IntelGenx Technologies Corp.
Form 424B3
June 05, 2013

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-175465

PROSPECTUS SUPPLEMENT NO. 9

to Prospectus declared
effective on July 22, 2011
(Registration No. 333-175465)

INTELGENX TECHNOLOGIES CORP.

This Prospectus Supplement No. 9 supplements our Prospectus dated July 11, 2011 and should be read in conjunction therewith. The shares that are the subject of the Prospectus have been registered to permit their resale to the public by the selling stockholders named in the Prospectus. We are not selling any shares of common stock in this offering and therefore will not receive any proceeds from this offering.

This Prospectus Supplement includes the following documents, as filed by us with the Securities and Exchange Commission:

- the attached Quarterly Report on Form 10-Q, for the period ended March 31, 2013.

Our common stock is traded on the OTCQX under the symbol "IGXT" and on the TSX-V under the symbol "IGX".

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus Supplement is June 5, 2013.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2013

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 000-31187

INTELGENX TECHNOLOGIES CORP.

(Exact name of small business issuer as specified in its charter)

Delaware	**87-0638336**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6425 Abrams, Ville Saint Laurent, Quebec H4S 1X9, Canada
(Address of principal executive offices)

(514) 331-7440
(Issuer's telephone number)

_____
(Former Name, former Address, if changed since last report)

Indicate by checkmark 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 [X] 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 , non-accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer [_] Accelerated filer [_]
Non-accelerated filer [_] (Do not check if a smaller reporting company) Smaller reporting company [X]

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes [_] No [_]

APPLICABLE TO CORPORATE ISSUERS:

51,298,422 shares of the issuer s common stock, par value $.00001 per share, were issued and outstanding as of May 10, 2013.

IntelGenx Technologies Corp.
Form 10-Q

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Consolidated Interim Financial Statements
March 31, 2013
(Expressed in U.S. Funds)
(Unaudited)

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IntelGenx Technologies Corp.

Consolidated Balance Sheet
(Expressed in Thousands of U.S. Dollars ($000 s) Except Share and Per Share Data)
(Unaudited)

	March 31, 2013	December 31, 2012
Assets		
Current		
Cash and cash equivalents	**$ 2,168**	$ 2,059
Accounts receivable	**170**	1,282
Prepaid expenses	**89**	102
Investment tax credits receivable	**243**	213
Total Current Assets	**2,670**	3,656
Leasehold Improvements and Equipment, net	**438**	387
Intangible Assets (note 4)	**106**	116
Total Assets	**$ 3,214**	$ 4,159
Liabilities		
Current		
Accounts payable and accrued liabilities	**498**	1,058
Deferred license revenue (note 5)	**308**	308
Total Current Liabilities	**806**	1,366
Deferred License Revenue, non-current portion (note 5)	**539**	615
Total Liabilities	**1,345**	1,981
Shareholders' Equity		
Capital Stock (note 6)	**1**	0
Additional Paid-in-Capital	**16,554**	16,342
Accumulated Deficit	**(14,949)**	(14,463)
Accumulated Other Comprehensive Income	**263**	299
	1,869	2,178
	$ 3,214	$ 4,159

See accompanying notes

Approved on Behalf of the Board:

/s/ J. Bernard Boudreau Director

/s/ Horst G. Zerbe Director

IntelGenx Technologies Corp.

Consolidated Statement of Shareholders' Equity
For the Period Ended March 31, 2013
(Expressed in Thousands of U.S. Dollars ($000 s) Except Share and Per Share Data)
(Unaudited)

	Capital Stock		Additional		Accumulated Other	**Total**
	Number	Amount	Paid-In Capital	Accumulated Deficit	Comprehensive Income	**Shareholders' Equity**
Balance - December 31, 2012	49,890,421	$ 0	$ 16,342	$ (14,463)	$ 299	**$ 2,178**
Foreign currency translation adjustment	-	-	-	-	(36)	**(36)**
Warrants exercised (note 7)	362,500	1	171	-	-	**172**
Options exercised (note 7)	50,000	-	23	-	-	**23**
Stock-based compensation (note 7)	-	-	18	-	-	**18**
Net loss for the period	-	-	-	(486)	-	**(486)**
Balance March 31, 2013	**50,302,921**	**$ 1**	**$ 16,554**	**$ (14,949)**	**$ 263**	**$ 1,869**

See accompanying notes

IntelGenx Technologies Corp.

Consolidated Statement of Comprehensive Loss
(Expressed in Thousands of U.S. Dollars ($000 s) Except Share and Per Share Data)
(Unaudited)

	For the Three-Month Period Ended March 31,	
	2013	2012
Revenues		
Royalties	**$ 80**	$ -
License and other revenue	**77**	100
Total Revenues	**157**	100
Expenses		
Research and development expense	**167**	239
Selling, general and administrative expense	**456**	439
Amortization of tangible assets	**10**	8
Amortization of intangible assets	**10**	-
Total Costs and Expenses	**643**	686
Loss from Operations	**(486)**	(586)
Other Income		
Interest and other income	**-**	4
Total Other Income	**-**	4
Net Loss	**(486)**	(582)
Other Comprehensive Loss		
Foreign currency translation adjustment	**(36)**	91
Comprehensive Loss	**$ (522)**	$ (491)
Basic and Diluted Weighted Average Number of Shares Outstanding	**50,236,255**	49,324,531
Basic and Diluted Loss Per Common Share (note 9)	**$ (0.01)**	$ (0.01)

See accompanying notes

IntelGenx Technologies Corp.

Consolidated Statement of Cash Flows
(Expressed in thousands of U.S. Dollars ($000 s) Except Share and Per Share Data)
(Unaudited)

	For the Three-Month Period Ended March 31,	
	2013	2012
Funds Provided (Used) -		
Operating Activities		
Net loss	**$ (486)**	$ (582)
Amortization	**20**	8
Stock-based compensation	**18**	15
	(448)	(559)
Changes in assets and liabilities:		
Accounts receivable	**1,112**	18
Prepaid and other assets	**13**	(15)
Other receivables	**(30)**	249
Accounts payable and other accrued liabilities	**(560)**	(270)
Deferred revenue	**(77)**	1,000
Net change in assets and liabilities	**458**	982
Net cash provided by operating activities	**10**	423
Financing Activities		
Proceeds from exercise of warrants and stock options	**195**	233
Net cash provided by financing activities	**195**	233
Investing Activities		
Additions to property and equipment	**(69)**	(189)
Net cash used in investing activities	**(69)**	(189)
Increase in Cash and Cash Equivalents	**136**	467
Effect of Foreign Exchange on Cash and Cash Equivalents	**(27)**	88
Cash and Cash Equivalents		
Beginning of Period	**2,059**	3,505
End of Period	**$ 2,168**	$ 4,059

See accompanying notes

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements
March 31, 2013
(Expressed in U.S. Funds)
(Unaudited)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal and recurring nature.

These financial statements should be read in conjunction with the audited consolidated financial statements at December 31, 2012. Operating results for the three months ended March 31, 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013. The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States (U.S. GAAP). This basis of accounting involves the application of accrual accounting and consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

The consolidated financial statements include the accounts of the Company and its subsidiary companies. On consolidation, all inter-entity transactions and balances have been eliminated.

The financial statements are expressed in U.S. funds.

Management has performed an evaluation of the Company s activities through the date and time these financial statements were issued and concluded that there are no additional significant events requiring recognition or disclosure.

2. Adoption of New Accounting Standards

Revenue Recognition and Disclosures

In December 2011, the FASB issued Update No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities . The objective of this Update is to provide enhanced disclosures that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements on an entity s financial position. This includes the effect or potential effect of rights of setoff associated with an entity s recognized assets and recognized liabilities within the scope of this Update. The amendments require enhanced disclosures by requiring improved information about derivatives, repurchase agreements and reverse purchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with specific criteria or subject to a master netting arrangement or similar agreement. In January 2013, the FASB also issued Update No. 2013-01, which clarifies that ordinary trade receivables and receivables are not in the scope of ASU 2011-11. ASU 2011-11and ASU 2013-01are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Retrospective disclosure is required for all comparative periods presented. The adoption of this Statement did not have a material effect on the Company s financial position or results of operations.

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements
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(Unaudited)

2. Adoption of New Accounting Standards (Cont d)

In February 2013, the FASB has issued Update No. 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income . This Update has been issued to improve the transparency of reporting these reclassifications. The amendments in this Update supersede and replace the presentation requirements for reclassifications out of accumulated other comprehensive income in ASUs 2011-05 and 2011-12 for all public and private organizations. The amendments would require an entity to provide additional information about reclassifications out of accumulated other comprehensive income. Public companies are required to comply with these amendments for all reporting periods (interim and annual), effective for reporting periods beginning after December 15, 2012. The adoption of this Statement did not have a material effect on the Company s financial position or results of operations.

3. Significant Accounting Policies

Recently Issued Accounting Pronouncements

In December 2011, the FASB issued Update No. 2011-12, Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05 . The amendments in this Update supersede changes to those paragraphs in Update 2011-05 that pertain to how, when, and where reclassification adjustments are presented. The adoption of this amendment is not expected to have a material effect on the Company s financial position or results of operations, but may affect the presentation of Other Comprehensive Income in the Company s financial statements.

In February 2013, the FASB issued Update No. 2013-04, Liabilities (Topic 405) Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date . The amendments in this Update provide guidance for the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this Update is fixed at the reporting date, except for obligations addressed within existing guidance in U.S. GAAP. The guidance requires an entity to measure those obligations as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. The guidance in this Update also requires an entity to disclose the nature and amount of the obligation as well as other information about those obligations. For public entities, the amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The amendments shall be applied retrospectively to all prior periods presented for those obligations that exist at the beginning of the fiscal year of adoption. Early adoption is permitted. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements
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(Expressed in U.S. Funds)
(Unaudited)

3. Significant Accounting Policies (Cont d)

In March 2013, the FASB issued Update No. 2013-05, Foreign Currency Matters (Topic 830) Parent s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity . The amendments in this Update resolve the diversity in practice about whether Subtopic 810-10, Consolidation Overall, or Subtopic 830-30, Foreign Currency Matters Translation of Financial Statements, applies to the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment *in* a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) *within* a foreign entity. In addition, the amendments in this Update resolve the diversity in practice for the treatment of business combinations achieved in stages (sometimes also referred to as step acquisitions) involving a foreign entity. For public entities, the amendments in this ASU are effective prospectively for fiscal years, and interim reporting periods within those years, beginning after December 15, 2013. Early adoption is permitted. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

4. Intangible Assets

As of March 31, 2013 NDA acquisition costs of $106 thousand (December 31, 2012 - $116 thousand) were recorded as intangible assets on the Company s balance sheet and represent the net book value of the final progress payment related to the acquisition of 100% ownership of Forfivo XL . The asset will be amortized over its estimated useful life of 39 months. The Company commenced amortization upon commercial launch of the product in October 2012.

5. Deferred License Revenue

Deferred license revenue represents upfront payments received for the granting of licenses to the Company s patents, intellectual property, and proprietary technology, for commercialization. Deferred license revenue is recognized in income over the period where sales of the licensed products will occur.

Upon entering into the licensing agreement with Edgemont Pharmaceuticals the Company received an upfront fee of $1 million, which the Company recognized as deferred license revenue. The deferred license revenue will be amortized in income over a period of 39 months, which is the minimum period where sales of Forfivo XL are expected to be exclusive. As a result of this policy, the Company has a deferred revenue balance of $847 thousand at March 31, 2013 that has not been recognized as revenue.

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements
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(Unaudited)

6. Capital Stock

	March 31, 2013	December 31, 2012
Authorized -		
100,000,000 common shares of $0.00001 par value		
20,000,000 preferred shares of $0.00001 par value		
Issued -		
50,302,921 (December 31, 2012 - 49,890,421) common shares	**$ 503**	$ 499

7. Additional Paid-In Capital

Stock options

During the three month period ended March 31, 2013 a total of 50,000 (2012 - Nil) stock options were exercised for 50,000 (2012 - Nil) common shares having a par value of $0 thousand in aggregate, for cash consideration of $23 thousand (2012 - $Nil), resulting in an increase in additional paid-in capital of $23 thousand (2012 - $Nil).

Compensation expenses for stock-based compensation of $18 thousand and $15 thousand were recorded during the three-month period ended March 31, 2013 and 2012 respectively. Of the amount expensed in 2013, $13 thousand (2012 - $14 thousand) relates to stock options granted to employees and directors, and $5 thousand (2012 - $Nil) relates to options granted to independent third party consultants. In addition, $1 thousand was expensed in 2012 related to stock options granted to investor relations firms as compensation for investor relation services. As at March 31, 2013, the Company has $50 thousand (2012 - $69 thousand) of unrecognized stock- based compensation.

Warrants

During the three month period ended March 31, 2013 a total of 362,500 (2012 - 1,206,418) warrants were exercised for 362,500 (2012 - 726,830) common shares having a par value of $0 thousand in aggregate, for cash consideration of $172 thousand (2012 - $233 thousand), resulting in an increase in additional paid-in capital of $171 thousand (2012 - $233 thousand).

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements
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8. Related Party Transactions

Included in management salaries are $2 thousand (2012 - $1 thousand) for options granted to the Chief Financial Officer and $3 thousand (2012 - $2 thousand) for options granted to the Chief Executive Officer under the 2006 Stock Option Plan and $4 thousand (2012 - $7 thousand) for options granted to non-employee directors.

Also included in management salaries are director fees of $22 thousand (2012 - $27 thousand) for attendance to board meetings and audit committee meetings and $54 thousand (2012 - $Nil) for fees paid to a director under a management consultancy agreement.

The above related party transactions have been measured at the exchange amount which is the amount of the consideration established and agreed to by the related parties.

9. Basic and Diluted Loss Per Common Share

Basic and diluted loss per common share is calculated based on the weighted average number of shares outstanding during the period. The warrants, share-based compensation and convertible notes have been excluded from the calculation of diluted loss per share since they are anti-dilutive.

10. Subsequent Events

Subsequent to the end of the quarter, the Company's board of directors granted options to acquire 680,000 common shares under the 2006 Stock Option Plan, as amended. Of the total stock options granted, 480,000 were granted to the Chief Operating Officer and Chief Scientific Officer, Dr. Rajiv Khosla, and 200,000 were granted to the Chief Financial Officer, Mr. Paul A. Simmons. The options have an exercise price of CAD$0.67 (US$0.65) and expire on April 23, 2018. All of the options granted to Dr. Khosla vest on December 31, 2015. The options granted to Mr. Simmons vest over a period of two years at the rate of 25 % every six months. In addition, 37,500 unvested options that were granted to Dr. Khosla in November 2011 expired upon issuance of the above options.

Subsequent to the end of the quarter, 995,500 warrants were exercised for 995,500 common shares having a par value of $0 thousand for cash consideration of approximately $472 thousand, resulting in an increase in additional paid-in capital of approximately $472 thousand.

11. Comparative Figures

Certain reclassifications of March 31, 2012 amounts have been made to facilitate comparison with the current period.

Item 2 MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction to Management s Discussion and Analysis

The purpose of this section, Management s Discussion and Analysis of Financial Condition and Results of Operations, is to provide a narrative explanation of the financial statements that enables investors to better understand the business of the Company, to enhance the Company s overall financial disclosures, to provide the context within which the Company s financial information may be analyzed, and to provide information about the quality of, and potential variability of, the Company s financial condition, results of operations and cash flows. Unless otherwise indicated, all financial and statistical information included herein relates to continuing operations of the Company. Unless otherwise indicated or the context otherwise requires, the words, IntelGenx, Company , we , us , and our refer to IntelG Technologies Corp. and its subsidiaries, including IntelGenx Corp. This information should be read in conjunction with the accompanying unaudited Consolidated Financial Statements and Notes thereto.

Company Background

We are a drug delivery company established in 2003 and headquartered in Montreal, Quebec, Canada. Our focus is on the development of novel oral immediate-release and controlled-release products for the pharmaceutical market. Our business strategy is to develop pharmaceutical products based on our proprietary drug delivery technologies and, once the viability of a product has been demonstrated, to license the commercial rights to partners in the pharmaceutical industry. In certain cases, we rely upon partners in the pharmaceutical industry to fund development of the licensed products, complete the regulatory approval process with the U.S. Food and Drug Administration (FDA) or other regulatory agencies relating to the licensed products, and assume responsibility for marketing and distributing such products.

In addition, we may choose to pursue the development of certain products until the project reaches the marketing and distribution stage. We will assess the potential for successful development of a product and associated costs, and then determine at which stage it is most prudent to seek a partner, balancing such costs against the potential for additional returns earned by partnering later in the development process.

We have also undertaken a strategy under which we will work with pharmaceutical companies in order to develop new dosage forms for pharmaceutical products for which patent protection is nearing expiration. Under §(505)(b)(2) of the Food, Drug, and Cosmetics Act, the FDA may grant market exclusivity for a term of up to three years of exclusivity following approval of a listed drug that contains previously approved active ingredients but is approved in a new dosage, dosage form, route of administration or combination, or for a new use, the approval of which was required to be supported by new clinical trials, other than bioavailability studies, conducted by or for the sponsor.

We are currently continuing to develop the existing products in our pipeline and may also perform research and development on other potential products as opportunities arise.

We currently purchase and/or lease, on an as-needed basis, the equipment necessary for performing research and development activities related to our products.

We plan to hire new personnel, primarily in the areas of research and development, manufacturing, and administration on an as-needed basis as we enter into partnership agreements, establish our pilot plant VersaFilm manufacturing capability, and increase our research and development activities.

Key Developments

On March 27, 2013 we announced that, together with our co-development partner RedHill Biopharma (RedHill), we submitted a 505(b)(2) New Drug Application (NDA) to the U.S. Food and Drug Administration (FDA) for our anti-migraine oral film product.

We had previously announced a successful pre-NDA meeting with the FDA following the successful completion of a bioequivalency study demonstrating that our oral film product is bioequivalent with Maxalt MLT®, a leading branded anti-migraine product manufactured by Merck & Co. According to Merck's most recent annual report, sales of Maxalt® were $638 million in 2012. The thin-film formulation of Rizatriptan has been developed in accordance with the co-development and commercialisation agreement with RedHill.

Our orally disintegrating film consists of a thin (30 50 µm) polymeric film which disintegrates rapidly upon oral administration, thereby releasing the active drug Rizatriptan and making it available for rapid absorption. The film does not require water for administration.

Currency rate fluctuations

Our operating currency is Canadian dollars, while its reporting currency is U.S. dollars. Accordingly, our results of operations and balance sheet position have been affected by currency rate fluctuations. The following management discussion and analysis takes this into consideration whenever material.

Results of Operations for the three month period ended March 31, 2013 compared with the three month period ended March 31, 2012.

In U.S.$ thousands	2013	2012	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Revenue	$ 157	$ 100	$ 57	57%
Research and Development Expenses	202	264	(62)	(24%)
Research and Development Tax Credit	(35)	(25)	10	40%
Selling, General and Administrative Expenses	456	439	17	4%
Amortization of tangible assets	10	8	2	25%
Amortization of intangible assets	10	-	10	N/A
Net Loss	(486)	(582)	(96)	(17%)

Revenue

Total revenue in the first three months of 2013 increased to $157 thousand, compared with $100 thousand in the same period of 2012.

All revenue recorded during the first quarter of 2013 relates to Forfivo XL , our first FDA approved product, which was launched in October 2012 under a licensing partnership with Edgemont Pharmaceuticals LLP (Edgemont). Upon entering into the licensing agreement, Edgemont paid us an upfront fee of $1 million, which we recognized as deferred license revenue. The deferred license revenue is amortized in income over the period where sales of Forfivo XL are expected to be exclusive. As a result of this policy, we recognized $77 thousand in income during the first quarter of 2013. In addition, we recognized approximately $80 thousand of royalty income earned from the sale of Forfivo XL . The royalties relate to sales of Forfivo XL by Edgemont during the first three months post product launch. Forfivo XL is indicated for the treatment of Major Depressive Disorder (MDD) and is the only extended-release bupropion HCl product to provide a once-daily, 450mg dose in a single tablet.

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Royalty income in the second quarter of 2013 is expected to be lower than royalty income achieved in the current quarter, as a result of lower than anticipated sales of Forfivo XL during the current quarter. Management is assessing this variation in sales performance with a view towards taking steps to support steady sales growth of Forfivo XL .

Revenue for the three months ended March 31, 2012 relates to the receipt of a $100 thousand development milestone in respect of our anti-migraine project. The milestone became due following the successful completion of the pivotal bioequivalence study. In March 2013 we announced that, together with our co-development partner RedHill, we submitted a 505(b)(2) NDA to the FDA for our anti-migraine oral film product, a novel oral thin-film formulation based on our proprietary VersaFilm technology containing Rizatriptan, the active drug in Merck s Maxalt-MLT® orally disintegrating tablets.

Research and Development (R&D) Expenses

R&D expenses, net of R&D investment tax credits, totaled $167 thousand in the three months ended March 31, 2013, representing a decrease of $72 thousand, or 30%, to the expense of $239 thousand recorded in the same period of last year.

The decrease in R&D expenses is primarily related to the costs incurred in the first quarter of 2012 that were associated with a pilot clinical study that were not repeated in the first quarter of 2013.

Included within R&D expenses for the first three months of 2013 are R&D Salaries of $153 thousand, of which approximately $3 thousand represents non-cash compensation. This compares to R&D salaries of $149 thousand in the first three months of 2012, of which approximately $5 thousand represented non-cash compen