11,075 of which are issuable upon conversion of Series D Preferred Stock) and 40,625 shares issuable upon the exercise of options held by Mr. Conjeevaram that are exercisable within 60 days of December 31, 2010, which may be deemed to be beneficially owned by Galen Management. The Reporting Person is a member of Galen Management and may be deemed to have shared power to direct the voting and disposition of such shares pursuant to an arrangement between Galen Management and Mr. Conjeevaram.
- (9) The shares are held as follows: 438,819 by Galen III (14,190 of which are issuable upon conversion of Series A Preferred Stock, 47,299 of which are issuable upon conversion of Series B Preferred Stock, 70,694 of which are issuable upon conversion of Series C Preferred Stock and 122,343 of which are issuable upon conversion of Series D Preferred Stock), 40,149 by Galen International III (1,374 of which are issuable upon conversion of Series A Preferred Stock, 4,578 of which are issuable upon conversion of Series B Preferred Stock, 6,400 of which are issuable upon conversion of Series C Preferred Stock and 11,075 of which are issuable upon conversion of Series D Preferred Stock). Also includes 3,125 shares and 9,844 shares issuable upon exercise of options held by Mr. Wesson that are exercisable within 60 days of December 31, 2010 and 40,625 shares issuable upon the exercise of options held by Mr. Conjeevaram that are exercisable within 60 days of December 31, 2010. The shares held by Messrs. Wesson and Conjeevaram may be deemed to be beneficially owned by Galen Management. The Reporting Person is a member of Galen Management and may be deemed to have shared power to direct the voting and disposition of such shares pursuant to an arrangement between Galen Management and Messrs. Wesson and Conjeevaram.
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**Item 5. Ownership of 5 Percent or Less of a Class**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following o.

Not Applicable

**Item 6. Ownership of More than 5 Percent on Behalf of Another Person**

Not Applicable

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.**

Not Applicable

**Item 8. Identification and Classification of Members of the Group**

Not Applicable

**Item 9. Notice of Dissolution of a Group**

Not Applicable

**Item 10. Certification**

Not Applicable

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**[SIGNATURE]**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 10, 2011

GALEN PARTNERS III, L.P.

By: Claudius, L.L.C.,  
its General Partner

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Member

GALEN EMPLOYEE FUND III, L.P.

By: Wesson Enterprises, Inc.,  
its General Partner

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Sole Shareholder

CLAUDIUS, L.L.C.

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Member

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson

**EXHIBITS**

A: Joint Filing Agreement

**Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001)**

GALEN PARTNERS INTERNATIONAL III, L.P.

By: Claudius, L.L.C.,  
its General Partner

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Member

GALEN MANAGEMENT, L.L.C.

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Member

WESSON ENTERPRISES, INC.

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Sole Shareholder

By: /s/ L. John Wilkerson  
Name: L. John Wilkerson



**EXHIBIT A**

**JOINT FILING AGREEMENT**

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, the undersigned agree to the joint filing on behalf of each of them of a statement on Schedule 13G (including amendments thereto) with respect to the Common Stock of Derma Sciences, Inc. and further agree that this agreement be included as an exhibit to such filing. Each party to the agreement expressly authorizes each other party to file on its behalf any and all amendments to such statement. Each party to this agreement agrees that this joint filing agreement may be signed in counterparts.

In evidence whereof, the undersigned have caused this Agreement to be executed on their behalf this 10<sup>th</sup> day of February, 2011.

GALEN PARTNERS III, L.P.

By: Claudius, L.L.C.,  
its General Partner

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Member

GALEN PARTNERS INTERNATIONAL III, L.P.

By: Claudius, L.L.C.,  
its General Partner

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Member

GALEN EMPLOYEE FUND III, L.P.

By: Wesson Enterprises, Inc.,  
its General Partner

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Sole Shareholder

GALEN MANAGEMENT, L.L.C.

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Member

CLAUDIUS, L.L.C.

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Member

WESSON ENTERPRISES, INC.

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson  
Title: Sole Shareholder

By: /s/ Bruce F. Wesson  
Name: Bruce F. Wesson

By: /s/ L. John Wilkerson  
Name: L. John Wilkerson