

SYMBOL: **IBPM.OB**
 EXCHANGE: **OTC**
 RECENT PRICE: **\$0.87**



iBio, Inc.

Rating Unchanged

HOLD

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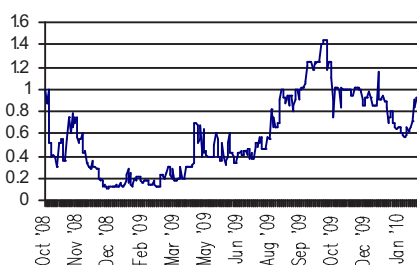
INDUSTRY SECTOR

Friday, February 26, 2010

52 Week Low	\$0.13
52 Week High	\$1.45
Market Capitalization	\$24,300,000
Volume (Previous Trading Day)	2,200
Float	13,200,000
Basic Shares Outstanding	27,931,034
Institutional Holdings	N/A
Short Interest	N/A
Average 90-day Vol.	6,153

Significant Benefits of Plant Based Technology Highlighted

- Wall Street Journal highlights iBio's/GreenVax potential for a validating manufacturing project and iBio's plant based vaccine technology for influenza; potentially faster, cheaper and safer
- In comparison, current standards for vaccine production to treat influenza known to provide low yields, be costly, have limited capacity, potentially long lead times in light of a pandemic
- Vaccine candidates expected to enter clinical trials in 2010-11; 1) H5N1 pandemic flu, 2) H1N1 seasonal flu
- Announced today potentially validating, sizable manufacturing proof-of-concept project with G-Con, LLC



Fundamental Data

Revenue (millions)

PERIOD	F2008	F2009	F2010
1st Qtr	0.240A	0.333A	0.000A
2nd Qtr	0.240A	0.379A	0.000A
3rd Qtr	0.414A	0.327A	0.250E
4th Qtr	0.093A	0.137A	0.275E
	0.987A	1.177A	0.525E

Earnings (per share)

PERIOD	F2008	F2009	F2010
1st Qtr	(3790.46)	(0.05)A	(0.02)A
2nd Qtr	(3537.41)	(0.02)A	(0.01)A
3rd Qtr	(5067.93)	(0.01)A	(0.02)E
4th Qtr	(6349.55)	(0.02)A	(0.02)E
	(18692.9)	(0.09)A	(0.09)E

2008 reflects pre-spinoff shares count

Five-Year EPS Growth	N/A
EV / EBITDA (ttm)	-12.695
Debt / Cap (mrq)	N/A
Fiscal Year End	June
Div. / Div. Yield	N/A
Beta	N/A

iBio, Inc. is a biopharmaceutical company focused on using and promoting the use of its proprietary plant-based technology platform by which targeted proteins can be produced in plants for the development and manufacture of novel vaccines and therapeutics for humans and certain veterinary applications.

ID: 1267018142

Refer to pages IBPM.OB/6 - IBPM.OB/7 for Disclosures

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Investment Thesis

The Wall Street Journal recently highlighted the benefits of using plant based biopharmaceutical manufacturing for vaccines. There could be benefits of cost, manufacturing time and safety. iBio is potentially a leading developer of plant based vaccine technology and will likely benefit from any move toward this mode of manufacturing. However, as detailed below, there are still some reasons to maintain a Hold on the stock. Nonetheless, we think investors should be made aware of the potential benefits of this approach.

The company's platform technology uses targeted proteins produced from plants to develop vaccines and therapeutics for use in humans and veterinary applications. iBio's candidate vaccines and antibodies are focused to treat or prevent seasonal and pandemic influenza, treat human papilloma virus (HPV), and to prevent disease from bioterrorism threats or attacks. The company has achieved encouraging data for the above indication in preclinical animal testing, which suggests the potential capabilities of the company's platform technology.

iBio is expected to advance two influenza vaccine candidates into human clinical trials in 2010 and initiate a proof-of-concept mobile manufacturing plant. The plant derived biomass protein which potentially offers attractive competitive advantages to current egg based or mammalian cell based manufacturing approaches including: rapid development and manufacturing of newly engineered proteins, high scale-up capacity, low overall cost, and lower contamination risk. Current egg and mammalian cell based influenza vaccines are more capital intensive to produce, have limited supply capacity and could take approximately six months to bring new vaccines to market. In the event of an unexpected influenza pandemic outbreak, quick to market and cost effective vaccines would likely reduce death and morbidity. In pre-clinical animal models, the plant cell subunit vaccine has demonstrated immunogenicity in ferrets and mice. iBio could be the first to market with a plant derived vaccine.

We rate IBPM shares as a Hold pending proof of safety and efficacy in humans, and further validation of its manufacturing technology. Positive phase I human safety and efficacy data and/or validation of manufacturing capabilities would guide a more positive outlook and potentially validate the company's platform technology.

Benefits of plant based influenza vaccine technology over current standards at a fraction of the cost

Currently approved vaccines around the world are mainly derived from hen eggs or mammalian cell technologies. These vaccines can be costly, unable to provide sufficient supply and usually require lengthy manufacturing processes. Construction of a manufacturing facility using iBio's technology could potentially be completed in 18 months, while egg based or cell based manufacturing facilities usually takes 3-5 years to build. iBio's nicotiana plant based (nicotiana plant is not a tobacco plant as referenced in the Wall Street Journal article, but is a relative of tobacco plants) vaccine technology could offer the ability to create target proteins available for the market in as little as three months.

As an example of cost benefit, Novartis is in the process of completing a mammalian cell based plant in North Carolina expected to cost \$1 billion. It is expected to yield annually 150 million doses of monovalent vaccine. iBio's management believes that if its technology were used for a cost of approximately \$100 million, 1.2 billion doses of a monovalent vaccine could be produced. Even though, a cell based technology in which vaccine viruses grow in mammalian cells could be faster and more flexible than egg based technology approaches, (the current standard to produce influenza vaccines) mammalian cell based technology may still have limitations compared to iBio's plant based technology. As we have said, Novartis's new manufacturing plant will cost approximately 10 times more, require longer production times and is potentially a less safe influenza vaccine due to the potential of contaminating pathogens, which may be harmful to humans. iBio's plant based technology if proven to be safe, efficacious and commercializable, in our view, would likely become a leading vaccine technology in light of its present advantages.

GreenVax proof-of-concept manufacturing project could validate manufacturing capabilities with one year

The company announced today a license agreement with G-Con, LLC, a private Texas company, to develop and manufacture plant based influenza vaccines. GreenVax a plant based manufacturing proof-of-concept project expected to be completed in one year could provide significant manufacturing efficiency, the need for less capital and potentially a more condensed regulatory processes compared to other manufacturing processes for influenza vaccines. The one year project is expected to produce 10 million initial doses and larger scale trials are expected in 2011, which could be completed in 18 months from the start date. The GreenVax project could provide validation to the manufacturing of vaccines from the iBioLanch plant based technology.

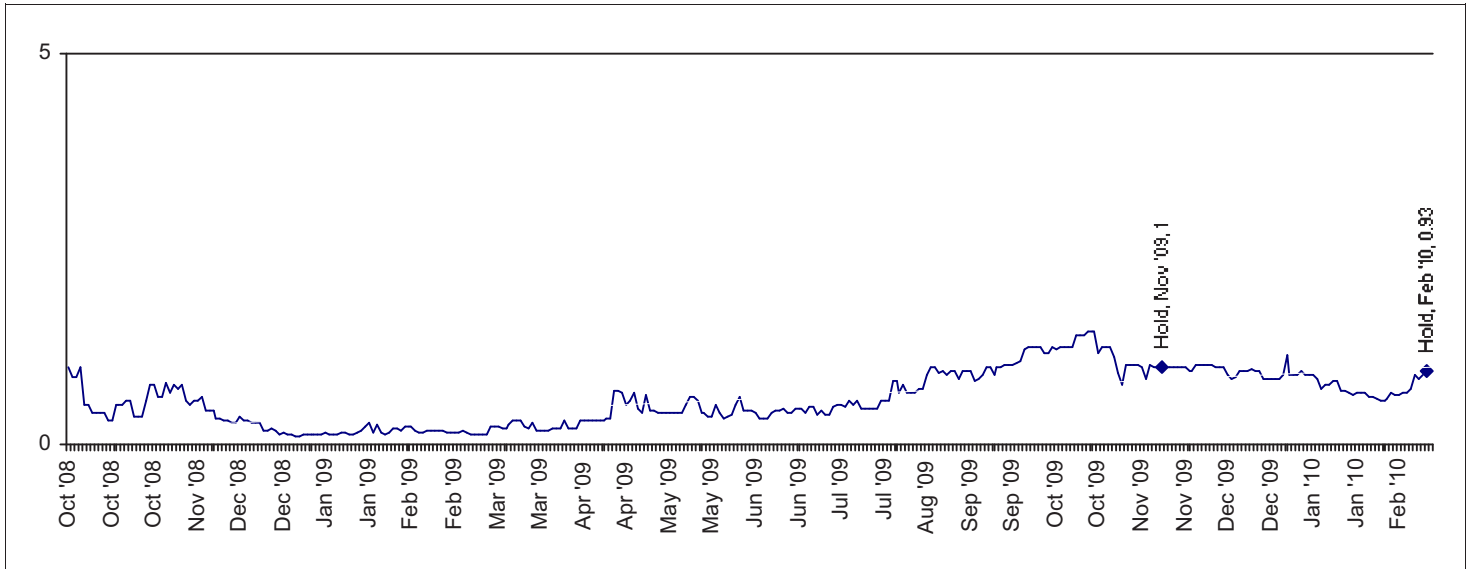
The GreenVax project, is funded by DARPA (\$40 million) and Texas A&M and G-con (\$21 million), will place large van size movable pods under conforming GMP without the need for a large scale building to be built, which is likely to significantly reduce manufacturing costs. Research and development for the GreenVax Project will be developed on a 21-acre site at the Texas A&M Health Science Center in Bryan, Texas. G-Con will construct a 145,000 square foot production facility. The GreenVax plant could allow the ability to set up vaccine manufacturing globally in under penetrated markets

and in the event of pandemic at a fraction of the cost to current standards.

Financial Results and Estimates

The company recently reported second fiscal quarter 2010. At December 31, 2009 the company held approximately \$3.0 million in cash and no long-term debt. Management guides that the existing cash balance together with other existing financial resources will be sufficient to extend operation into the first fiscal quarter 2011, or near September 30, 2010. No revenues for the second fiscal quarter 2010 were reported due to the discontinuance of the sales of nutritional supplements effective April 1, 2009. We do not expect any revenues for the next several years or until the company moves products further into development stages. Research and development expenses for the second fiscal quarter 2010 were \$254,000 and General and Administrative expenses were \$503,000. The company reported a net loss of \$306,671 and a loss per share of \$0.01. We are adjusting our fiscal full year loss per share estimate from a loss of \$0.17 to a loss of \$0.09 mainly attributable to increased share count.

iBio, Inc.											
Corporate Income Statement											
<small>(in thousands, except per share data)</small>											
	2008A	Q1-09A	Q2-09A	Q3-09A	Q4-09A	2009A	Q1-10A	Q2-10A	Q3-10E	Q4-10E	2010E
Revenues											
Contract Revenue	987	333	379	327	137	1177	0	0	250	275	525
<i>Growth</i>	10%	39%	58%	-21%	47%	19%	-100%	-100%	-24%	100%	-55%
Total Revenue	987	333	379	327	137	1177	0	0	250	275	525
<i>Growth</i>	-210%	39%	58%	-21%	-47%	-219%	-100%	-100%	-24%	100%	-55%
Gross Profit	502	198	184	160	133	676	0	0	125	138	263
Operating Expenses											
Research & Development	550	250	250	83	214	797	104	254	200	400	958
<i>Growth</i>	-18%	n/a	n/a	-68%	-27%	45%	-58%	2%	141%	87%	-220%
General & Administrative	1818	497	506	405	396	1805	468	503	450	450	1871
<i>Growth</i>	26%	0%	5%	-10%	1%	-1%	-6%	-1%	11%	13%	-204%
Total Operating Expenses	2368	747	756	488	611	2602	572	757	650	850	2829
<i>Growth</i>	12%	50%	57%	-31%	-11%	10%	-23%	0%	33%	39%	9%
Operating Cash Flow (EBITDA)	(1866)	(550)	(572)	(328)	(477)	(1926)	(572)	(757)	(525)	(713)	(2566)
<i>Growth</i>	12%	-46%	-62%	35%	24%	-3%	-4%	-32%	-60%	-49%	-33%
Interest income/expense and other, net	0	7	8	3	0	18	0	451	2	2	14
<i>Growth</i>	n/a	n/a	n/a	n/a	n/a	n/a	-99%	5889%	-40%	n/a	24%
EBT	(1866)	(542)	(564)	(324)	(477)	(1908)	(572)	(306)	(523)	(711)	(2553)
<i>Growth</i>	12%	44%	59%	-36%	-24%	2%	-5%	46%	-61%	-249%	-34%
Provision for Income Taxes (benefit)	4	1	0	0	0	1	0	1	0	0	1
Net income (loss)	(1869)	(543)	(564)	(324)	(477)	(1907)	(572)	(306)	(523)	(711)	(2552)
<i>Growth</i>	-12%	-43%	-59%	36%	25%	-2%	-5%	46%	-61%	-49%	-34%
Income (loss) per share	(18692.95)	(0.05)	(0.02)	(0.01)	(0.02)	(0.09)	(0.02)	(0.01)	(0.02)	(0.02)	(0.09)
<i>Growth</i>	-112082%	100%	100%	100%	100%	100%	53%	55%	-33%	-22%	1%
Basic and Diluted Shares	0.1	10925	23458	23325	23368	20269	24361	28273	28200	28500	27333



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