UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-K

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended June 30, 2012

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 001-35023

iBio, Inc.

(Exact name of small business registrant in its charter)

Delaware	**26-2797813**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
9 Innovation Way, Suite 100, Newark, DE	**19711**
(Address of principal executive offices)	*(Zip Code)*

(302) 355-0650
(Registrant's telephone number, including Area Code)

Securities registered under Section 12(b) of the Exchange Act:

Title of Each Class	Name of each exchange on which registered
Common Stock, $0.001 par value per share	NYSE MKT

Securities registered under Section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and 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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated Filer	☐
Accelerated Filer	☐
Non-accelerated Filer	☐
Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the Registrant based on the trading price of the Registrant's Common Stock on June 30, 2012 was $22,339,800.

The number of shares outstanding of each of the Registrant's classes of common equity, as of the latest practicable date:

Class	*Outstanding at September 14, 2012*
Common Stock, $0.001 par value	47,767,095 Shares

IBIO, INC.

FORM 10-K ANNUAL REPORT

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 10-K may constitute forward-looking statements as defined in Section 27A of the Securities Act of 1933 (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), the Private Securities Litigation Reform Act of 1995 (the "PSLRA") or in releases made by the Securities and Exchange Commission ("SEC"), all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of iBio, Inc. (the "Company") or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors including, among others, changes in general economic and business conditions; loss of market share through competition; introduction of competing products by other companies; the timing of regulatory approval and the introduction of new products by the Company; changes in industry capacity; pressure on prices from competition or from purchasers of the Company's products; regulatory obstacles to the introduction of new technologies or products that are important to the Company; availability of qualified personnel; the loss of any significant customers or suppliers; and other factors both referenced and not referenced in this Report. Statements that are not historical fact are forward-looking statements. Forward looking-statements can be identified, by among other things, the use of forward-looking language, such as the words "plan", "believe", "expect", "anticipate", "intend", "estimate", "project", "may", "will", "would", "could", "should", "seeks", or "scheduled to", or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions. These cautionary statements are being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefits of the "safe harbor" provisions of such laws. The Company cautions investors that any forward-looking statements made by the Company are not guarantees or indicative of future performance. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements with respect to the Company include, but are not limited to, the risks and uncertainties affecting their businesses described in Item 1A of this Annual Report on Form 10-K and in other securities filings by the Company.

Although the Company believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, actual results could differ materially from a projection or assumption in any of its forward-looking statements. The Company's future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The forward-looking statements contained in this Annual Report on Form 10-K are made only as of the date hereof and the Company does not have or undertake any obligation to update or revise any forward-looking statements whether as a result of new information, subsequent events or otherwise, unless otherwise required by law.

PART I

Item 1. Business

iBio, Inc. ("iBio" and the "Company") is a biotechnology company focused on commercializing its proprietary technologies, the iBioLaunch™ platform for vaccines and therapeutic proteins, as well as the iBioModulator™ platform for vaccine enhancement. Our strategy is to promote our technology, through commercial product collaborations and license arrangements. We expect to share in the increased value of our technology through upfront license fees, milestone revenues, service revenues, and royalties on end products. We believe our technology offers the opportunity to develop products that might not otherwise be commercially feasible, and to work with both corporate and government clients to reduce their costs during product development and meet their needs for low cost, high quality biologics manufacturing systems and vaccines with improved properties. Our near-term focus is to establish business arrangements for use of our technology by licensees for the development and production of products for both therapeutic and vaccine uses.

Vaccine candidates presently being advanced on our proprietary platform are applicable to newly emerging strains of H1N1 swine-like influenza, H5N1 avian influenza, yellow fever, and anthrax.

Therapeutic candidates presently being advanced on our proprietary platform include human alpha-galactosidase A for the treatment of Fabry disease, a modified version of human C-1 esterase inhibitor for the treatment of hereditary angioedema and other diseases, human alpha-1 antitrypsin for treatment of disorders caused by a lack or deficiency of alpha-1 antitrypsin, and several other therapeutic protein targets including antibodies, for which preliminary product feasibility has been demonstrated.

In order to attract appropriate licensees and increase the value of our share of such intended contractual arrangements, we engaged the Center for Molecular Biotechnology of Fraunhofer USA, Inc. ("FhCMB") in 2003 to perform research and development activities to develop the iBioLaunch platform and to create our first product candidate. We selected a plant-based influenza vaccine for human use as the product candidate to exemplify the value of the platform. Based on research conducted by FhCMB, our proprietary technology is applicable to the production of vaccines for any strain of influenza including strains of H1N1 swine-like influenza. A Phase 1 clinical trial of a vaccine candidate for H1N1 influenza, based on iBio's technology, was initiated in September 2010. We announced positive interim results in June 2011 and successfully completed the clinical trial in March 2012. The vaccine candidate demonstrated strong induction of dose correlated immune responses, with or without adjuvant, as assessed by virus microneutralization antibody assays and hemagglutination inhibition ("HAI") responses. The vaccine was safe and well tolerated at all doses when administered with and without adjuvant.

In connection with the research and development agreement, FhCMB agreed to use its best efforts to obtain grants from governmental and non-governmental entities to fund additional development of our proprietary plant-based technology. Consequently, in addition to the funding we have provided through agreements to FhCMB, FhCMB has received funding from the Bill & Melinda Gates Foundation for development of various vaccines based upon our proprietary technology including an experimental vaccine for H5N1 avian influenza. A Phase 1 clinical trial of a vaccine candidate for H5N1 influenza, based on iBio's technology, was initiated in December 2010. We announced positive interim results in June 2011 and successfully completed the clinical trial in March 2012.

In addition to the platform and product development engagements, in 2006, the Company engaged FhCMB to create a prototype production module for products made through the use of the platform. The purpose of this engagement was to demonstrate the ease and economy with which platform-based products could be manufactured in order to attract potential licensees and increase the value of our share of such business arrangements. The prototype design, which encompasses the entire production process from seeding through pre-infiltration plant growth, infiltration with agrobacteria, harvesting of plant tissue and purification of target proteins, was completed in May 2008. A pilot plant based upon this prototype was subsequently constructed in the FhCMB facility in Newark, Delaware. This pilot plant, and the equipment in it, are owned by FhCMB and have been validated for current Good Manufacturing Practices ("cGMP") production. It is expected to be used for cGMP production of protein targets for clinical trials of product candidates utilizing our platform technology.

In January 2011, we announced the grant of a commercial, royalty-bearing license to Fiocruz/Bio-Manguinhos ("Fiocruz") of Brazil to develop, manufacture and sell certain vaccines based upon our proprietary technology. Fiocruz will invest $6.5 million to bring the first product candidate, a yellow fever vaccine, through a Phase I clinical trial. The World Health Organization has estimated that 200,000 unvaccinated people contract yellow fever each year, and approximately 30,000 die from the disease.

Development of the yellow fever vaccine candidate will be performed through a commercial collaboration among the Company, Fiocruz and FhCMB. The license covers the nations of Latin America, the Caribbean and Africa. The Company retains the right to sell the products developed under the license and collaboration agreement in any other territory with a royalty back to Fiocruz. Bio-Manguinhos is a unit of the Oswaldo Cruz Foundation, a central agency of the Ministry of Health of Brazil. Fiocruz/Bio-Manguinhos produces and develops immunobiological items to respond to public health demands. Its product line consists of vaccines, reagents and biopharmaceuticals. Fiocruz is a leading company in the national export of human vaccines and a major participant in total export sales of the Brazilian pharmaceutical sector. Fiocruz/Bio-Manguinhos is one of the main producers of vaccines and diagnostics for infectious diseases in Latin America. Fiocruz is a certified World Health Organization provider to United Nations agencies, and is a leading world manufacturer of yellow fever vaccine, which it has exported to over 60 countries.

In February, May and June 2012, we announced the issuance or allowance of U.S. patents for, and scientific progress with potential product applications of our iBioModulator platform, also referred to as our lichenase fusion-protein technology.

The Company established non-commercial arrangements among the Company, certain government entities, a non-governmental organization (which we refer to herein as a "NGO") and FhCMB, pursuant to which the Company grants non-commercial rights to use its platform for the development and production by FhCMB of product candidates selected by the government entities and NGO, in consideration for grants by the government entities and NGO directly to FhCMB to fund such research and development.

Through (i) the Company/FhCMB contracts and (ii) the non-commercial arrangements described above (which we refer to collectively as the "business structure"), the Company retains ownership of the intellectual property and exclusive worldwide commercial rights in the fields of human health and veterinary influenza applications of the intellectual property. The Company licenses or otherwise grants use rights (a) to government and NGO entities for not-for-profit applications of the intellectual property for the development or application for which they granted or were granted funding, and (b) to FhCMB for research purposes and applications in other fields. At this time, the Company is not pursuing development in the area of veterinary influenza. See Management's Discussion and Analysis of Financial Condition and Results of Operations in connection with the Company's impairment charge of $87,000 and $586,000 taken during the fourth quarter for the years ended June 30, 2012 and 2011, respectively.

This business structure helps the Company to enhance the value of commercial rights and the scope of applications of its platform technology. It also helps the Company demonstrate the validity and apparent value of the platform to parties to whom it will offer licenses or other business opportunities. Outsourcing our research and development work allows us to develop our product candidates, and thereby promote the value of our platform for licensing and product development purposes, without bearing the full risk and expense of establishing and maintaining our own research and development staff and facilities. FhCMB is engaged to perform research and development for the yellow fever vaccine project based on its expertise. The contract with FhCMB is expected to be $6.5 million. Service revenues and research expense under this arrangement commenced in January 2011. The amount of revenues recorded under this agreement and related research and development expenses for the years ended June 30, 2012 and 2011 were approximately $1,277,000 and $520,000, respectively. The Company invoices this only customer in US dollars and also receives collection of the outstanding receivable in US dollars. Therefore, there are no foreign currency exchange translation gains or losses involved with this customer.

In July 2012 we announced a global alliance with GE Healthcare ("GEHC") to commercialize our plant-based technologies for the manufacture of biopharmaceuticals and vaccines. The alliance is intended to build on the existing development and marketing agreement between the two companies announced in 2010 and to combine iBio's proprietary iBioLaunch platform with GE Healthcare's capabilities in start-to-finish technologies for biopharmaceutical manufacturing. Under the terms of the agreement,

iBio will be the preferred provider of vaccine or therapeutic product manufacturing technology incorporating a plant based protein expression system, while GEHC will be the preferred provider of engineering services and bioprocess solutions, to any customers that may be interested in a bio-manufacturing facility incorporating a plant-based expression system. The agreement further specifies allocation of responsibilities for product development, process scale-up, facilities design and development, and technology transfer among iBio, FhCMB, and GEHC. The Agreement also sets forth the terms of a non-exclusive license to iBio's technology that iBio has agreed to offer to any customer referred by GEHC pursuant to the Agreement.

The Company's platform technology is sometimes referred to as "iBioLaunch™ technology" or the "iBioLaunch™ platform," and the category of this technology is sometimes referred to as "plant-based technology" or as a "plant-based platform."

The Company has exclusive control over, and the rights to ownership of, the intellectual property related to all human health and veterinary influenza applications of the plant-based technology developed by FhCMB. Current development projects include conducting proof-of-principle preclinical studies and conducting clinical studies of proprietary influenza vaccines.

Many biotech drugs have been on the market long enough for patents on them to expire. Emerging opportunities for biosimilars (also known as biogenerics or follow-on biologics) create potential for our platform technology to be used by potential licensees to enter the market utilizing what the Company expects to be an economical production system. The Company is seeking commercial partners for this category of products and is unlikely to develop products in this category without the financial and marketing support of a commercial partner.

Historically, in addition to the development of the platform technology described in the preceding paragraphs, the Company has also generated sales of nutritional supplements utilizing plants as sources of high-quality nutritional minerals. The Company has a patented process for hydroponic growth of edible plants that causes them to accumulate high levels of important nutritional minerals such as chromium, selenium, iron and zinc. The Company utilized the services of various wholly owned subsidiaries of our Former Parent company, Integrated BioPharma, Inc. ("Integrated BioPharma" or "Former Parent") to support the production, marketing and sales of these phytomineral products.

Effective in April 2009, the Company entered into an agreement with IHT Health Products, Inc. (a wholly-owned subsidiary of our Former Parent, ("IHT") wherein it granted an exclusive license to the Company's patented process in consideration for a royalty of five percent (5%) of net sales and the obligation of IHT to maintain in force and good standing the Company's patent and related intellectual property. At the same time, rights under the existing customer agreements were beneficially transferred to IHT. iBio receives royalty income from the exclusive license to IHT.

In November 2007, the Board of Directors of our Former Parent approved a plan to distribute its equity interests in the Company to its stockholders in the form of a dividend. The record date of the dividend was August 12, 2008 with a distribution date of August 18, 2008. The stockholders of our Former Parent received one share of the Company's common stock for each share of common stock they owned of the Former Parent as of the record date. Immediately following the spin-off, the Company became a public company with stock traded on the OTC Bulletin Board under the symbol IBPM. The Company's stock was listed for trading on the NYSE MKT in January 2011.

Our Business Structure

A key element of our business strategy is to establish business arrangements with licensees to use our platform technology for manufacturing vaccines and therapeutic proteins or for development and commercialization of our product candidates. Thus, we may enter into agreements with other parties to provide them with commercial rights to either our product candidates or with commercial rights to our platform technology itself for manufacturing of their own products.

We believe we can achieve our corporate objectives without employing a large staff, and anticipate maintaining our thinly staffed employment structure with modest increases in staff as required to develop and support new business relationships. As described above, FhCMB and the Company are currently working within our business structure to develop product candidates based upon our plant-based platform technology pursuant to an agreement that continues until December 2014.

We have been relying upon FhCMB for support in advancing certain drug candidates and intend to rely on FhCMB and other collaborators for additional work during further development and testing of our product candidates. With FhCMB we have been pursuing and obtaining non-dilutive government and non-governmental organization funding directed through FhCMB to provide supplemental funding for applications of our technology. To date, FhCMB has been awarded a total of approximately $33 million in grants from the Bill & Melinda Gates Foundation for development of product candidates based on the iBioLaunch platform and for research and development of vaccines against influenza, malaria and African sleeping sickness (trypanosomiasis).

To facilitate the grant and continuing support, we agreed to make our platform technology available to various programs to complete development and provide "Global Access" to vaccines against influenza, rabies virus, malaria and trypanosomiasis, provided that if the Bill & Melinda Gates Foundation and FhCMB do not pursue such programs to completion, the subject rights revert to us. The term

"Global Access" means access for people most in need within the developing world in low income and lower-middle-income countries, as identified by the World Bank. Because we have exclusive commercial rights to the technology and these products for human health applications, this grant and any further similar grants would benefit us by enabling FhCMB to enhance the platform technology and expand the information about the technical performance of product candidates derived from our technology. We may decide to commercially license such technology to collaborators for advancement into human clinical evaluation and eventual commercial development.

The U.S. Department of Defense ("DoD") has also provided funding to FhCMB for advanced development of our technology platform and for preclinical and clinical studies for an anthrax-plague combination vaccine and for an H1N1 influenza vaccine project. Through June 30, 2012, FhCMB has received funding and funding commitments for these projects totaling approximately $34 million. This funding is similarly beneficial to us because we have retained the commercial rights to any technology improvements resulting from those projects.

In summary, the advancement of our technology has indirectly benefited from the funding and funding commitments of research and development activities at FhCMB in recent years by U.S. government and non-governmental organizations in amounts aggregating approximately $67 million.

Pursuant to the Technology Transfer Agreement ("TTA") between our company and FhCMB, effective in January 2004, we paid $3.6 million to FhCMB to acquire the exclusive rights in intellectual property owned by FhCMB and to obtain from FhCMB maintenance and support necessary to protect the intellectual property through the preparation and filing of patent applications in the United States and around the world. We currently hold eight U.S. patents and three international patents. Additionally, we have fifteen U.S. and thirty-eight international patent applications pending. The latter includes numerous foreign countries including Australia, Brazil Canada, China, Hong Kong, India, Japan, New Zealand, and several countries in Europe. We continue to prepare patent applications relating to our expanding technology in the U.S. and abroad.

Our intellectual property comprises the technology platform pursuant to which hydroponically grown green plants can be used for the accelerated development and manufacture of high-value proteins of interest as candidate therapeutic products and vaccines applicable to a broad range of disease agents. These include human alpha-galactosidase A for the treatment of Fabry disease, a modified human C-1 esterase inhibitor for the treatment of hereditary angioedema and other diseases, human alpha-1 antitrypsin for treatment of disorders caused by a lack or deficiency of alpha-1 antitrypsin; and vaccines for influenza, sleeping sickness, anthrax, plague, and HPV.

By certain subsequent agreements, we engaged FhCMB to perform certain research activities for which we made payments when certain milestone tasks were performed; such payments were conditioned only on the performance of the task, not upon the success or value of what was determined or discovered.

At various times since January 2004, we have amended our agreements with FhCMB. These amendments include a commitment by FhCMB to further develop exclusively for and transfer to us rights to proprietary technology and intellectual property rights in the fields defined in the agreements comprising principally plant-based human vaccines, human antibodies, and human therapeutic proteins and veterinary applications of plant-based influenza vaccines. For these activities, we have committed to make non-refundable payments to FhCMB of $2 million per year for five years, aggregating to $10 million, since November 2009. FhCMB was required to expend an additional amount at least equal to the amounts paid by us for the same purposes.

In addition, we are required to make royalty payments to FhCMB equal to 1% of all receipts derived by us from sales of products utilizing the proprietary technology and 15% of all receipts derived by us from licensing the propriety technology to third parties for a period of fifteen years. Minimum annual aggregate payments of $200,000 are required under the agreement beginning in 2011. In turn, FhCMB is required to pay us royalty payments equal to 9% of all receipts, if any, realized by FhCMB from sales, licensing or commercialization of the intellectual property licensed from us.

We participated with FhCMB from May 2007 through June 2009 on a contract from Defense Advanced Research Agency ("DARPA") of the United States Department of Defense for an $8.5 million project to further enhance our plant-based technology platform for accelerated manufacture of vaccines and antibodies. We served as a sub-contractor to FhCMB and derived revenues of approximately $1,035,000 during that period. The contract facilitated construction of a pilot manufacturing plant using our platform technology with capacity to provide sufficient materials for clinical trials.

Our Product Candidates

We continue to demonstrate applicability and commercial value of our platform technology and our pipeline of vaccine and therapeutic products developed with the platform.

We believe we have demonstrated the applicability of our platform technology to vaccines for influenza. In addition, in collaboration with FhCMB, we are also developing product candidates for the biodefense market, for infectious diseases important in the developing world such as human papilloma virus, and therapeutic protein candidates that address a variety of global markets.

Seasonal and H1N1 Influenza Vaccines. We believe our technology is applicable to target vaccines directed against seasonal influenza virus strains. Our vaccine candidates have shown significant promise in preclinical efficacy studies in ferrets (the preferred animal model for testing influenza products). In an evaluation of three vaccine candidate formulations in groups of eight ferrets each along with both positive and negative controls, no adverse events were seen in any animals receiving our vaccine candidates. Only one animal receiving one of our vaccine candidates showed any measurable virus shedding, which is an important measure of vaccine effectiveness. These results were as good as the results obtained with positive control animals. The immune responses and protective immunity induced by our vaccine candidates in these animal tests are equivalent to results expected from this type of test to indicate the probability of effectiveness in human subjects. More detail on these tests is available in the scientific paper published in 2008 in the journal *Influenza and Other Respiratory Viruses*, Volume 2, pages 33-40.

A Phase 1 clinical trial of a vaccine candidate for H1N1 influenza, based on iBio's technology, was initiated in September 2010. We announced positive interim results in June 2011 and successful completion of the clinical trial in March 2012. The vaccine candidate demonstrated strong induction of dose correlated immune responses, with or without adjuvant, as assessed by virus icroneutralization antibody assays and hemagglutination inhibition ("HAI") responses. The vaccine was safe and well tolerated at all doses when administered with and without adjuvant.

We believe our technology is applicable to any influenza strains, and we expect to modify our product development plans to incorporate appropriate antigens into any new vaccine formulation we advance to clinical testing. We currently have no specific plans to advance such a product into clinical testing.

Unlike the most common method of producing vaccines against influenza, our process does not rely on chicken eggs and does not require work with whole influenza viruses. Rather, we produce subunit vaccines that are composed of only parts of the protein components of the disease-causing viruses. We believe our subunit vaccines are promising for prevention of influenza infection in humans because they have been demonstrated to prevent influenza infections in ferrets, the experimental model of choice for evaluating human influenza vaccines.

Pandemic Avian Influenza Vaccine. Through FhCMB and their funding from the Bill & Melinda Gates Foundation, we are developing vaccine candidates targeting highly pathogenic avian influenza ("H5N1") viruses based upon the iBioLaunch™ Platform. These candidates have demonstrated immunogenicity and have been successfully tested in mice and ferrets for protective efficacy. Like our candidate vaccines for seasonal influenza, our candidate vaccines for avian influenza are subunit vaccines. Thus, we do not need to culture the intact avian influenza virus in order to produce our candidate vaccines.

The Bill & Melinda Gates Foundation has committed significant funding to FhCMB for preclinical development and a Phase 1 human clinical trial of this pandemic influenza vaccine candidate using our technology. A Phase 1 human clinical trial of an iBioLaunch-produced H5N1 influenza vaccine candidate has been successfully completed and peer-reviewed results are expected to be published in a scientific journal during 2012. Our longer-term goal, subject to commercial partnering arrangements, is to develop a combined vaccine effective for preventing both seasonal and pandemic influenza infections.

Therapeutic Vaccine for Human Papilloma Virus. We have commercial rights to vaccine candidates developed pursuant to our business structure based on fusing a protein component of Human Papilloma Virus ("HPV") called the E7 antigen, to the LicKM protein that is modified from a protein of the bacterium *Clostridium thermocellum*. Several of these candidate vaccine formulations have demonstrated sufficient immune stimulation and protection from disease in mouse experiments to justify further investment in its development as a potential human therapeutic product. In experimental tests in mice, with each formulation administered to ten mice, some candidates protected all of the mice from the growth of tumors caused by the HPV virus. Additional detail on these experiments was published in 2007 and 2009 in the scientific journal *Vaccine*, 2007; 25(16):3018-3021 and 2009; 27(25-26):3395-3397.

Biodefense Products. We have commercial rights to an oral anthrax booster vaccine candidate developed by FhCMB in collaboration with the Naval Medical Research Center ("NMRC"). Animal tests have demonstrated safety and efficacy of this product candidate. We also have commercial rights to candidate plague vaccines that FhCMB has demonstrated to be effective in non-human primate tests in which four groups of two monkeys each were inoculated and then challenged with plague infection. Detailed results of these experiments were published in 2007 in the scientific journal *Vaccine*, 2007 Apr 20; 25(16):3014-7.

DoD has also provided funding to FhCMB for advanced development of the technology platform and for preclinical and clinical studies for an anthrax-plague combination vaccine and for an H1N1 influenza vaccine project. Through June 30, 2012 FhCMB has received funding and funding commitments for these projects totaling approximately $34 million. This funding is similarly beneficial to us because we have the commercial rights to any technology improvements resulting from those projects.

Vaccines for Developing Markets. Funding for developing-world products comes primarily from FhCMB's collaborators, especially the Bill & Melinda Gates Foundation, and supplements the research and development payments that we make to FhCMB to advance and expand the technology to which we have exclusive commercial rights. This supplemental funding provides significant benefits in technology optimization and is synergistic with our product development programs. Through these developing world programs positive preclinical immunogenicity and efficacy results have been obtained for vaccines for HPV, trypanosomiasis and malaria. Results of preclinical testing of an iBioLaunch-produced malaria vaccine candidate were published in 2011 in the peer-reviewed scientific journal *Clinical and Vaccine Immunology* (August 2011, pages 1351–1357).

Therapeutic Protein Product Candidates. We have tested the feasibility of developing and producing certain therapeutic proteins using our technology including the following: Human alpha-galactosidase A for the treatment of Fabry disease, a modified human C-1 esterase inhibitor for the treatment of hereditary angioedema and other diseases, and Human alpha-1 antitrypsin for treatment of disorders caused by a lack or deficiency of alpha-1 antitrypsin.

Target Markets

Based on scientific data produced by FhCMB, we believe that our platform technology is well suited for application to both vaccines and therapeutic proteins. Information on product markets of interest to us is provided in the following paragraphs.

Previously, our business focus was primarily on establishing the necessary capability, information, and data to support commercial licensing of our platform technology for broad protein manufacturing purposes as well as for specific vaccine and therapeutic product candidates. We have long believed that the potential advantages of our technology will enable us to compete effectively against other providers of technology for biotechnology product manufacturing that may be slower, more capital intensive, or more costly to operate. We have initiated a business development program focused on this opportunity as our intellectual property includes proprietary product candidates that may enhance our ability to participate profitably in certain markets.

Vaccine Market. We believe our opportunities to establish new commercial collaborations in vaccine markets will arise in two categories: a) companies interested in traditional vaccine products well established in clinical practice; and b) governments around the world increasingly committed to achieving autonomy in manufacturing vaccines to protect their citizens from natural outbreaks or deliberate infection. We believe our platform, due to its product flexibility and projected advantages in cost and time of implementation over traditional processes, will be an attractive option for both commercial and government collaborators. The first disease category in which we have focused on demonstrating the applicability of our technology for vaccines is influenza.

Influenza Market. We believe that an attractive business opportunity for us is to establish one or more commercial collaborations for the use of our iBioLaunch platform technology in the development of vaccines for prevention of influenza infections and to establish validated technology for rapid response to the outbreak of new strains of influenza. We have demonstrated the efficiencies of our iBioLaunch technology at a laboratory level by producing candidate influenza vaccines in weeks versus the months required for commercially used chicken egg methods. The yields we have obtained in these laboratory experiments are high enough to be competitive with other methods if we can achieve the same yields and the same time efficiencies on a commercial scale. We have also demonstrated the safety and immunogenicity of our iBioLaunch-produced influenza vaccine candidate in a Phase 1 human clinical trial. We, however, have not yet tested our technology at the scale that will be required for commercial use nor at a scale sufficient to conclude what our commercial cost of goods will be.

Biodefense Vaccine Market. In collaboration with FhCMB and future commercial partners, we expect to participate in the introduction of important new prevention and treatment products as potential countermeasures against bioterrorism threats and for use in the developing world. We do not currently have any commercial partners.

Markets for Therapeutic Proteins. Our technology is broadly applicable to the production of proteins ranging in size and complexity from monoclonal antibodies to smaller proteins such as interferons, growth factors, and enzymes. The potential market for application of our platform to therapeutic proteins is large and can be divided into three types of opportunities: a) proteins for treatment of orphan diseases; and b) proteins for bio-similar (bio-generic) products; and c) proteins for novel proprietary products developed by our products.

Treatment of Orphan Diseases. The worldwide market for orphan disease therapy is estimated to be over $80 billion and approximately half of that is addressed through biologic rather than chemical drugs. Well-known products in this category include human enzymes for treatment of lysosomal storage diseases, such as Fabry disease, and products for treatment of less-common types of cancer. The incentives for companies to invest in new treatments for smaller patient populations are substantial, both due to tax incentives and also due to the profit margins that are typically seen for these products. To date, the Food & Drug Administration ("FDA") has granted more than 2,000 orphan designations to products in various stages of development. We expect to attract some commercial interest in our platform for manufacturing certain orphan biologic drugs from companies that have not yet committed to the more expensive traditional bioreactor alternatives. There can be no assurance of how long it will take before a pharmaceutical or biotechnology company will approach us for commercial interest.

Bio-similar Products. The potential market for bio-similar products is large and growing according to industry analysts. Approximately $80 billion in biologics sales has been estimated by analysts to be susceptible to biosimilar competition by 2013. Due to the efficiency of our platform, we believe we will be able to establish commercial collaborations to participate in this growing market segment.

Research and Development

Our iBioLaunch technology is a platform that uses green plants for the accelerated development and manufacture of high value proteins of immediate interest as product candidates. In addition to therapeutics, we believe that our technology is applicable to vaccines for a broad range of disease agents, based on laboratory experiments conducted to date. We believe we can target rapidly

evolving disease agents and develop product candidates that will demonstrate high safety, potency and efficacy. We believe that we will be able to license our iBioLaunch technology to corporations and governments for commercial application to pharmaceutical proteins and vaccines.

The iBioLaunch technology is used in a series of steps. First, normal green plants are grown for a few weeks, and at the same time, genes of interest are inserted into proprietary target DNA plasmids. A plasmid is a DNA molecule, usually circular, that can replicate inside a cell, such as a bacterial cell. These plasmids include sequences derived from plant viruses to enable easier activation of genes of interest inside living green plant tissue and also sequences derived from the bacterium, *Agrobacterium tumefaciens*, to enable efficient transfer of the entire vehicle into green plant tissue and activation of the genes once inside. Secondly, once both the plants and the plasmids with the new gene or genes of interest are ready, we transfer the engineered plasmids into plants by first putting them into Agrobacteria and then infusing the living Agrobacteria into growing green plants where the protein encoded by the new gene can be produced. After the transfer of bacteria into plants, the plants are grown for approximately an additional week and then the plant tissue is harvested and the desired protein or vaccine molecules are extracted and purified.

Because this entire process uses commonly available materials, we are not dependent on unique sources of raw material, nor are we limited to purchasing from single suppliers. The process is fast enough and inexpensive enough to enable more experiments to be conducted in a given period of time than can usually be conducted with slower or more expensive technology such as cultured animal cells and bioreactor methods. A more technically detailed description of this technology and its use was published in 2007 in the scientific journal *Influenza and Other Respiratory Viruses*, volume 1, pages 19-25. Note that in this publication, the term iBioLaunch is not used to describe the technology because that commercial designation was created after the publication of these scientific data.

Because our iBioLaunch technology has proven useful at a laboratory level in the production of high value proteins of immediate interest as product candidates, we believe it can be applied to commercial product development and biologic pharmaceutical manufacturing. Advantages of our platform technology include its short development time frame for the harvesting of the applicable protein or vaccine molecules and applicability to a broad range of pharmaceutical proteins.

The table below summarizes the results of tests conducted to date to assess the breadth of applicability of our iBioLaunch platform technology. Some, but not all, of the listed targets are currently being pursued as product candidates by us to document the effectiveness of our platform technology. However, this table is presented to illustrate the breadth of applicability of our technology, rather than as a list of products under active development.

Target	Produced via iBioLaunch	*In vitro* characterization	Efficacy demonstrated in animal model
Influenza (vaccine)	X	X	X
Anthrax (vaccine)	X	X	X
Plague (vaccine)	X	X	X
RSV (vaccine)	X	X	X
Malaria (vaccine)	X	X	X
HPV (therapeutic vaccine)	X	X	X
Alpha-galactosidase A	X	X	X
Anthrax antibody (therapeutic)	X	X	X
C-1 esterase inhibitor	X	X	
hGH (therapeutic)	X	X	UT
GM-CSF (therapeutic)	X	X	UT
Alpha-1 antitrypsin	X	X	

UT = untested

Our iBioModulator technology is based on a modified form of the cellulose degrading enzyme lichenase from *Clostridium thermocellum*, a thermophilic and anaerobic bacterium. Previous work with lichenase (LicKM) has shown that it is easily expressed in plants using the iBioLaunch expression platform, and that it is a useful carrier molecule for vaccine antigens (either complete proteins or peptide antigens). The modified lichenase molecule can accept up to three vaccine antigens for presentation to the immune system, and has previously been used to make vaccine candidates for plague, HPV, malaria, yellow fever, and influenza.

Vaccines for HPV and malaria created as lichenase fusions have been shown to have improved effectiveness over vaccines made by unfused HPV or malaria proteins. In the case of HPV-lichenase fusions, greater protection from HPV tumors were observed in mice and mice bearing HPV tumors showed substantially improved survival when vaccinated with HPV-lichenase fusions when compared to unfused vaccines. Malaria-lichenase antigen fusions showed higher levels of induced malaria-specific antibodies and more long-lasting protection when compared with unfused antigens. These results suggest that iBioModulator lichense fusions could improve vaccine effectiveness by boosting antibody levels, cellular immune responses, and prolonging the period of protection offered by a vaccine.

In order to extend this data, iBio, Inc. intends to further study the value of LicKM by developing other vaccines using the iBioModulator technology. Lichenase fusion vaccine candidates for other viral diseases will be created, and evaluated against non-fused antigens for protective immunoglobulin titers and for length of the protective immune response. In addition, we will run additional studies to extend the earlier data from HPV-lichenase vaccines, and continue to collect immunoglobulin titer and length of protective immunization of yellow fever and malaria vaccine candidates compared to non-fused vaccines.

Because the iBioModulator platform is based upon a protein from a thermophilic organism, it is likely that it has evolved to be highly thermostable. It is possible that vaccine antigen made as fusions to LickM may be more thermostable than their native conformation. A more thermostable vaccine would potentially require less stringent handling requirements, reducing or eliminating "cold chain" refrigeration or freezing requirements, and thereby simplifying the distribution and access to critical vaccines. iBio, Inc. intends to study the thermostability of vaccine antigens made as lichenase fusions to evaluate whether this technology offers benefits in this area.

Throughout the course of these programs to validate the iBioModulator fusion molecule, the Company intends to make periodic announcements of scientific findings via publication in journals or direct public statements.

During the years ended June 30, 2012 and 2011, we incurred research and development expenses of approximately $4,981,000 and $3,084,000, respectively.

Intellectual Property

We exclusively control intellectual property developed at FhCMB for human health applications. We also exclusively control the veterinary field for plant-made influenza vaccines. Our success will depend in part on our ability to obtain and maintain patent protection for our technologies and products and to preserve our trade secrets. Our policy is to seek to protect our proprietary rights, by among other methods, filing patent applications in the U.S. and foreign jurisdictions to cover certain aspects of our technology.

We currently hold eight U.S. patents and three international patents. Additionally, we have fifteen U.S. and thirty-eight international patent applications pending. The latter includes numerous foreign countries including Australia, Brazil, Canada, China, Hong Kong, India, Japan, New Zealand, and several countries in Europe. We continue to prepare patent applications relating to our expanding technology in the U.S. and abroad.
The following summarizes the areas covered by our issued and pending patent applications:

Issued Technology Filings (U.S.)

- Virus-induced gene silencing in plants
- Transient expression of foreign genes in plants
- Production of foreign nucleic acids and polypeptides in sprout systems
- Production of pharmaceutically active proteins in sprouted seedlings
- Systems and method for clonoal expression in plants
- Recombinant carrier molecule for express, deliver and purification of target polypeptides
- Influenza, antigen, vaccine, compositions and related

Pending Technology Filings (U.S. and International)

- Virus-induced gene silencing in plants (International)
- Activation of transgenes in plants by viral vectors
- Protein production in seedlings
- Agroinfiltration of plants with launch vector
- Transient expression of proteins in plants
- Thermostable carrier molecule
- Protein expression in clonal root cultures
- Production of proteins in plants with launch vector
- In vivo deglycosylation of recombinant proteins in plants

Pending Product Filings (U.S. and International)

- Antibodies
- Influenza vaccines
- Influenza therapeutic antibodies
- Anthrax vaccines
- Plague vaccine
- HPV vaccines
- Trypanosomiasis vaccine
- Malaria vaccines

Sales and Marketing

We currently expect to obtain feasibility, IND-enabling, or Phase 1 or equivalent human clinical data for each product produced with our platform before negotiating license or marketing agreements for that candidate. In some cases, by bearing the initial product development risk ourselves, we expect to be able to negotiate more favorable terms with our partners, and to achieve a higher return on investment than would be possible with commercial agreements negotiated at an earlier stage of development. However, in other cases, especially where clinical characteristics of a candidate product are well known such as for a bio-similar candidate, we anticipate our commercial partner bearing substantially all of the clinical development costs of the product using our platform.

We believe our technology platform will be attractive to other parties for vaccine and therapeutic protein manufacturing purposes. We are marketing our technology for such purposes and plan to provide commercial technology transfer services to such third-party licensees in some cases after negotiating such arrangements. Our strategy is to enter important markets through license agreements and commercial collaborations. This is supported by an internal technical program in which individual products are developed on the iBioLaunch platform in preparation for clinical trials and regulatory approval in order to demonstrate their availability and thereby attract license and collaboration arrangements on terms favorable to the Company. Each product is chosen on the basis of its individual commercial value and as representative of a class of products in an attractive market to stimulate interest in other products of the same class.

We expect revenue from the multiple product categories to which the iBioLaunch technology applies in geographical territories throughout the world. For example, in countries such as Brazil, Russia, India and China where the economies and middle classes are growing rapidly, the capital and cost advantages of the iBioLaunch system are attractive for pure commercial and geopolitical reasons to decision-makers focused on building a domestic biologics infrastructure to service domestic demand.

In all geographic regions, including the U.S. and Western Europe, the robust ability of the iBioLaunch platform to favorably produce virtually all biologics, including its ability to produce product candidates that are otherwise not feasible to manufacture, offers us the opportunity to obtain value through exclusive, individual product licenses which can be worldwide or geographically limited. Contemplated deal structures are based on the value of the product application and the competitive strength of the potential partner.

The size and timing of license payments and completion of collaboration agreements may vary over a wide range. We have begun discussions or negotiations related to the commercialization of certain product targets produced successfully using our platform. We believe we will be able to establish collaboration and license agreements with other companies for the commercialization of these product targets, which include: the iBioLaunch platform-produced human plasma proteins, alpha-1 antitrypsin and C-1 esterase inhibitor; our orphan drug designated human alpha-galactosidase A; certain human monoclonal antibodies; and certain protein targets that are proprietary to third parties. In addition, we expect to advance additional vaccine candidates produced using our platform, if an equity funding is received and we can adequately advance our current product pipeline.

FhCMB has demonstrated efficacy of an anthrax vaccine candidate and an anthrax-plague combination vaccine candidate in relevant animal model challenge studies. With funding from government sources, preclinical studies required for human safety evaluation are nearing completion. Our strategy for introduction of these products into the market includes partnership with one or more firms experienced in biodefense product commercialization and federal government procurement. We have not yet begun negotiations to obtain such a partnership arrangement.

Competition

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. We face competition from many different sources, including commercial pharmaceutical and biotechnology enterprises, academic institutions, government agencies and private and public research institutions. Our commercial opportunities will be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer side effects or are less expensive than any products that we or our collaborators may develop based on the use of our platform technology.

Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, clinical trials, regulatory approvals and marketing approved products than we do. Smaller or early stage companies may also prove to be significant competitors, particularly through arrangements with large and established companies, and this may reduce the value of our platform technology for the purposes of establishing license agreements. In addition, these third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies and technology licenses complementary to our programs or advantageous to our business.

We expect to rely upon licensees, collaborators or customers for support in advancing certain of our drug candidates and intend to rely on additional work with our collaborators during our efforts to commercialize our product candidates. Our licensees, collaborators or customers may be conducting multiple product development efforts within the same disease areas that are the subjects of their agreements with us. Agreements with collaborators may not preclude them from pursuing development efforts using a different

approach from that which is the subject of our agreement with them. Any of our drug candidates, therefore, may be subject to competition with a drug candidate under development by a customer.

There are currently approved therapies for the diseases and conditions addressed by our vaccine and therapeutic protein candidates that are undergoing clinical trials and for the diseases and conditions that are the subjects of our platform validation and preclinical development programs. There are also a number of companies working to develop new drugs and other therapies for diseases of commercial interest to us that are undergoing various stages of testing including clinical trials. The key competitive factors affecting the success of our platform for commercial product candidates are likely to be efficacy, safety profile, price, and convenience.

Government Regulation and Product Approval

Regulation by governmental authorities in the U.S. and other countries is a significant factor in the development, manufacturing and marketing of pharmaceutical drugs and vaccines. All of the vaccine and therapeutic products developed from our platform technology will require regulatory approval by governmental agencies prior to commercialization. In particular, pharmaceutical drugs and vaccines are subject to rigorous preclinical testing and clinical trials and other pre-marketing approval requirements by the FDA and regulatory authorities in other countries. In the U.S., various federal, and, in some cases, state statutes and regulations, also govern or impact the manufacturing, safety, labeling, storage, record-keeping and marketing of pharmaceutical products. The lengthy process of seeking required approvals and the continuing need for compliance with applicable statutes and regulations require the expenditure of substantial resources. Regulatory approval, if and when obtained for any of our product candidates, may be limited in scope, which may significantly limit the indicated uses for which our product candidates may be marketed. Further, approved drugs and manufacturers are subject to ongoing review and discovery of previously unknown problems that may result in restrictions on their manufacture, sale or use or in their withdrawal from the market. Please see "Risk Factors" for additional information on the regulatory risks we face in attempting to develop products for human use.

Before testing any compounds with potential therapeutic value in human subjects in the U.S., we must satisfy stringent government requirements for preclinical studies. Preclinical testing includes both *in vitro* and *in vivo* laboratory evaluation and characterization of the safety and efficacy of a drug and its formulation. "*In vitro*" refers to tests conducted with cells in culture and "*in vivo*" refers to tests conducted in animals. Preclinical testing results obtained from studies in several animal species, as well as data from *in vitro* studies, are submitted to the FDA as part of an Investigational New Drug application ("IND") and are reviewed by the FDA prior to the commencement of human clinical trials. These preclinical data must provide an adequate basis for evaluating both the safety and the scientific rationale for the initial trials in human volunteers. In the case of candidate vaccine products, animal immunogenicity and immune protection tests must establish a sound scientific basis to believe that the product candidate may be beneficial when administered to humans.

In order to test a new biologic product or vaccine in humans in the U.S., an IND must be filed with the FDA. The IND will become effective automatically 30 days after receipt by the FDA, unless the FDA raises concern or questions about the conduct of the trials as outlined in the IND prior to that time. In this case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can proceed. For additional information on the most recent FDA regulations and guidance on vaccine and therapeutic product testing and approval, visit its website at http://www.fda.gov.

Any products we or a licensee manufactures or distributes under FDA approvals are subject to pervasive and continuing regulation by the FDA, including record-keeping requirements and reporting of adverse experiences with the products. Drug manufacturers and their subcontractors are required to register with the FDA and, where appropriate, state agencies, and are subject to periodic unannounced inspections by the FDA and state agencies for compliance with current cGMPs, which are the standards the FDA requires be met during the manufacturing of drugs and biologic products, and which impose procedural and documentation requirements upon us and any third party manufacturers we utilize.

We will also be subject to a wide variety of foreign regulations governing the development, manufacture and marketing of our product candidates. Whether or not FDA approval has been obtained, approval of a product by the comparable regulatory authorities of foreign countries must still be obtained prior to manufacturing or marketing the product in those countries. The approval process varies from country to country and the time needed to secure approval may be longer or shorter than that required for FDA approval. We cannot assure you that clinical trials conducted in one country will be accepted by other countries or that approval in one country will result in approval in any other country. The product testing and clinical trial requirements that must be met before a product candidate can be marketed are substantial, time-consuming, and require investments of millions of dollars per product candidate.

Product Liability

Our business involves exposure to potential product liability risks that are inherent in the development, manufacture, and sale of pharmaceutical products.

Prior to our spin-off from our Former Parent, we maintained product liability insurance for sales of our phytomineral products through Integrated BioPharma's product liability insurance policy at $5 million per occurrence with a $5 million aggregate. Our sales of phytomineral products continued to be covered under Integrated BioPharma's product liability policy through April 1, 2009 when, as previously discussed, we entered into an agreement with a subsidiary of Integrated BioPharma wherein we granted an exclusive

license to that subsidiary to manufacture and sell phytomineral products produced using the our patented process in consideration for a royalty of five percent (5%) of net sales. We will need to purchase our own product liability insurance policy to cover any of our clinical trial and product liability risks. We anticipate that our product liability coverage will be at least comparable to our prior coverage. However,

- We may not be able to obtain product liability insurance for future trials;
- We may not be able to obtain product liability insurance for future products;
- We may not be able to maintain product liability insurance on acceptable terms;
- We may not be able to secure increased coverage as the commercialization of our technology proceeds; or
- Our insurance may not provide adequate protection against potential liabilities.

Our inability to obtain adequate insurance coverage at an acceptable cost could prevent or inhibit the commercialization of our products. Defending a lawsuit would be costly and significantly divert management's attention from conducting our business. If third parties were to bring a successful product liability claim or series of claims against us for uninsured liabilities or in excess of insured liability limits, our business, financial condition and results of operations could be materially harmed.

Employees

As of September 14, 2012, we had seven employees. Our employees are not represented by any union and are not the subject of a collective bargaining agreement. We believe that we have a good relationship with them and expect their numbers to increase by two or three full-time employees during the next twelve months as we continue to develop the infrastructure necessary to advance our business interests if we complete an offering of our securities. Since our business strategy is based on outsourcing our development and clinical trial work to third parties, we believe this staffing level will be sufficient to meet our needs.

Available Information

We are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These filings are available to the public via the Internet at the SEC's website located at http://www.sec.gov. You may also read and copy any document we file with the SEC at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. For more information, please call the SEC at 1-800-SEC-0330.

Our website is located at www.ibioinc.com. You may request a copy of our filings with the SEC (excluding exhibits) at no cost by writing or telephoning us at the following address or telephone number:

iBio, Inc.
9 Innovation Way, Suite 100
Newark, Delaware 19711
Tel: 302-355-0650
Attn: Investor Relations

Item 1A. Risk Factors

Our past experience may not be indicative of future performance, and as noted elsewhere in this Annual Report on Form 10-K, we have included forward-looking statements about our business, plans and prospects that are subject to change. Forward-looking statements are particularly located in, but not limited to, the sections "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." In addition to the other risks or uncertainties contained in this report, the following risks may affect our operating results, financial condition and cash flows. If any of these risks occur, either alone or in combination with other factors, our business, financial condition or operating results could be adversely affected. Moreover, readers should note this is not an exhaustive list of the risks we face; some risks are unknown or not quantifiable, and other risks that we currently perceive as immaterial may ultimately prove more significant than expected. Statements about plans, predictions or expectations should not be construed to be assurances of performance or promises to take a given course of action.

Risks Relating to our Business

Our plant-based technology platform has not previously been used by others to successfully develop commercial products, and if we are not able to establish licenses of the platform, we may not generate sufficient license revenues to fulfill our business plan.

If we are unable to convince others to adopt the use of the platform in addition to or instead of other methods to produce vaccines and therapeutic proteins, we will not generate the revenues presently contemplated by our business plan to support our continuing operations.

The majority of our product candidates are in the preclinical stage of development, and if we or our licensees are not able to successfully develop and commercialize them, we may not generate sufficient revenues to fulfill our business plan.

We have internal product candidates and believe our technology to be applicable to the product candidates of other companies. Our success in establishing licenses to our platform will substantially depend on our or our clients' successful completion of clinical trials, and obtaining required regulatory approvals for our product candidates alone or with other persons. If the studies described above or any further studies fail, if we do not obtain required regulatory approvals, or if we fail to commercialize any of our product candidates alone or with licensees, we may be unable to generate sufficient revenues to attain profitability or continue our business operations, and our reputation in the industry and in the investment community would likely be significantly damaged, each of which would cause our stock price to decline and your holdings of our stock to lose most, if not all, of their value.

Our licensees will not be able to commercialize product candidates based on our platform technology if preclinical studies do not produce successful results or clinical trials do not demonstrate safety and efficacy in humans.

Preclinical and clinical testing is expensive, difficult to design and implement, can take many years to complete and has an uncertain outcome. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful, and interim results of a clinical trial do not necessarily predict final results. Our licensees may experience numerous unforeseen events during, or as a result of, preclinical testing and the clinical trial process that could delay or prevent the commercialization of product candidates based on our technology, including the following:

- Our licensees' preclinical or clinical trials may produce negative or inconclusive results, which may require additional preclinical testing, or clinical trials or the abandonment of projects that we expect to be promising. For example, promising animal data may be obtained about the immunogenicity of a vaccine candidate and then human tests may result in no or inadequate immune responses. In addition, unexpected safety concerns may be encountered that would require further testing even if the vaccine candidate produced a very significant immune response in human subjects
- Initial clinical results may not be supported by further or more extensive clinical trials. For example, a licensee may obtain data that suggest a desirable immune response from a vaccine candidate in a small human study, but when tests are conducted on larger numbers of people, the same extent of immune response may not occur. If the immune response generated by a vaccine is too low or occurs in too few treated individuals, then the vaccine will have no commercial value.
- Enrollment in our licensee's clinical trials may be slower than projected, resulting in significant delays. The cost of conducting a clinical trial increases as the time required to enroll adequate numbers of human subjects to obtain meaningful results increases. Enrollment in a clinical trial can be a slower-than-anticipated process because of competition from other clinical trials, because the study is not of interest to qualified subjects, or because the stringency of requirements for enrollment limits the number of people who are eligible to participate in the clinical trial.
- Our licensee might have to suspend or terminate clinical trials if the participating patients are being exposed to unacceptable health risks. Animal tests do not always adequately predict potential safety risks to human subjects. The risk of any candidate product is unknown until it is tested in human subjects, and if subjects experience adverse events during the clinical trial, the trial may have to be suspended and modified or terminated entirely.
- Regulators or institutional review boards may suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements.
- Any regulatory approval ultimately obtained may be limited or subject to restrictions or post-approval commitments that render the product not commercially viable.
- The effects of our licensee's product candidates may not be the desired effects or may include undesirable side effects.

Significant clinical trial delays could allow our competitors to bring products to market before our licensees do and impair our ability to commercialize our technology platform or products or product candidates based on our technology platform. Poor clinical trial results or delays may make it impossible to license a product or so reduce its attractiveness to a licensing partner that we will be unable to successfully commercialize a product.

We will need substantial additional funding to shepherd our product candidates through the clinical testing process and may be unable to raise capital when needed, which would force us to delay, reduce or eliminate our product development programs or commercialization efforts.

Our research and development expenses may increase in connection with our ongoing activities, particularly if the scope of the clinical trials that we are conducting expands. In addition, if we choose to bring forward any of our product candidates without funding from collaborators, we expect to incur significant commercialization expenses for product sales, marketing, manufacturing and distribution.

We would need substantial additional funding and might be unable to raise capital when needed or might be unable to raise capital on attractive terms, which would force us to delay, reduce or eliminate our research and development programs or commercialization efforts.

We believe that our existing cash of approximately $5,624,000 as of June 30, 2012 will be sufficient to meet our projected operating requirements through the end of the second calendar quarter of 2013 without an equity or debt offering or up front milestone receipts from licensing arrangements including royalties. Our future funding requirements will depend on many factors, including:

- Our ability to advance product candidates based on our technology into development with licensees;
- The success of our anticipated commercial agreements with licensees;
- Our ability to establish and maintain additional development agreements or other alternative arrangements;
- The timing of, and the costs involved in, obtaining regulatory approvals;
- The cost of manufacturing activities;
- The cost of commercialization activities, including marketing, sales and distribution;
- The costs involved in preparing, filing, prosecuting, maintaining and enforcing patent claims and other patent-related costs, including, if necessary, litigation costs and the results of such litigation; and
- Potential acquisition or in-licensing of other products or technologies.

If we are unsuccessful in raising additional capital or other alternative financing, we might have to defer or abandon our efforts to commercialize our intellectual property and decrease or even cease operations.

We have a limited operating history, which may limit the ability of investors to make an informed investment decision.

We are a clinical stage biotechnology company. To date, we have not commercialized any of our technologies or received any FDA or other approval to market any product. The successful commercialization of our technologies will require us to perform a variety of functions, including:

- continuing to undertake preclinical development and clinical trials;
- participating in regulatory approval processes;
- formulating and manufacturing products; and
- conducting sales and marketing activities.

Our operations have been limited to organizing and staffing our Company; acquiring, developing and securing our proprietary technology; and undertaking, through third parties, preclinical trials and clinical trials of our Technologies. To date, we have completed a Phase 1 clinical trial of a vaccine candidate for H1N1 influenza and a Phase 1 clinical trial of a vaccine candidate for H5N1 influenza. These operations provide a limited basis for investors to assess our ability to commercialize our technologies and whether to invest in us.

Our product development and commercialization involve a number of uncertainties, and we may never generate sufficient revenues from the sale of potential products to become profitable.

We have generated no significant revenues to date. To generate revenue and to achieve profitability, we must successfully develop licenses for our platform and/or clinically test, market and sell our potential products. Even if we generate revenue and successfully achieve profitability, we cannot predict the level of that profitability or whether it will be sustainable. We expect that our operating results will fluctuate from period to period as a result of differences in when we incur expenses and receive revenues from sales of our potential products, business arrangements and other sources. Some of these fluctuations may be significant.

Until we can generate a sufficient amount of license and/or product revenue, if ever, we expect to finance future cash needs through public or private equity offerings, debt financings and corporate product or technology development agreements and licensing arrangements. If we raise additional funds by issuing equity securities, our stockholders may experience dilution. Debt financing, if available, may involve restrictive covenants. Any debt financing or additional equity that we raise may contain terms, such as liquidation and other preferences, that are not favorable to us or our stockholders. If we raise additional funds through development and licensing arrangements with third parties, it will be necessary to relinquish valuable rights to our technologies, research programs or product candidates or grant licenses on terms that may not be favorable to us.

Even if we or our potential licensees successfully complete clinical trials for our product candidates, there are no assurances that we will be able to submit, or obtain FDA approval of, a new drug application or biologics license application.

There can be no assurance that, if clinical trials for any product candidates are successfully completed, either we or our licensees will be able to submit a biologics license application ("BLA") to the FDA or that any BLA submitted will be approved by the FDA in a timely manner, if at all. After completing clinical trials for a product candidate in humans, a dossier is prepared and submitted to the FDA as a BLA, and includes all preclinical and clinical trial data that clearly establish both short-term and long-term safety for a product candidate, and data that establishes the statistically significant efficacy of a product candidate, in order to allow the FDA to review such dossier and to consider a product candidate for approval for commercialization in the United States. If we are unable to submit a BLA with respect to any of our product candidates, or if any BLA we submit is not approved by the FDA, we will be unable to commercialize that product. The FDA can and does reject BLAs and requires additional clinical trials, even when product candidates perform well or achieve favorable results in large-scale Phase III clinical trials. If we or our licensees fail to commercialize any product candidates based on our technology, we may be unable to generate sufficient revenues to continue operations or attain profitability and our reputation in the industry and in the investment community would likely be damaged, each of which would cause our stock price to significantly decrease.

We face competition from many different sources, including pharmaceutical and biotechnology enterprises, academic institutions, government agencies and private and public research institutions, and such competition may adversely affect our ability to generate revenue from our products.

Many of our competitors have significantly greater financial resources and expertise than we do in research and development, manufacturing, preclinical testing, clinical trials, regulatory approvals and marketing approved products.

Other companies may also prove to be significant competitors, particularly through arrangements with large and established companies, and this may reduce the value of our platform technology for the purposes of establishing license agreements. For example, Novavax is developing vaccines for influenza, based on the use of cultured insect cells. Its candidate products are more advanced in development than ours are and have already demonstrated positive results in human clinical trials. Similarly, Medicago has announced preclinical experiments to produce influenza vaccines in green plants. Other companies, such as Vical, are attempting to develop vaccines based on the use of nucleic acids rather than proteins. If these efforts are successful in clinical trials, nucleic acid based vaccine technology may compete effectively against our technology platform and may potentially prevent us from being able to obtain commercial agreements or partnerships.

There are currently approved therapies for the diseases and conditions addressed by our vaccine and antibody candidates that are undergoing clinical trials and for the diseases and conditions that are subjects of our preclinical development program. Our commercial opportunities will be reduced or eliminated if our competitors develop and commercialize products based on other technology platforms that are safer, more effective, have fewer side effects or are less expensive than any products that we or our licensees may develop.

Finally, these third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies and technology licenses complementary to our programs or advantageous to our business.

We will depend significantly on arrangements with third parties to develop and commercialize our product candidates.

A key element of our business strategy is to establish arrangements with licensees to develop and commercialize product candidates. We and FhCMB currently are working within our business structure, which includes non-commercial arrangements as described above, to apply further our plant-based platform technology. Delays, withdrawals or other adverse changes to the current participants in our business structure might adversely affect our ability to develop and commercialize our product candidates.

We expect to rely upon our future business arrangements for support in advancing certain of our drug candidates and intend to rely on additional work under current and future arrangements during our efforts to commercialize our product candidates. Our contractors may be conducting multiple product development efforts within the same disease areas that are the subjects of their agreements with us. Our agreements might not preclude them from pursuing development efforts using a different approach from that which is the subject of our agreement with them. Any of our drug candidates, therefore, may be subject to competition with a drug candidate under development by a contractor.

The success of our business arrangements will depend heavily on the efforts and activities of the organizations which are party to these arrangements. Our future contractual arrangements may provide significant discretion in determining the efforts and resources available to these programs. The risks that we face in connection with these arrangements, and that we anticipate being subject to in future arrangements, include the following:

- Future agreements may be for fixed terms and subject to termination under various circumstances, including, in some cases, on short notice without cause.
- Our future licensees may develop and commercialize, either alone or with others, products and services that are similar to or competitive with the products that are the subject of the agreement with us.

- Our future licensees may underfund or not commit sufficient resources to the testing, marketing, distribution or other development of our products.

- Our future licensees may not properly maintain or defend our intellectual property rights, or they may utilize our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our proprietary information or expose us to potential liability.

- Our future licensees may change the focus of their development and commercialization efforts. Pharmaceutical and biotechnology companies historically have re-evaluated their priorities from time to time, including following mergers and consolidations, which have been common in recent years in these industries. The ability of our product candidates and products to reach their potential could be limited if our licensees or customers decrease or fail to increase spending relating to such products.

Business arrangements with pharmaceutical companies and other third parties often are terminated or allowed to expire by the other party. Such terminations or expirations would adversely affect us financially and could harm our business reputation.

We have no experience in the sales, marketing and distribution of pharmaceutical products or in commercial technology transfer operations.

If we fail to establish commercial licenses for our platform technology or fail to enter into arrangements with partners with respect to the sales and marketing of any of our future potential product candidates, we might need to develop a sales and marketing organization with supporting distribution capability in order to directly market our technology and/or related products. Significant additional expenditures would be required for us to develop such an in-house sales and marketing organization.

We may not be successful in establishing additional arrangements with third parties, which could adversely affect our ability to discover, develop and commercialize products.

We engaged FhCMB to perform research and development activities to apply our platform technology to create product candidates. The Company and FhCMB have certain disagreements about items invoiced by FhCMB to the Company and items invoiced by the Company to FhCMB pursuant to the various agreements between them. According to FhCMB, as of June 30, 2012, the Company is not current in its payments to FhCMB.

We have similar arrangements for creation of product candidates with another party, but these arrangements may not be scientifically or commercially successful. If we are unable to resolve the account with FhCMB and also unable to obtain suitable services of the same kind from other parties, we may fail to meet our business objectives for an affected product or program. Moreover, arrangements to create product candidates can be complex to negotiate and time consuming to document, and if accomplished, could be less favorable to the Company than the current arrangements with FhCMB and could, therefore, adversely affect our ability to discover, develop and commercialize products.

If third parties on whom we or our licensees will rely for clinical trials do not perform as contractually required or as we expect, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business may suffer.

We do not have the ability to independently conduct the clinical trials required to obtain regulatory approval for our products. We have not yet contracted with any third parties to conduct our clinical trials. We will depend on licensees or on independent clinical investigators, contract research organizations and other third party service providers to conduct the clinical trials of our product candidates and expect to continue to do so. We will rely heavily on these parties for successful execution of our clinical trials but will not control many aspects of their activities. For example, the investigators may not be our employees. However, we will be responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Third parties may not complete activities on schedule, or may not conduct our clinical trials in accordance with regulatory requirements or our stated protocols. The failure of these third parties to carry out their obligations could delay or prevent the development, approval and commercialization of our product candidates.

We face substantial uncertainty in our ability to protect our patents and proprietary technology.

Our ability to commercialize our products will depend, in part, on our ability to obtain patents, to enforce those patents and preserve trade secrets, and to operate without infringing on the proprietary rights of others.

The patent positions of biotechnology companies like us are highly uncertain and involve complex legal and factual questions.

We currently hold eight U.S. patents and three international patents. Additionally, we have fifteen U.S. and thirty-eight international patent applications pending. The latter includes numerous foreign countries including Australia, Brazil Canada, China, Hong Kong, India, Japan, New Zealand, and several countries in Europe. We continue to prepare patent applications relating to our expanding technology in the U.S. and abroad.

There can be no assurance that:

- Patent applications owned by or licensed to us will result in issued patents;

- Patent protection will be secured for any particular technology;

- Any patents that have been or may be issued to us will be valid or enforceable;
- Any patents will provide meaningful protection to us;
- Others will not be able to design around the patents; or
- Our patents will provide a competitive advantage or have commercial application.

The failure to obtain and maintain adequate patent protection could have a material adverse effect on us and may adversely affect our ability to enter into, or affect the terms of, any arrangement for the marketing of any product. Please see "Business – Intellectual Property" for more information.

We cannot assure you that our patents will not be challenged by others.

There can be no assurance that patents owned by or licensed to us will not be challenged by others. We currently hold one issued U.S. patent for methods of inducing gene silencing in plants, two U.S. patents describing viral vectors and methods for expressing polypeptides of interest in plants, two U.S. patents involving methods for producing pharmaceutically active proteins in sprouted seedlings, one US patent involving clonal root expression, one US patent involving a thermostable recombinant carrier molecule, one U.S. patent application for which we have received a notice of allowance describing Anthrax antigens and vaccine compositions, and one U.S. patent describing systems for expression of vaccine antigens in plants. Please see "Business – Intellectual Property" for more information on our current patents and patent applications. We could incur substantial costs in proceedings, including interference proceedings before the United States Patent and Trademark Office and comparable proceedings before similar agencies in other countries in connection with any claims that may arise in the future. These proceedings could result in adverse decisions about the patentability of our inventions and products, as well as about the enforceability, validity or scope of protection afforded by the patents. Any adverse decisions about the patentability of our product candidates could cause us to either lose rights to develop and commercialize our product candidates or to license such rights at substantial cost to us. In addition, even if we were successful in such proceedings, the cost and delay of such proceedings would most likely have a material adverse effect on our business.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information, may not adequately protect our intellectual property, and will not prevent third parties from independently discovering technology similar to or in competition with our intellectual property.

We rely on trade secrets and other unpatented proprietary information in our product development activities. To the extent we rely on trade secrets and unpatented know-how to maintain our competitive technological position, there can be no assurance that others may not independently develop the same or similar technologies. We seek to protect trade secrets and proprietary knowledge, in part through confidentiality agreements with our employees, consultants, advisors, collaborators and contractors. Nevertheless, these agreements may not effectively prevent disclosure of our confidential information and may not provide us with an adequate remedy in the event of unauthorized disclosure of such information. If our employees, scientific consultants, advisors, collaborators or contractors develop inventions or processes independently that may be applicable to our technologies, product candidates or products, disputes may arise about ownership of proprietary rights to those inventions and processes. Such inventions and processes will not necessarily become our property, but may remain the property of those persons or their employers. Protracted and costly litigation could be necessary to enforce and determine the scope of our proprietary rights. If we fail to obtain or maintain trade secret protection for any reason, the competition we face could increase, reducing our potential revenues and adversely affecting our ability to attain or maintain profitability.

If we infringe or are alleged to infringe intellectual property rights of third parties, it will adversely affect our business.

Our research, development and commercialization activities, as well as any product candidates or products resulting from these activities, may infringe or be claimed to infringe patents or patent applications under which we do not hold licenses or other rights. Third parties may own or control these patents and patent applications in the United States and abroad. These third parties could bring claims against us or our customers, collaborators or licensees that would cause us to incur substantial expenses and, if successful against us, could cause us to pay substantial damages. Further, if a patent infringement suit were brought against us or our collaborators, we or they could be forced to stop or delay research, development, manufacturing or sales of the product or product candidate that is the subject of the suit.

As a result of patent infringement claims, or in order to avoid potential claims, we or our customers, collaborators or licensees may choose to seek, or be required to seek, a license from the third party and would most likely be required to pay license fees or royalties or both. These licenses may not be available on acceptable terms, or at all. Even if we or our customers, collaborators or licensees were able to obtain a license, the rights may be nonexclusive, which would give our competitors access to the same intellectual property. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations if, as a result of actual or threatened patent infringement claims, we or our customers, collaborators or licensees are unable to enter into licenses on acceptable terms. This could harm our business significantly.

There have been substantial litigation and other proceedings regarding patent and other intellectual property rights in the pharmaceutical and biotechnology industries. In addition to potential infringement claims against us, we may become a party to other patent

litigation and other proceedings, including interference proceedings declared by the United States Patent and Trademark Office and opposition proceedings in the European Patent Office, regarding intellectual property rights with respect to our products and technology. The cost to us of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace. Patent litigation and other proceedings may also absorb significant management time.

There is a substantial risk of product liability claims in our business. If we are unable to obtain sufficient insurance, a product liability claim against us could adversely affect our business.

Clinical trial and product liability insurance is volatile and may become increasingly expensive. As a result, we may be unable to obtain sufficient insurance or increase our existing coverage at a reasonable cost to protect us against losses that could have a material adverse effect on our business. An individual may bring a product liability claim against us if one of our products or product candidates causes, or is claimed to have caused, an injury or is found to be unsuitable for consumer use. Any product liability claim brought against us, with or without merit, could result in:

- Liabilities that substantially exceed our product liability insurance, which we would then be required to pay from other sources, if available;
- An increase of our product liability insurance rates or the inability to maintain insurance coverage in the future on acceptable terms, or at all;
- Withdrawal of clinical trial volunteers or patients;
- Damage to our reputation and the reputation of our products, resulting in lower sales of any future commercialized product which we may have;
- Regulatory investigations that could require costly recalls or product modifications;
- Litigation costs; or
- The diversion of management's attention from managing our business.

Our inability to obtain adequate insurance coverage at an acceptable cost could prevent or inhibit the commercialization of our products. If third parties were to bring a successful product liability claim or series of claims against us for uninsured liabilities or in excess of insured liability limits, our business, financial condition and results of operations could be materially harmed.

If we acquire companies, products or technologies, we may face integration risks and costs associated with those acquisitions that could negatively impact our business, results from operations and financial condition.

If we are presented with appropriate opportunities, we may acquire or make investments in complementary companies, products or technologies. We may not realize the anticipated benefit of any acquisition or investment. If we acquire companies or technologies, we will face risks, uncertainties and disruptions associated with the integration process, including difficulties in the integration of the operations of an acquired company, integration of acquired technology with our products, diversion of our management's attention from other business concerns, the potential loss of key employees or customers of the acquired business, and impairment charges if future acquisitions are not as successful as we originally anticipate. In addition, our operating results may suffer because of acquisition-related costs or amortization expenses or charges relating to acquired intangible assets. Any failure to successfully integrate other companies, products or technologies that we may acquire may have a material adverse effect on our business and results of operations. Furthermore, we may have to incur debt or issue equity securities to pay for any additional future acquisitions or investments, the issuance of which could be dilutive to our existing stockholders.

Current economic conditions may cause a decline in business spending which could adversely affect our business and financial performance.

Our operating results are impacted by the health of the North American economies. Our business and financial performance, including collection of our accounts receivable, recoverability of assets including investments, may be adversely affected by current and future economic conditions, such as a reduction in the availability of credit, financial market volatility and recession. Additionally, we may experience difficulties in scaling our operations to react to economic pressures in the U.S.

Our independent registered public accounting firm identified a material weakness in our internal control over financial reporting.

Our independent registered public accounting firm, CohnReznick LLP, communicated to our audit committee on February 14, 2012 that a material weakness existed in our internal control over financial reporting. Management concluded that disclosure controls were not effective as well. This weakness resulted from the Company not considering modifications made to the terms of standard option award contracts. Additionally, the subsequent computations of the impact of such modifications included errors which were not identified by the existing system of internal control over financial reporting. The Company's compensating detective controls were ineffective, resulting in material adjustments to the timing and amount of stock based compensation recognized. This weakness resulted in additions and corrections to disclosures in our December 31, 2011 Quarterly Report on Form 10-Q prior to filing.

Our independent registered public accounting firm, CohnReznick LLP, communicated to our audit committee on May 15, 2012 the aforementioned material weakness remained in our internal control over financial reporting. During the third quarter ended March 31, 2012, the Company began remediating this material weakness. However, the material weakness still existed with respect to detective controls as of the date of such filing. During the fourth quarter ended June 30, 2012, the Company remediated this material weakness related to those transactions that are non-routine and complex. There have been no other changes over financial reporting during the quarter ended June 30, 2012.

Future reoccurrence of such material weakness could adversely affect our financial reporting.

Risks Relating to our Common Stock

We need additional financing to execute our business plan which may not be available on commercially acceptable terms, if at all. If we are unable to obtain such financing, we will be required to delay, scale back, or eliminate part or all of our operations and may not continue as a going concern.

We have limited financial resources and incurred net losses during the fiscal years ended June 30, 2012 and 2011. We need to obtain additional financing to meet our working capital needs and execute our business plan.

Our independent registered public accounting firm has concluded that our cumulative and continuing losses, negative cash flow and accumulated deficit as of and for the year ended June 30, 2012 raise substantial doubt about our ability to continue as a going concern. The inclusion of a going concern explanatory paragraph in the report of our independent registered public accounting firm may make it more difficult for us to secure financing on terms acceptable to us, if at all, and likely may adversely affect the terms of any financing that we may obtain.

If we are unable to raise funds when required or on acceptable terms, we may have to: a) significantly delay, scale back, or discontinue the development and/or commercialization of one or more product candidates; b) seek collaborators for product candidates at an earlier stage than would otherwise be desirable and/or on terms that are less favorable than might otherwise be available; or c) relinquish or otherwise dispose of rights to technologies, product candidates, or products that we would otherwise seek to develop or commercialize ourselves and/or cease operations.

We have a history of losses and may not be able to generate sufficient revenue and/or obtain adequate amounts of financing in the future to support operations and/or achieve profitability.

We have incurred losses since inception. Through June 30, 2012, our expenses have primarily consisted of research and development and general and administrative expenses related to the development and commercialization of our proprietary technology. Our financial statements have been prepared assuming that we will continue as a going concern.

We intend to continue to finance the development and commercialization of our proprietary technology through revenue generated from licensing fees and services provided to our clients and collaborators and/or raise additional funds.

If we are unable to generate revenues and/or raise funds when required or on acceptable terms, we may have to: a) significantly delay, scale back, or discontinue the development and/or commercialization of one or more product candidates; b) seek collaborators for product candidates at an earlier stage than would otherwise be desirable and/or on terms that are less favorable than might otherwise be available; or c) relinquish or otherwise dispose of rights to technologies, product candidates, or products that we would otherwise seek to develop or commercialize ourselves and/or cease operations.

Our operating results may vary significantly in the future which may adversely affect the price of our common stock.

It is possible that our operating results may vary significantly in the future and that period-to-period comparisons of our operating results are not necessarily meaningful indicators of the future. You should not rely on the results of one quarter as an indication of our future performance. It is also possible that in some future quarters our operating results will fall below our expectations or the expectations of market analysts and investors. If we do not meet these expectations, the price of our common stock may decline significantly.

Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable.

Provisions of our certificate of incorporation, bylaws and provisions of applicable Delaware law may discourage, delay or prevent a merger or other change in control that a stockholder may consider favorable. Pursuant to our certificate of incorporation, our Board of Directors may issue additional shares of common or preferred stock. Any additional issuance of common stock could have the effect of impeding or discouraging the acquisition of control of us by means of a merger, tender offer, proxy contest or otherwise, including a transaction in which our stockholders would receive a premium over the market price for their shares, and thereby protect the continuity of our management. Specifically, if in the due exercise of his/her or its fiduciary obligations, the Board of Directors were to determine that a takeover proposal was not in our best interest, shares could be issued by our Board of Directors without stockholder approval in one or more transactions that might prevent or render more difficult or costly the completion of the takeover by:

- Diluting the voting or other rights of the proposed acquirer or insurgent stockholder group,
- Putting a substantial voting block in institutional or other hands that might undertake to support the incumbent Board of Directors, or
- Effecting an acquisition that might complicate or preclude the takeover.

Our certificate of incorporation also allows our Board of Directors to fix the number of directors in the by-laws. Cumulative voting in the election of directors is specifically denied in our certificate of incorporation. The effect of these provisions may be to delay or prevent a tender offer or takeover attempt that a stockholder may determine to be in his, her or its best interest, including attempts that might result in a premium over the market price for the shares held by the stockholders.

We also are subject to Section 203 of the Delaware General Corporation Law. In general, these provisions prohibit a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless the transaction in which the person became an interested stockholder is approved in a manner presented in Section 203 of the Delaware General Corporation Law. Generally, a "business combination" is defined to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder. In general, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of a corporation's voting stock. This statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us.

We do not anticipate paying cash dividends for the foreseeable future, and therefore investors should not buy our stock if they wish to receive cash dividends.

We have never declared or paid any cash dividends or distributions on our capital stock. We currently intend to retain our future earnings to support operations and to finance expansion and therefore we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

The sale of our common stock through current or future equity offerings may cause dilution and could cause the price of our common stock to decline.

We are entitled under our Certificate of Incorporation to issue up to 100,000,000 shares of common stock, par value $.001 per share, and 1,000,000 shares of preferred stock, with no value. As of June 30, 2012, we had issued and outstanding 47,767,095 shares of common stock. We had 5,510,000 and 20,940,796 options and warrants outstanding as of June 30, 2012, respectively, to purchase common stock and 4,490,000 shares of common stock are reserved for issuance of additional grants under our 2008 Omnibus Equity Incentive Plan. Accordingly, we will be able to issue up to 21,292,109 additional shares of common stock and 1,000,000 shares of preferred stock. Sales of our common stock offered through current or future equity offerings may result in substantial dilution to our stockholders. The sale of a substantial number of shares of our common stock to investors, or anticipation of

such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales.

The issuance of preferred stock or additional shares of common stock could adversely affect the rights of the holders of shares of our common stock.

Our Board of Directors is authorized to issue up to 1,000,000 shares of preferred stock without any further action on the part of our stockholders. Our Board of Directors has the authority to fix and determine the voting rights, rights of redemption and other rights and preferences of preferred stock. Currently, we have no shares of preferred stock outstanding. Our Board of Directors may, at any time, authorize the issuance of a series of preferred stock that would grant to holders the preferred right to our assets upon liquidation, the right to receive dividend payments before dividends are distributed to the holders of common stock, and the right to the redemption of the shares, together with a premium, before the redemption of our common stock, which may have a material adverse effect on the rights of the holders of our common stock. In addition, our Board of Directors, without further stockholder approval, may, at any time, issue large blocks of preferred stock. In addition, the ability of our Board of Directors to issue shares of preferred stock without any further action on the part of our stockholders may impede a takeover of our company and may prevent a transaction that is favorable to our stockholders.

We could become non-compliant with exchange listing standards.

On November 4, 2011, the Company received notice from NYSE Amex LLC (the "Exchange") that the Company was below certain of the Exchange's continued listing standards. The Exchange indicated that its review of the Company's Form 10-K for the year ended June 30, 2011, indicated that the Company was not in compliance with Section 1003(a)(iv), which applies if a listed company has sustained losses that are so substantial in relation to its overall operations or its existing financial resources, or its financial condition has become so impaired that it appears questionable, in the opinion of the Exchange, as to whether the company will be able to continue operations and/or meet its obligations as they mature.

The Company was afforded the opportunity to submit a plan of compliance to the Exchange by November 28, 2011 that would demonstrate the Company's ability to regain compliance with Section 1003(a)(iv) of the Company Guide by January 25, 2012.

The Company provided the Exchange with a satisfactory plan by November 28, 2011, to show that it would be able to return to compliance with Section 1003(a)(iv) of the Company Guide by January 25, 2012. Based upon subsequent submissions by the Company to the Exchange on January 27, 2012, the Exchange confirmed that the listing deficiency was resolved. Although the previous listing deficiency was resolved, we cannot provide assurance that we will not be out of compliance in the future. Any such non-compliance could cause our common stock to no longer be listed on the Exchange, which could affect the market price and liquidity of our common stock.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

Facilities

Our facilities currently consist of approximately 500 square feet of office space at our headquarters located in Newark, Delaware, which is leased on a month-to-month basis from FhCMB. In this space, we perform or maintain oversight of our administrative, clinical development, regulatory affairs and business development functions.

Item 3. Legal Proceedings

We are not currently a party to any material legal proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Registrant Purchases of Equity Securities

Market Information

The Company's common stock is listed on the NYSE MKT under the symbol "IBIO."

The following table shows the reported high and low closing prices per share for our common stock during the years ended June 30, 2012 and 2011:

	2012		2011	
	High	Low	High	Low
First quarter	$ 2.90	$ 1.56	$ 2.35	$ 1.20
Second quarter	$ 2.20	$ 0.76	$ 3.45	$ 2.05
Third quarter	$ 1.18	$ 0.70	$ 6.06	$ 2.67
Fourth quarter	$ 1.89	$ 0.75	$ 3.79	$ 2.46

Holders

As of September 14, 2012, we had 147 holders of record of our common stock. There are other stockholders who are record holders who own common stock through a financial institution and are not named.

Dividends

The Company has historically not declared or paid a dividend with respect to its common stock nor does the Company anticipate paying dividends in the foreseeable future.

Item 6. Selected Financial Data

Not Applicable

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

You should read the following discussion of our results of operations and financial condition in conjunction with the financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. This discussion includes "forward-looking statements" and you should read the section titled "Disclosure Regarding Forward-Looking Statements" appearing at the beginning of this Annual Report on Form 10-K for a description of the risks and assumptions associated with such statements.

Overview

iBio is a biotechnology company focused on commercializing its proprietary technologies, the iBioLaunch™ platform for vaccines and therapeutic proteins, as well as the iBioModulator™ platform for vaccine enhancement. Our strategy is to promote our technology, through commercial product collaborations and license arrangements. We expect to share in the increased value of our technology through upfront license fees, milestone revenues, service revenues, and royalties on end products. We believe our technology offers the opportunity to develop products that might not otherwise be commercially feasible, and to work with both corporate and government clients to reduce their costs during product development and meet their needs for low cost, high quality biologics manufacturing systems and vaccines with improved properties. Our near-term focus is to establish business arrangements for use of our technology by licensees for the development and production of products for both therapeutic and vaccine uses.

Vaccine candidates presently being advanced on our proprietary platform are applicable to newly emerging strains of H1N1 swine-like influenza, H5N1 avian influenza, yellow fever, and anthrax.

Therapeutic candidates presently being advanced on our proprietary platform include human alpha-galactosidase A for the treatment of Fabry disease, a modified version of human C-1 esterase inhibitor for the treatment of hereditary angioedema and other diseases, human alpha-1 antitrypsin for treatment of disorders caused by a lack or deficiency of alpha-1 antitrypsin, and several other therapeutic protein targets including antibodies, for which preliminary product feasibility has been demonstrated.

In order to attract appropriate licensees and increase the value of our share of such intended contractual arrangements, we engaged the FhCMB in 2003 to perform research and development activities to develop the iBioLaunch platform and to create our first product candidate. We selected a plant-based influenza vaccine for human use as the product candidate to exemplify the value of the platform. Based on research conducted by FhCMB, our proprietary technology is applicable to the production of vaccines for any strain of influenza including strains of H1N1 swine-like influenza. A Phase 1 clinical trial of a vaccine candidate for H1N1 influenza, based on iBio's technology, was initiated in September 2010. We announced positive interim results in June 2011 and successfully completed the clinical trial in March 2012. The vaccine candidate demonstrated strong induction of dose correlated immune responses, with or without adjuvant, as assessed by virus microneutralization antibody assays and HAI responses. The vaccine was safe and well tolerated at all doses when administered with and without adjuvant.

In connection with the research and development agreement, FhCMB agreed to use its best efforts to obtain grants from governmental and non-governmental entities to fund additional development of our proprietary plant-based technology. Consequently, in addition to the funding we have provided through agreements to FhCMB, FhCMB has received funding from the Bill & Melinda Gates Foundation for development of various vaccines based upon our proprietary technology including an experimental vaccine for H5N1 avian influenza. A Phase 1 clinical trial of a vaccine candidate for H5N1 influenza, based on iBio's technology, was initiated in December 2010.We announced positive interim results in June 2011 and successfully completed the clinical trial in March 2012.

In addition to the platform and product development engagements, in 2006, the Company engaged FhCMB to create a prototype production module for products made through the use of the platform. The purpose of this engagement was to demonstrate the ease and economy with which platform-based products could be manufactured in order to attract potential licensees and increase the value of our share of such business arrangements. The prototype design, which encompasses the entire production process from seeding through pre-infiltration plant growth, infiltration with agrobacteria, harvesting of plant tissue and purification of target proteins, was completed in May 2008. A pilot plant based upon this prototype was subsequently constructed in the FhCMB facility in Newark, Delaware. This pilot plant, and the equipment in it, is owned by FhCMB and has been validated for cGMP production. It is expected to be used for cGMP production of protein targets for clinical trials of product candidates utilizing our platform technology.

In January 2011, we announced the grant of a commercial, royalty-bearing license to Fiocruz of Brazil to develop, manufacture and sell certain vaccines based upon our proprietary technology. Fiocruz will invest $6.5 million to bring the first product candidate, a yellow fever vaccine, through a Phase I clinical trial. The World Health Organization has estimated that 200,000 unvaccinated people contract yellow fever each year, and approximately 30,000 die from the disease.

Development of the yellow fever vaccine candidate will be performed through a commercial collaboration among the Company, Fiocruz, and FhCMB. The license covers the nations of Latin America, the Caribbean and Africa. The Company retains the right to sell the products developed under the license and collaboration agreement in any other territory with a royalty back to Fiocruz/Bio-Manguinhos. Bio-Manguinhos is a unit of the Oswaldo Cruz Foundation, a central agency of the Ministry of Health of Brazil. Fiocruz/Bio-Manguinhos produces and develops immunobiological items to respond to public health demands. Its product line consists of vaccines, reagents and biopharmaceuticals. Fiocruz is a leading company in the national export of human vaccines and a major participant in total export sales of the Brazilian pharmaceutical sector. Fiocruz is one of the main producers of vaccines and diagnostics for infectious diseases in Latin America. Fiocruz is a certified World Health Organization provider to United Nations agencies, and is a leading world manufacturer of yellow fever vaccine, which it has exported to over 60 countries.

In February, May and June 2012, we announced the issuance or allowance of U.S. patents for, and scientific progress with potential product applications of our iBioModulator platform, also referred to as our license fusion-protein technology.

The Company established non-commercial arrangements among the Company, certain government entities, NGO and FhCMB, pursuant to which the Company grants non-commercial rights to use its platform for the development and production by FhCMB of product candidates selected by the government entities and NGO, in consideration for grants by the government entities and NGO directly to FhCMB to fund such research and development.

Through (i) the Company/FhCMB contracts and (ii) the non-commercial arrangements described above (which we refer to collectively as the "business structure"), the Company retains ownership of the intellectual property and exclusive worldwide commercial rights in the fields of human health and veterinary influenza applications of the intellectual property. The Company licenses or otherwise grants use rights (a) to government and NGO entities for not-for-profit applications of the intellectual property for the development or application for which they granted or were granted funding, and (b) to FhCMB for research purposes and applications in other fields. At this time, the Company is not pursuing development in the area of veterinary influenza.

This business structure helps the Company to enhance the value of commercial rights and the scope of applications of its platform technology. It also helps the Company demonstrate the validity and apparent value of the platform to parties to whom it will offer licenses or other business opportunities. Outsourcing our research and development work allows us to develop our product candidates, and thereby promote the value of our platform for licensing and product development purposes, without bearing the full risk and expense of establishing and maintaining our own research and development staff and facilities. FhCMB is engaged to perform research and development for the yellow fever vaccine project based on their expertise. The contract with FhCMB is expected to be $6.5 million. Service revenues and research expense under this arrangement commenced in January 2011. The amount of revenues recorded under this agreement and related research and development expenses for the years ended June 30, 2012 and 2011 were approximately $1,277,000 and $520,000, respectively. The Company invoices the customer in US dollars and also receives collection of the outstanding receivable in US dollars. Therefore, there are no foreign currency exchange translation gains or losses involved with this customer.

In July 2012 we announced a global alliance with GE Healthcare ("GEHC") to commercialize our plant-based technologies for the manufacture of biopharmaceuticals and vaccines. The alliance is intended to build on the existing development and marketing agreement between the two companies announced in 2010 and to combine iBio's proprietary iBioLaunch platform with GEHC's capabilities in start-to-finish technologies for biopharmaceutical manufacturing. Under the terms of the agreement, iBio will be the preferred provider of vaccine or therapeutic product manufacturing technology incorporating a plant based protein expression system, while GEHC will be the preferred provider of engineering services and bioprocess solutions, to any customers that may be interested in a bio-manufacturing facility incorporating a plant-based expression system. The agreement further specifies allocation of responsibilities for product development, process scale-up, facilities design and development, and technology transfer among iBio, FhCMB, and GEHC. The Agreement also sets forth the terms of a non-exclusive license to iBio's technology that iBio has agreed to offer to any customer referred by GEHC pursuant to the Agreement.

The Company's platform technology is sometimes referred to as "iBioLaunch™ technology" or the "iBioLaunch™ platform," and the category of this technology is sometimes referred to as "plant-based technology" or as a "plant-based platform."

The Company has exclusive control over, and the rights to ownership of, the intellectual property related to all human health and veterinary influenza applications of the plant-based technology developed by FhCMB. Current development projects include conducting proof-of-principle preclinical studies and conducting clinical studies of proprietary influenza vaccines.

Many biotech drugs have been on the market long enough for patents on them to expire. Emerging opportunities for biosimilars (also known as biogenerics or follow-on biologics) create potential for our platform technology to be used by potential licensees to enter the market utilizing what the Company expects to be an economical production system. The Company is seeking commercial partners for this category of products and is unlikely to develop products in this category without the financial and marketing support of a commercial partner.

Historically, in addition to the development of the platform technology described in the preceding paragraphs, the Company has also generated sales of nutritional supplements utilizing plants as sources of high-quality nutritional minerals. The Company has a patented process for hydroponic growth of edible plants that causes them to accumulate high levels of important nutritional minerals such as chromium, selenium, iron and zinc. The Company utilized the services of various wholly owned subsidiaries of our Former Parent to support the production, marketing and sales of these phytomineral products.

Effective in April 2009, the Company entered into an agreement with IHT Health Products, Inc. (a wholly owned subsidiary of our Former Parent) ("IHT") wherein it granted an exclusive license to the Company's patented process in consideration for a royalty of five percent (5%) of net sales and the obligation of IHT to maintain in force and good standing the Company's patent and related intellectual property. At the same time, rights under the existing customer agreements were beneficially transferred to IHT. iBio receives royalty income from the exclusive license to IHT.

In November 2007, the Board of Directors of our Former Parent approved a plan to distribute its equity interests in the Company to its stockholders in the form of a dividend. The record date of the dividend was August 12, 2008 with a distribution date of August 18, 2008. The stockholders of our Former Parent received one share of the Company's common stock for each share of common stock they owned of the Former Parent as of the record date. Immediately following the spin-off, the Company became a public company with stock traded on the OTC Bulletin Board under the symbol IBPM. The Company's stock was listed for trading on the NYSE MKT in January 2011.

Results of Operations

For the years ended June 30, 2012 versus June 30, 2011

Revenues

Revenues for the years ended June 30, 2012 and 2011 were approximately $1,277,000 and $520,000, respectively. Revenues were attributable to providing technology services to Fiocruz to assist them in implementing the Company's technology for a future Phase 1 clinical trial of yellow fever. The Company signed a contract with Fiocruz in January 2011. There was no license income for the years ended June 30, 2012 and 2011.

Research and development expense

Research and development expense for the year ended June 30, 2012 was approximately $4,981,000 compared to $3,084,000 for the year ended June 30, 2011, a difference of $1,897,000 from the comparable period in 2011. This increase primarily relates to approximately $757,000 for FhCMB to service the yellow fever vaccine contract with Fiocruz using iBio's technology. The Company increased its research and development activities during the year ended June 30, 2012 as compared to June 30, 2011 based upon several factors as follows. The Company entered into a research project ("Project 1") in December 2010 with FhCMB to evaluate gene expression and protein production, and to focus on a series of product candidates using the iBioLaunch platform, and the expenses related to Project 1 for the year ended June 30, 2012 increased by approximately $186,000 as compared to the comparable period in 2011. The focus was to determine feasibility and relative priority, for business development purposes, of several protein therapeutic candidates that are representative of market classes of products. For example, two market classes are monoclonal antibodies and plasma-derived proteins. The Company entered into an additional project with FhCMB (Project 2) which was completed during the year ended June 30, 2012 and the related expenses to Project 2 increased by $161,000 for the year ended June 30, 2012 as compared to the year ended June 30, 2011. This project is to evaluate the mechanism of immune-potentiating activity of LicKM, which is a thermostable bacterial enzyme used as a carrier molecule for vaccine antigens. Another increase in research and development expense is also attributed to the Company incurring approximately $225,000 for outside services to a related party, to perform laboratory feasibility analyses of gene expression and protein purification and also preparation of research samples.

The Tech Transfer Agreement ("TTA") with FhCMB has an annual obligation of $2 million for five years that commenced in 2009. This expense increased by $667,000 for the year ended June 30, 2012 as compared to the year ended June 30, 2011. This was due to the build out of a Pilot Plant at FhCMB that was expensed during the year ended June 30, 2010. The accounting for the TTA is to expense such amounts as services are rendered. In addition, share-based compensation expense for options decreased the during the year ended June 30, 2012 as compared to the year ended June 30,

2011 by approximately $138,000 primarily due to certain options that are revalued each reporting period using the Black-Scholes option pricing model. The stock price is a component in the Black-Scholes calculation, which is used to compute fair market value. Changes in the Company's closing stock price can result in fluctuations in share-based compensation results between reported periods.

General and administrative expenses

General and administrative expense for the year ended June 30, 2012 was approximately $5,623,000 compared to $7,091,000 for the year ended June 30, 2011, a decrease of $1,468,000. The decrease is primarily attributed to a reduction in share-based compensation expense for warrants issued to consultants of approximately $1,015,000. Additionally, the Company recorded an impairment charge of approximately $87,000 and $586,000 during the fourth quarter of June 30, 2012 and 2011, respectively. Impairment expense decreased by $499,000 for the year ended June 30, 2012 as compared to the prior year. Evaluating for impairment requires judgment, including the estimation of future cash flows, future growth rates and profitability and the expected life over which cash flows will occur. Changes in the Company's business strategy or adverse changes in market conditions could impact impairment analyses and require the recognition of an impairment charge equal to the excess of the carrying value over its estimated fair value. During the fourth quarter of the year ended June 30, 2011, the Company re-evaluated its business strategy and reviewed its product portfolio. After such review, the Company's near-term potential for upfront milestone revenue and/or licensing deals led to further evaluation of its intangible assets. Other decreases in general and administrative expenses include less expense for investment relations services of $185,000, past consulting services by the former CFO of approximately $128,000 and public company listing fees of approximately $99,000. There was a decrease in share-based compensation expense for options of approximately $135,000 that included two option modifications during the year ended June 30, 2012. In November and December 2011, the Board of Directors modified the cancellation provision of previously issued options, permitting an option holder, upon termination without cause, to exercise the vested portion of an option post-termination up to ten years after the grant date. Current period option awards granted also include this provision. The Company estimates the effect of the modification to be approximately $633,000, which will be expensed over the vesting terms, of which approximately $616,000 is recorded in general and administrative expenses in the Statements of Operations. For the year ended June 30, 2012, the amount charged to general and administrative expense was approximately $552,000. The remaining amount of $64,000 will be expensed in subsequent periods over the vesting terms. Other increases relate to writing down an asset to its net realizable value of approximately $100,000, consulting services of $87,000, of which $75,000 was to a member of the Board of Directors, and payroll and benefits increased by approximately $464,000 relating to the hiring of two employees and an increase of overall salaries for existing officers.

Other income (expenses)

The derivative financial liability non-cash income for the year ended June 30, 2012 was approximately $3,668,000 as compared to a non-cash charge of approximately $2,474,000, for the year ended June 30, 2011. This resulted in an increase of non-cash income of approximately $6,142,000 for the year ended June 30, 2012 as compared to the comparable period in 2011. However, it was also affected by the issuance of additional warrants as a result of the January 2012 equity offering due to the anti-dilution provision that was part of the August 2008 equity offering. The increase in other income – change in derivative financial liability of approximately $6,142,000 – primarily results from decreases in the stock price at June 30, 2012 as compared to June 30, 2011. The calculation of this derivative financial liability is affected by factors which are subject to significant fluctuations and are not under the Company's control. This liability resulted from warrants included in the August 2008 equity offering with an anti-dilution provision. Therefore, the resulting effect upon our net income or loss is subject to significant fluctuations and will continue to be subject to significant fluctuations until the warrants either expire in August 2013 or are exercised prior to that date. The accounting guidance applicable to these warrants requires the Company (assuming all other inputs to the pricing model remain constant) to record a non-cash charge when the Company's stock price is rising and to record non-cash income when the Company's stock price is falling.

Net loss per share

Based upon the above, the net loss for the years ended June 30, 2012 and 2011 approximated $5,676,000 and $12,142,000 or $0.14 and $0.39 per share, respectively. The weighted average common shares outstanding – basic and diluted for the years ended June 30, 2012 and 2011 – were 39,505,561 and 30,968,798, respectively.

Liquidity and Capital Resources

The Company has incurred losses and negative cash flows from operations since the spinoff from its Former Parent in August 2008. As of June 30, 2012, the Company had an accumulated deficit of approximately $31,338,000 and cash used in operating activities for the years ended June 30, 2012 and 2011 approximated $6,010,000 and $5,338,000, respectively. The Company has historically financed its activities through the sale of common stock and warrants. Through June 30, 2012, the Company has dedicated most of its financial resources to investing in its iBioLaunch™ platform, advancing intellectual property, product candidate development, and general and administrative activities.

These matters raise substantial doubt about the Company's ability to continue as a going concern. These financial statements were prepared under the assumption that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of that uncertainty.

In addition, the Company estimates that the cash on hand as of June 30, 2012 of approximately $5,624,000 will be adequate to fund its operations until the end of the second calendar quarter of 2013. The Company plans to fund its further development and commercialization through licensing and partnering arrangements, which may include milestone receipts and royalties, and/or the sale of equity securities or debt. The Company cannot be certain that such funding will be available on acceptable terms or available at all. To the extent that the Company raises additional funds by issuing equity securities, its stockholders may experience dilution. Further, if additional funds are raised through the issuance of equity or debt, such instruments may have powers, designations, preferences or rights senior to its currently outstanding securities. If the Company is unable to raise funds

when required or on acceptable terms, it may have to: a) significantly delay, scale back, or discontinue the development and/or commercialization of one or more product candidates; b) seek collaborators for product candidates at an earlier stage than would otherwise be desirable and/or on terms that are less favorable than might otherwise be available; or c) relinquish or otherwise dispose of rights to technologies, product candidates, or products that it would otherwise seek to develop or commercialize itself and d) possibly cease operations.

On July 26, 2011, the Company filed with the SEC a Registration Statement on Form S-3 under the Securities Act, which was declared effective by the SEC on July 28, 2011. This Registration Statement allows the Company, from time to time, to offer and sell shares of common stock, preferred stock, warrants, purchase its securities and/or debt securities, up to a maximum aggregate amount of $100 million of such securities. The Company raised gross proceeds of $10 million in January 2012 under this Registration Statement.

For the years ended June 30, 2012 and 2011, the Company had net cash used in operating activities of approximately $6,010,000 and $5,338,000, respectively. The net cash used in operating activities for the year ended June 30, 2012, was primarily from the loss from operations of $5,676,000, which was adjusted for the effects of non-cash income for stock-based compensation expense, change in the fair value of the derivative financial liability, depreciation and amortization, impairment of intangible assets and a vendor concession by approximately $469,000. In addition, there were increases in cash for accounts receivable, prepaid expenses, other receivables, other current assets, accounts payable and accrued expenses totaling approximately $135,000. For the year ended June 30, 2011, the net cash used in operating activities was primarily from the loss from operations of approximately $12,142,000, which was adjusted for the effects of non-cash expenses for stock-based compensation expense, change in fair value of derivative instrument liability, depreciation and amortization and impairment of intangible assets of approximately $7,334,000. In addition, there were decreases in cash for accounts receivables, prepaid expenses, other receivables, other current assets, and accounts payable and accrued expenses totaling approximately $530,000.

For the years ended June 30, 2012 and 2011, net cash used from investing activities was approximately $245,000 and $94,000, respectively, which was primarily from additions for intangible assets.

For the years ended June 30, 2012 and 2011, the cash provided by financing activities was approximately $9,036,000 and $7,366,000, respectively, which was primarily from the sale of common stock and warrants, net of expenses.

The Company acquired Technology from FhCMB through a TTA dated in December 2003, as amended. Terms of the TTA require the Company to: a) make payments to FhCMB of $2,000,000 per year for five years, aggregating $10,000,000, for research and development services beginning in November 2009; and b) pay FhCMB 1% of all receipts derived by the Company from sales of products produced utilizing the Technology and 15% of all receipts derived by the Company from licensing the Technology to third parties with an overall minimum annual payment of $200,000 beginning with the twelve months ended December 31, 2011. This agreement is for 15 years. For the years ended June 30, 2012 and 2011, the expense approximated $2,200,000 and $1,533,000, respectively.

In December 2010, the Company and FhCMB entered into a $1,660,000 research services agreement to evaluate gene expression and protein production, focused on a series of product candidates, using the iBioLaunch platform. The expense for the years ended June 30, 2012 and 2011 was approximately $643,000 and $457,000, respectively.

Remaining minimum payments due under the commitments to FhCMB as of June 30, 2012 are as follows:

For the year ended June, 30:

2013	$ 2,630,000
2014	2,200,000
2015	200,000
2016	200,000
2017	200,000
Thereafter	1,600,000
Total	$ 7,030,000

We have not engaged in any “off-balance sheet arrangements” within the meaning of Item 303(a)(4)(ii) of Regulation S-K.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. The significant estimates are valuation and recovery of intangible assets, stock-based compensation expense, valuation of derivative financial liability and income taxes and valuation of income taxes.

Research and Development

Research and development costs primarily consist of salaries and benefits, research contracts for the advancement of product development, stock-based compensation, and consultants. The Company expenses all research and development costs in the periods in which they are incurred.

Stock-Based Compensation

The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost is recognized over the period during which an employee is required to provide service in exchange for the award

— the requisite service period. The grant-date fair value of employee share options is estimated using the Black-Scholes option pricing model adjusted for the unique characteristics of those instruments. Compensation expense for options and warrants granted to non-employees is determined by the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measured. Compensation expense for options granted to non-employees is measured each period as the underlying options or warrants vest.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rate is recognized in income or expense in the period that the change is effective. Tax benefits are recognized when it is probable that the deduction will be sustained. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will either expire before the Company is able to realize the benefit, or that future deductibility is uncertain. As of June 30, 2012 and 2011, the Company had recognized a valuation allowance to the full extent of our net deferred tax assets since the likelihood of realization of the benefit does not meet the more likely than not threshold.

The Company files a U.S. Federal income tax return as well as returns for various states. The Company's income taxes have not been examined by any tax jurisdiction since its spin off in August 2008. Uncertain tax positions taken on our tax returns will be accounted for as liabilities for unrecognized tax benefits. The Company will recognize interest and penalties, if any, related to unrecognized tax benefits in general and administrative expenses in the Statements of Operations. There were no liabilities recorded for uncertain tax positions at June 30, 2012 or 2011. The open tax years, subject to potential examination by the applicable taxing authority, for the Company are 2008-2011.

Derivatives and Hedging-Contracts in Entity's Own Equity

In accordance with the provisions of Accounting Standards Codification ("ASC") 815 "Derivatives and Hedging" the embedded August 2008 warrants are not considered indexed to our stock. As a result of the anti-dilution provision per the warrant agreement from the August 2008 equity raise, the August 2008 warrants were required to be accounted for as derivative financial liability and have been recognized as a liability on the balance sheet. The fair value of the derivative instrument liability is determined using the Black-Scholes option pricing model and is affected by changes in inputs to that model including our stock price, expected stock price volatility, the contractual term, and the risk-free interest rate. The derivative financial liability is subject to remeasurement at each balance sheet date and any changes in fair value is recognized as component of other income (expense).

Intangible Assets

The Company accounts for intangible assets at their historical cost and records amortization utilizing the straight-line method over periods based upon their estimated useful lives. Intellectual property is amortized over a period from eighteen to twenty three years and patents over ten years. The Company reviews the carrying value of its intangible assets for impairment whenever events or changes in business circumstances indicate the carrying amount of such assets may not be fully recoverable. Evaluating for impairment requires judgment, including the estimation of future cash flows, future growth rates and profitability and the expected life over which cash flows will occur. Changes in the Company's business strategy or adverse changes in market conditions could impact impairment analyses and require the recognition of an impairment charge equal to the excess of the carrying value over its estimated fair value.

During the fourth quarter of June 30, 2012, the Company re-evaluated its business strategy and reviewed its product portfolio. After such review, the Company's near-term potential for upfront, milestone revenue and/or licensing deals led to further evaluation of its intellectual property including its patents. The Company recorded an impairment charge of approximately $87,000 and $586,000 for the years ended June 30, 2012 and 2011, respectively.

Recently Adopted Accounting Pronouncements

In May 2011, Accounting Standards Codification Topic 820, *Fair Value Measurement* was amended to develop common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. generally accepted accounting principles.

Impact of Inflation

The Company does not believe that inflation has significantly affected its results of operations.

Seasonality

Our operations are not impacted by seasonality.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The Company invests its excess cash to ensure both liquidity and safety of principal. Excess cash is invested in a strong financial grade institution to reduce the Company's credit risk. At times, the Company's cash balances may exceed federally insured amounts.

The Company has an exposure to credit risk in its trade accounts receivable from sales of it services. The entire accounts receivable and service revenues are derived from one customer located in Brazil.

The Company was required to account for the August 2008 warrants as derivative liabilities. The Company is required to mark to market in each reporting quarter the value of the embedded derivative and the August 2008 warrants. The Company revalues these derivative liabilities at the end of each reporting period. The periodic change in value of the derivative liabilities is recorded as either non-cash derivative gain (if the value of the embedded derivative and August 2008 warrants decrease) or as non-cash derivative loss (if the value of the embedded derivative and August 2008 warrants increase). Although the values of the embedded derivative and August 2008 warrants are affected by interest rates, the remaining contractual exercise period and the Company's stock volatility, the primary cause of the change in the values will be the price of the Company's common stock. If the stock price increases, the derivative financial liability will generally increase, and if the stock price decreases the derivative financial liability will generally decrease. This results in a non-cash expense or income to the Statements of Operations.

Item 8. Financial Statements

For a list of financial statements filed as part of this report, see the Index to Financial Statements beginning at page F-1 of this Annual Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management's evaluation, our chief executive officer and chief financial officer concluded that, as of June 30, 2012, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Changes in internal control over financial reporting.

Our independent registered public accounting firm, CohnReznick LLP, communicated to our audit committee on February 14, 2012 that a material weakness existed in our internal control over financial reporting. This weakness resulted from the Company not considering modifications made to the terms of standard option award contracts. Additionally, the subsequent computations of the impact of such modifications included errors, which were not identified by the existing system of internal control over financial reporting. The Company's compensating detective controls were ineffective, resulting in material adjustments to the timing and amount of stock based compensation recognized. This weakness resulted in additions and corrections to disclosures in our December 31, 2011 Quarterly Report on Form 10-Q prior to filing.

During the quarter ended March 31, 2012, the Company began remediating this material weakness. However, the material weakness still existed with respect to detective controls as to the date of such filing. Our independent registered public accounting firm, CohnReznick LLP, communicated to our audit committee on May 15, 2012 that the aforementioned material weakness in our internal control over financial reporting continued to exist. The Company's compensating detective controls were ineffective, resulting in material adjustments to the timing and amount of stock-based compensation recognized. This weakness resulted in additions and corrections to disclosures in our March 31, 2012 Quarterly Report on Form 10-Q prior to filing.

For the quarter ended June 30, 2012, we have remediated this material weakness by implementing additional internal controls related to the review of modifications to option award contracts and implementing additional review procedures of option award computations.

There have been no other changes in our internal control over financial reporting during the quarter ended June 30, 2012 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(c) Management's Annual Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of our principal executive and principal financial officers and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with U.S. generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of our annual financial statements, management has undertaken an assessment of the effectiveness of our internal control over financial reporting as of June 30, 2012, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls.

Based on this evaluation, management has concluded that our internal control over financial reporting is effective as of June 30, 2012.

This annual report does not include an attestation report by CohnReznick LLP, our independent registered public accounting firm, regarding internal control over financial reporting. As a smaller reporting company, our internal control over financial reporting was not subject to audit by our independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

Directors and Executive Officers

The following table sets forth the names and ages, as of September 15, 2012 of our directors and our executive officers:

Name	Age	Position Held With Us
Robert B. Kay	72	Executive Chairman and Chief Executive Officer
Robert L. Erwin	58	President
Douglas J. Beck, CPA	51	Chief Financial Officer
Terence Ryan, Ph.D.	57	Chief Scientific Officer
General James T. Hill (retired)	66	Director
Glenn Chang	64	Director
John D. McKey, Jr.	69	Director
Philip K. Russell, M.D.	80	Director
Arthur Y. Elliott, Ph.D.	76	Director
Jules Müsing	65	Director

The following are brief biographies of each director and executive officer:

Robert B. Kay has been a director since we became a publicly traded company in August 2008. Mr. Kay was a founder and senior partner of the New York law firm of Kay Collyer & Boose LLP, with a particular focus on mergers and acquisitions and joint ventures. Mr. Kay received his B.A. from Cornell University's College of Arts & Sciences and his J.D. from New York University Law School.

Robert L. Erwin has been our President since we became a publicly traded company in August 2008. Mr. Erwin led Large Scale Biology Corporation from its founding in 1988 through 2003, including a successful initial public offering in 2000, and continued as non-executive Chairman until 2006. He served as Chairman of Icon Genetics AG from 1999 until its acquisition by a subsidiary of Bayer AG in 2006. From 2004 through 2007 Mr. Erwin served as Managing Director of Bio-Strategic Directors LLC, providing consulting services to the life sciences industry. He is currently Chairman of Novici Biotech, a private biotechnology company and a Director of Resolve Therapeutics. Mr. Erwin's non-profit work focuses on applying scientific advances to clinical medicine, especially in the field of oncology. He is co-founder, President and Director of the Marti Nelson Cancer Foundation, Oncology. Mr. Erwin received his BS degree with Honors in Zoology and an MS degree in Genetics from Louisiana State University.

Douglas J. Beck is a CPA has been Chief Financial Officer since May 2011. Mr. Beck was the Chief Financial Officer of publicly traded Lev Pharmaceuticals, Inc. He was employed from February 2005 until February 2009 (the company was acquired by ViroPharma, Incorporated in October 2008.) He had been an independent consultant from February 2009 until April 2011. Mr. Beck serves on the SEC Practice Committee and the Chief Financial Officers Committee for the New York State Society of CPAs. Mr. Beck holds a B.S. from the Fairleigh Dickinson University.

Terence E. Ryan, Ph.D. has been Chief Scientific Officer of iBio, Inc. since March 2012, and Senior Vice President since July 2010. He previously served as Assistant Vice President, Systems Biology at Wyeth Pharmaceuticals (later Pfizer, Inc.) from 2007-2010, and Director of Integrative Biology at GlaxoSmithKline from 2003-2007. He has also been Director, Cell Biology at Celera Genomics (2000-2003), and Associate Director of Cell Technologies and Protein Sciences at Regeneron Pharmaceuticals. He received his A.B. In Biology from Princeton University, and his M.S. and Ph.D. in Microbiology from Rutgers University. He also was a post-doctoral fellow in Molecular Virology at the University of Wisconsin.

General James T. Hill has been a director since we became a publicly traded company in August 2008. At the time of his retirement from active duty, General Hill was the Commander of the 4-Star United States Southern Command, reporting directly to the President and Secretary of Defense. As such he led all U.S. military forces and operations in Central America, South America and the Caribbean, worked directly with U.S. Ambassadors, foreign heads of state, key Washington decision-makers, foreign senior military and civilian leaders, developing and executing United States policy. His responsibilities included management, development and execution of plans and policy within the organization including programming, communications, manpower, operations, logistics and intelligence.

Glenn Chang has been a director since we became a publicly traded company in August 2008. From 1999 through 2010, Mr. Chang was Director, Executive Vice President and Chief Financial Officer of the First American International Bank, Brooklyn, N.Y. He now is a consultant to the bank without any official titles. Prior to the founding of the Bank he spent almost 20 years at Citibank as Vice President. Mr. Chang is a Certified Public Accountant

John D. McKey, Jr. has been a director since we became a publicly traded company in August 2008. Since 2003, Mr. McKey has served as of counsel at McCarthy, Summers, Bobko, Wood, Sawyer & Perry, P.A. in Stuart, Florida, and previously was a partner from 1987 through 2003. From 1977 to 1987 Mr. McKey was a partner at Gunster Yoakley in Palm Beach, Florida. Mr. McKey received his B.B.A at the University of Georgia and his J.D. from the University Of Florida College Of Law.

Philip K. Russell, M.D. has been a director since March 2010. Major General (retired.) Russell served in the U.S. Army Medical Corps from 1959 to 1990, pursuing a career in infectious disease and tropical medicine research. Following his military service, Dr. Russell joined the faculty of Johns Hopkins University's School of Hygiene and Public Health and worked closely with the World Health Organization as special advisor to the Children's Vaccine Initiative. He was founding board member of the International AIDS Vaccine Initiative, and is an advisor to the Bill & Melinda Gates Foundation. He has served on numerous advisory boards of national and international agencies, including the Centers for Disease Control, National Institutes of Health, and the Institute of Medicine. He is the past Chairman of the Albert B. Sabin Vaccine Institute.

Arthur Y. Elliott, Ph.D. has been a director since October 2010. Dr. Elliott spent 16 years with Merck & Co., serving ultimately as Executive Director of Biological Operations, Merck Manufacturing Division, responsible for the bulk manufacture, testing, release and registration of all biological products sold. Dr. Elliott also directed the manufacturing, process development, and other operations of North American Vaccine for six years, and most recently served as consultant to Aventis (Sanofi Pasteur) Pharmaceutical Corporation in its design and implementation of new, highly automated manufacturing facilities for influenza vaccines. Dr. Elliott has served with the United States Department of Health and Human Services in the Avian Influenza Pandemic Preparedness Program in Washington, D.C. as Senior Program Manager for the Antigen Sparing Project since 2006. The program involves the cooperation of three pharmaceutical companies and four government groups (NIH, CDC, FDA, and HHS). While at Merck, he worked closely with

both Merck Research Laboratories and the Merck Vaccine Division to forecast the timely transfer of technology for new and improved products from the research laboratories through the manufacturing area and into the marketing division for sales introductions. He has served as a biological consultant to the World Health Organization, National Institutes of Health, and The Bill & Melinda Gates Foundation. Dr. Elliott holds a Ph.D. in Virology from Purdue University, and an M.S. in Microbiology and a B.A. in Biology from North Texas State University. He serves as a member of the American Association for Advancement of Science, American Society for Microbiology, and American Tissue Culture Association.

Jules Müsing has been a director since June 2011. In the course of his career at Johnson & Johnson, Mr. Müsing was responsible for worldwide licensing and acquisition of pharmaceutical and biotechnology products and technologies and the establishment of strategic alliances. This included the establishment of new scientific and product collaborations in various therapeutic areas, the negotiation of licensing and alliance agreements with biotechnology and pharmaceutical companies worldwide, and the partnering, spin-out and out-licensing of company pharmaceutical and biotechnology assets. Prior to moving into that role, Mr. Müsing was Vice President Marketing International for the Janssen Pharmaceutical Group of Companies Worldwide; President of Pitman-Moore, Inc., a U.S.-based Johnson & Johnson company; Managing Director of Janssen Pharmaceutical in Portugal; President of Serono, Inc. in the U.S. and Executive Vice President with responsibilities for North and South America; Member of the Board of Ortho Biotech, Inc.; and Managing Director of Ortho Biotech in France (a Johnson & Johnson affiliate). He is a Board Member of Delphi Digital, Inc. and Chairman of the Scientific Board of Advisors for Noble Capital Financial Markets.

Audit Committee

Our board has constituted an audit committee that is comprised of Mr. Chang and Mr. McKey, Jr. Our board has determined Mr. Chang to be an "audit committee financial expert" as that term is defined in the rules and regulations of the SEC. The Board has determined that Mr. Chang, based upon his experience, training and education, qualifies as an audit committee financial expert by virtue of the fact that he has (a) an understanding of generally accepted accounting principles ("GAAP") and financial statements; (b) the ability to assess the general application of GAAP in connection with accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements as well as experience actively supervising one or more persons engaged in such activities; (d) an understanding of internal controls and procedures for financial reporting; and (e) an understanding of audit committee functions.

The audit committee operates pursuant to a written charter, a copy of which can be found on the Company's website at www.ibioinc.com, "Corporate Governance."

Code of Ethics

We have adopted a written code of ethics within the meaning of Item 406 of SEC Regulation S-K, which applies to our principal executive officer and senior financial officers, a copy of which can be found on the Company's website at www.ibioinc.com, "Corporate Governance." If we make substantive amendments to the Code of Ethics that are applicable to our principal executive or financial officers, we will disclose the nature of such amendment or waiver in a report on Form 8-K in a timely manner.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the 1934 Act requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended June 30, 2012, all Section 16(a) filing requirements applicable to our officers, directors and greater than ten percent beneficial owners were complied with, except that Messrs. Erwin, Kay, Russell, McKey, Hill, Elliott, Chang and Ryan each filed one late report relating to a grant of stock options, and Mr. Ryan filed a late initial report of his appointment as an executive officer.

Item 11. Executive Compensation

Summary Compensation Table

The table below summarizes the total compensation paid or earned by our Chief Executive Officer and our two other most highly compensated executive officers who were serving as executive officers at the end of the last completed fiscal year.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Robert B. Kay,	2012	$300,000	$ -0-	$ -0-	$ 508,888	$ -0-	$ -0-	$ 808,888
Executive Chairman and CEO	2011	250,935	-0-	-0-	1,886,007	-0-	-0-	2,136,942
Robert Erwin,	2012	237,500	-0-	-0-	508,888	-0-	-0-	746,388
President	2011	207,695	-0-	-0-	193,340	-0-	-0-	401,035
Douglas J. Beck, CPA	2012	165,000	-0-	-0-	—	-0-	-0-	165,000
Chief Financial Officer (2)	2011	28,769	-0-	-0-	80,447	-0-	-0-	109,216
Frederick Larcombe,	2012	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Chief Financial Officer (3)	2011	91,360	-0-	-0-	-0-	-0-	-0-	91,360

1) This column shows the grant date fair value of awards computed in accordance with stock-based compensation accounting rules (FASB ASC Topic 718). A discussion of assumptions used in calculating award values may be found in Note G for the years ended June 30, 2012 and 2011 to our audited financial statements in Form 10-K.

2) Commenced April 29, 2011.

3) Mr. Larcombe was an independent contractor whose services were provided through a professional services firm. This amount represents the total amount billed by that firm to the Company for Mr. Larcombe's services. Services rendered through May 15, 2011.

Outstanding Equity Awards at Fiscal Year-End

OUTSTANDING EQUITY AWARDS AT JUNE 30, 2012

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#)	Exercise Price ($)	Expiration Date	Market Value ($)(1)
Robert B. Kay (2)	250,000	0.20	2/13/19	$ 140,000
Robert B. Kay (2)	250,000	0.66	8/10/19	$ 25,000
Robert B. Kay (2)	300,000	1.73	8/16/20	$ N/A
Robert B. Kay (3)	500,000	3.07	12/30/20	$ N/A
Robert B. Kay (4)	500,000	3.07	12/30/20	$ N/A
Robert B. Kay (2)	300,000	1.96	10/21/21	$ N/A
Robert L. Erwin (2)	250,000	0.20	2/13/19	$ 140,000
Robert L. Erwin (2)	250,000	0.66	8/10/19	$ 25,000
Robert L. Erwin (2)	300,000	1.73	8/16/20	$ N/A
Robert L. Erwin (2)	300,000	1.96	10/21/21	$ N/A
Douglas J. Beck, CPA (5)	100,000	2.69	5/3/21	$ N/A

(1) The market value for the option at June 30, 2012 was based upon the closing stock price at such date, which was $0.76 per share, less the exercise price.

(2) Shares vest in five equal annual installments.

(3) Shares vested on July 1, 2011.

(4) Shares vest on July 1, 2012.

(5) Shares vest in three equal annual installments.

Employment Agreements

As of June 30, 2012, we did not have any employment contracts or other similar agreements or arrangements with any of our named executive officers and the Board of Directors.

Incentive Compensation Plan

We have established an incentive compensation plan and have reserved 10,000,000 shares of common stock to be issued to employees under this plan. As of June 30, 2012, we granted stock options with an aggregate of 5,510,000 underlying shares of common stock and there are 4,490,000 reserved for future issuances.

Director Compensation

Compensation for our non-employee directors has historically consisted of a grant of stock options vesting over a three-year period and additional cash compensation. We do not have a fixed policy with respect to this compensation, but the compensation is generally equal for each non-employee director except in cases where a director assumes additional responsibilities above and beyond standard board service. Directors who are also our employees will receive no additional compensation for their services as directors.

Director Compensation Table

The following table sets forth summary information concerning the total compensation paid to our non-employee directors in the fiscal year ended June 30, 2012 for services to us:

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)(4)	Total ($)
General James T. Hill	$ 25,000	$ 101,178	$ 126,178
Glenn Chang	10,000	101,178	111,178
John D. McKey	10,000	101.178	111,178
Philip K. Russell, M.D.	10,000	101,178	111,178
Pamela Bassett, D.M.D (2).	5,000	—	5,000
Arthur Elliot	10,000	101,178	111,178
Jules Müsing (3)	85,000	49,752	134,752

(1) The amounts in this column reflect the dollar amount recognized as expense with respect to stock options for financial statement reporting purposes during the year ended June 30, 2012 in accordance with ASC 718. A discussion of assumptions used in calculating award values may be found in Note I, to our audited financial statement.

(2) Resigned from the Board of Directors in December 2011.

(3) On February 1, 2012, the Company entered into a consulting agreement primarily for business development. The agreement is for six months at $15,000 per month. For the year ended June 30, 2012, $75,000 was earned and $15,000 remains outstanding as of June 30, 2012. In connection with the agreement, 60,000 options to purchase common stock at $0.93 per share were issued. These non-employee options vest in six equal monthly installments of 10,000 and expire in ten years. In addition, the Board member received an annual fee of $10,000 for being a member of the Board of Directors.

(4) The aggregate number of stock options outstanding for each (independent) director was as follows: Mr. Hill 210,000; Mr. Chang 210,000; Mr. McKey 310,000; Dr. Russell 120,000; Ms. Bassett 60,000; Mr. Elliott 120,000; and Mr. Müsing 120,000.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information with respect to the beneficial ownership of our outstanding common stock as of September 14, 2012:

- each person who is known by us to be the beneficial owner of 5% or more of our common stock;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Except as otherwise noted in the footnotes below, the entity, individual director or executive officer or their family members or principal stockholder has sole voting and investment power with respect to such securities.

The address of each of the persons listed below is c/o iBio, Inc., 9 Innovation Way, Suite 100, Newark, Delaware 19711.

Name of Beneficial Owner	Number of Shares Beneficially Owned (1)	Percent of Shares Beneficially Owned (2)
Eastern Capital Limited	10,000,000(3)	20.9%
E. Gerald Kay	4,236,409(4)	8.9%
Carl DeSantis	3,858,248(5)	8.1%
Robert B. Kay	2,358,728(6)	4.8%
John McKey, Jr.	735,558(7)	1.5%
Glenn Chang	162,150(8)	*
General James T. Hill	165,000(9)	*
Philip K. Russell, M.D.	60,000(10)	*
Pamela Bassett, D.M.D.	60,000(10)	*
Arthur Y. Elliott, Ph.D.	60,000(10)	*
Jules A. Müsing	90,000(10)	*
Robert L. Erwin	580,000(10)	1.2%
Douglas Beck	66,667(10)	*
Terrance Ryan, Ph.D.	100,000(10)	*
Directors and executive officers as a group (11 persons)	4,590,436(11)	9.0%

* Represents less than 1% of outstanding shares.

(1) Unless otherwise indicated, includes shares owned by a spouse, minor children, by relatives sharing the same home, and entities owned or controlled by the named person. Also includes shares if the named person has the right to acquire such shares within 60 days after September 14, 2012, by the exercise of warrant, stock option or other right. Unless otherwise noted, shares are owned of record and beneficially by the named person.

(2) Based upon 47,767,095 shares of common stock outstanding on September 14, 2012.

(3) The information provided is based upon the Schedule 13D filed on January 19, 2012, by Eastern Capital Limited ("Eastern") indicating that Eastern has shared voting and dispositive power as to 10,000,000 shares along with Portfolio Services Ltd. and Kenneth B. Dart. The number of common shares beneficially owned by Eastern may have changed since the filing of the Schedule 13D.

(4) Includes (i) 778,728 shares of common stock held by EGK LLC, of which Mr. E. Gerald Kay is the manager and (ii) 1,266,706 shares of common stock owned by Integrated BioPharma, Inc. of which Mr. Kay is a member of a control group. Shares dispositive power with Christina Kay with respect to 33,394 shares of common stock and with Riva Kay Sheppard with respect to 33,394 shares of common stock.

(5) Includes (i) 6,125 shares of common stock owned directly by Mr. DeSantis, (ii) 1,266,706 shares of common stock held by Integrated BioPharma, Inc., of which Mr. DeSantis is a controlling person, (iii) 1,469,393 shares of common stock beneficially held by CD Financial, LLC, and (iv) 2,235,417 shares of common stock held by the DeSantis Revocable Trust.

(6) Includes (i) 819,629 shares of common stock held by EVJ LLC, of which Mr. Kay is the manager, and (ii) 1,580,0000 shares of common stock underlying vested stock options.

(7) Includes 250,000 shares of common stock underlying vested stock options.

(8) Includes 150,000 shares of common stock underlying vested stock options.

(9) Includes 140,000 shares of common stock underlying vested stock options.

(10) All shares listed are shares of common stock underlying vested stock options.

(11) Includes 3,086,667 shares of common stock underlying vested stock options.

Equity Compensation Plans

The following table provides information regarding the status of our existing equity compensation plans at June 30, 2012:

	Number of Shares of Common Stock to be Issued Upon Exercise of Outstanding Options and Warrants	Remaining Weighted Average Exercise Price of Outstanding Options and Warrants	Number of Options Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in the previous columns)
Equity compensation plans approved by stockholders	5,510,000	$ 1.56	4,490,000
Equity compensation plans not approved by stockholders	—	—	—
Total	5,510,000	$ 1.56	4,490,000

Item 13. Certain Relationships and Related Transactions, and Director Independence

Our Board's policy is to review with management and our independent auditor any related party transactions brought to the Board's attention which could reasonably be expected to have a material impact on our financial statements. The Company's practice is for management to present to the Board each proposed related party transaction, including all relevant facts and circumstances relating thereto, and to update the Board as to any material changes to any approved related party transaction. In connection with this

requirement, each of the transactions or relationships disclosed below were disclosed to and approved by our Board. In addition, transactions involving our directors and their affiliated entities were disclosed and reviewed by our Board in its assessment of our directors' independence requirements.

Historical Relationship with Integrated BioPharma, Inc.

We were a subsidiary of Integrated BioPharma from February 21, 2003 until August 18, 2008. As a result, in the ordinary course of our business, we received various services provided by Integrated BioPharma, including treasury, tax, legal, investor relations, executive oversight and other services. Integrated BioPharma also provided us with the services of a number of its executives and employees. Our historical financial statements include allocations by Integrated BioPharma of a portion of its overhead costs related to these services. These cost allocations have been determined on a basis that we and Integrated BioPharma considered to be reasonable reflections of the use of these services.

Integrated BioPharma's Distribution of Our Stock

As of June 30, 2008, Integrated BioPharma owned all of our common stock until completion of the distribution on August 18, 2008. In connection with the distribution, Integrated BioPharma distributed its equity interest in us to its stockholders in a transaction that was intended to be tax-free to Integrated BioPharma and its U.S. stockholders.

Agreements Between Integrated BioPharma and the Company

We entered into the agreements listed below with Integrated BioPharma prior to the completion of the distribution in the context of our relationship as a subsidiary of Integrated BioPharma. The prices and other terms of these agreements may be less favorable to us than those we could have obtained in arm's-length negotiations with unaffiliated third parties for similar services or under similar agreements.

Separation and Distribution Agreement. The separation and distribution agreement contains the key provisions relating to the distribution by Integrated BioPharma to its stockholders of our common stock.

On the distribution date, Integrated BioPharma and we entered into the following ancillary agreements governing various ongoing relationships between Integrated BioPharma and us following the distribution date:

- an indemnification and insurance matters agreement;
- a tax responsibility allocation agreement; and
- a transitional services agreement.

To the extent that the terms of any of these ancillary agreements conflict with the separation and distribution agreement, the terms of these ancillary agreements govern. We describe these agreements more fully below.

Intercompany Payable. As of June 30, 2008, we were indebted to Integrated BioPharma in an amount of approximately $7.9 million, as a result of the prior intercompany financial relationship between our Company as a subsidiary and Integrated BioPharma as the corporate parent. Immediately following the consummation of the distribution, approximately $2.7 million of the then outstanding balance of the intercompany payable was converted into equity as a capital contribution to us, and, Integrated BioPharma owned 5.4% of our outstanding shares of common stock as of the August 12, 2008 when also taking into account the completion of the private placement as described herein. The remaining balance of approximately $5.2 million was contributed to capital and did not result in any new shares of iBio being issued to Integrated BioPharma.

Information Exchange. We and Integrated BioPharma agreed to share information with each other for use as long as no law or agreement is violated, it is not commercially detrimental to us or Integrated BioPharma, and no attorney-client privilege is waived:

- to satisfy reporting, disclosure, filing and other obligations;
- in connection with legal proceedings other than claims that we and Integrated BioPharma have against each other;
- to comply with obligations under the agreements between Integrated BioPharma and us; and
- in connection with the ongoing businesses of Integrated BioPharma and our Company as it relates to the conduct of these businesses before the spin-off.

Integrated BioPharma and we also agreed:

- to use reasonable commercial efforts to retain information that may be beneficial to the other;
- and to use reasonable commercial efforts to provide the other with employees, personnel, officers or agents for use as witnesses in legal proceedings and any books, records or other documents that may be required by the other party for the legal proceedings.

Auditing Practices. We agreed:

- to provide Integrated BioPharma with all relevant information that Integrated BioPharma reasonably requires to enable Integrated BioPharma to prepare its quarterly and annual financial statements for quarters or years that include any financial reporting period for which our financial results are consolidated with Integrated BioPharma's financial statements;
- to grant Integrated BioPharma's internal auditors access to the personnel performing our annual audits and quarterly reviews and the related work papers; and
- not to change our accounting principles, or restate or revise our financial statements, if doing so would require Integrated BioPharma to restate or revise its financial statements for periods in which our financial results are included in Integrated BioPharma's consolidated financial statements unless we are required to do so to comply in all material respects with generally accepted accounting principles and SEC requirements.

Expenses. Both we and Integrated BioPharma paid our respective out-of-pocket costs and expenses incurred with respect to the distribution.

Termination and Amendment of the Agreement. Neither we nor Integrated BioPharma may terminate the separation and distribution agreement at any time after the consummation of the distribution, which was August 12, 2008, unless the other agrees.

Indemnification and Insurance Matters Agreement

Indemnification. In general, under the indemnification and insurance matters agreement, we agreed to indemnify Integrated BioPharma, its affiliates and each of its and their respective directors, officers, employees, agents and representatives from all liabilities that arise from:

- any breach by us of the separation and distribution agreement or any ancillary agreement;
- any of our liabilities reflected on our consolidated balance sheets included in the information statement relating to the spin-off;
- our assets or businesses;
- the management or conduct of our assets or businesses;
- the liabilities allocated to or assumed by us under the separation and distribution agreement, the indemnification and insurance matters agreement or any of the other ancillary agreements;
- various on-going litigation matters in which we are named defendant, including any new claims asserted in connection with those litigations, and any other past or future actions or claims based on similar claims, facts, circumstances or events, whether involving the same parties or similar parties, subject to specific exceptions;
- claims that are based on any violations or alleged violations of U.S. or foreign securities laws in connection with transactions arising after the distribution relating to our securities and the disclosure of financial and other information and data by us or the disclosure by Integrated BioPharma as part of the distribution of our financial information or our confidential information; or
- any actions or claims based on violations or alleged violations of securities or other laws by us or our directors, officers, employees, agents or representatives, or breaches or alleged breaches of fiduciary duty by our board of directors, any committee of our board or any of its members, or any of our officers or employees.

Integrated BioPharma agreed to indemnify us and our affiliates and our directors, officers, employees, agents and representatives from all liabilities that arise from:

- any breach by Integrated BioPharma of the separation and distribution agreement or any ancillary agreement;
- any liabilities allocated to or to be retained or assumed by Integrated BioPharma under the separation and distribution agreement, the indemnification and insurance matters agreement or any other ancillary agreement;
- liabilities incurred by Integrated BioPharma in connection with the management or conduct of Integrated BioPharma's businesses; and
- various ongoing litigation matters to which we are not a party.

Integrated BioPharma is not obligated to indemnify us against any liability for which we are also obligated to indemnify Integrated BioPharma. Recoveries by Integrated BioPharma under insurance policies will reduce the amount of indemnification due from us to

Integrated BioPharma only if the recoveries are under insurance policies Integrated BioPharma maintains for our benefit. Recoveries by us will in all cases reduce the amount of any indemnification due from Integrated BioPharma to us.

Under the indemnification and insurance matters agreement, a party has the right to control the defense of third-party claims for which it is obligated to provide indemnification, except that Integrated BioPharma has the right to control the defense of any third-party claim or series of related third- party claims in which it is named as a party whether or not it is obligated to provide indemnification in connection with the claim and any third-party claim for which Integrated BioPharma and we may both be obligated to provide indemnification. We may not assume the control of the defense of any claim unless we acknowledge that if the claim is adversely determined, we will indemnify Integrated BioPharma in respect of all liabilities relating to that claim. The indemnification and insurance matters agreement does not apply to taxes covered by the tax responsibility allocation agreement.

Insurance Matters. Under the indemnification and insurance matters agreement, we will be responsible for obtaining and maintaining insurance programs for our risk of loss and our insurance arrangements will be separate from Integrated BioPharma's insurance programs.

Offset. Integrated BioPharma is permitted to reduce amounts it owes us under any of our agreements with Integrated BioPharma, by amounts we may owe to Integrated BioPharma under those agreements.

Assignment. We may not assign or transfer any part of the indemnification and insurance agreement without Integrated BioPharma's prior written consent. Nothing contained in the agreement restricts the transfer of the agreement by Integrated BioPharma.

Tax Responsibility Allocation Agreement. In order to allocate our responsibilities for taxes and certain other tax matters, we and Integrated BioPharma entered into a tax responsibility allocation agreement prior to the date of the distribution. Under the terms of the agreement, with respect to consolidated federal income taxes, and consolidated, combined and unitary state income taxes, Integrated BioPharma will be responsible for, and will indemnify and hold us harmless from, any liability for income taxes with respect to taxable periods or portions of periods ending prior to the date of distribution to the extent these amounts exceed the amounts we have paid to Integrated BioPharma prior to the distribution or in connection with the filing of relevant tax returns. Integrated BioPharma is also responsible for, and will indemnify and hold us harmless from, any liability for income taxes of Integrated BioPharma or any member of the Integrated BioPharma group (other than us) by reason of our being severally liable for those taxes under U.S. Treasury regulations or analogous state or local provisions. Under the terms of the agreement, with respect to consolidated federal income taxes, and consolidated, combined and unitary state income taxes, we are responsible for, and will indemnify and hold Integrated BioPharma harmless from, any liability for our income taxes for all taxable periods, whether before or after the distribution date. With respect to separate state income taxes, we are also responsible for, and will indemnify and hold Integrated BioPharma harmless from, any liability for income taxes with respect to taxable periods or portions of periods beginning on or after the distribution date. We are also responsible for, and will indemnify and hold Integrated BioPharma harmless from, any liability for our non-income taxes and our breach of any obligation or covenant under the terms of the tax responsibility allocation agreement, and in certain other circumstances as provided therein. In addition to the allocation of liability for our taxes, the terms of the agreement also provide for other tax matters, including tax refunds, returns and audits.

Director Independence

Our board of directors has determined that Ms. Bassett and Messrs. Chang, Elliott, Hill, McKey, Russell and Müsing are "independent directors" as such term is defined in Section 803 of the NYSE MKT Company Guide.

Item 14. Principal Accountant Fees and Services

The following table represents aggregate fees billed to us for by CohnReznick LLP:

	For The Year Ended June 30,	
	2012	2011
Audit Fees (1)(2)	$ 188,400	$ 110,500
Audit-related Fees	—	—
Tax Fees (3)	13,000	6,000
Other Fees	—	—
Total Fees	$ 201,400	$ 116,500

In the above table, in accordance with the SEC's definitions and rules, "audit fees" are fees we paid CohnReznick LLP for professional services for the audit of our financial statements included in our annual reports on Form 10-K, review of financial statements included in our quarterly reports on Form 10-Q as well as services normally provided in connection with statutory and regulatory filings or engagements, consents and assistance with and review of our documents filed with the Securities and Exchange Commission.

(1) Includes fees for the year ended June 30, 2012 for filing of Registration Statements, including a comfort letter, Form S-8 for registering the Company's stock option plan and attending the annual stockholders' meeting.
(2) Includes fees for the year ended June 30, 2011 for filing of Registration Statements and attending the annual stockholders' meeting.

(3) Includes additional fees for the year ended June 30, 2012, for tax compliance and research.

Pre-Approval Policies and Procedures

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally detailed as to the particular service or category of services and is generally subject to a specific budget. The independent registered public accounting firm and management are required to periodically report to the audit committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis. The Audit Committee has determined that the rendering of the services other than audit services by CohnReznick LLP is compatible with maintaining the principal accountant's independence.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Exhibits and Index

(1) A list of the financial statements filed as part of this report is set forth in the index to financial statements at page F-1 and is incorporated herein by reference.

(2) An index of exhibits incorporated by reference or filed with this Report is provided below:

Number	Description
3.1	Certificate of Incorporation of the Company (1)
3.2	Certificate of Amendment of the Certificate of Incorporation of the Company (2)
3.3	Bylaws of the Company (3)
4.1	Form of Common Stock Certificate (1)
4.2	Form of Investor Warrant (2008) (4)
4.3	Form of Investor Warrant (2010) (5)
10.1	Technology Transfer Agreement, dated as of January 1, 2004, between the Company and Fraunhofer USA Center for Molecular Biotechnology, Inc. (6)
10.2	Non-Standard Navy Cooperative Research and Development Agreement, dated August 17, 2004, between the Company and Fraunhofer USA Center for Molecular Biotechnology, Inc. (6)
10.3	Supply License Agreement, dated as of March 22, 2006, between the Company and Mannatech, Inc. (6)
10.4	Form of Registration Rights Agreement (2008) (4)
10.5	Form of Registration Rights Agreement (2010) (5)
23.1	Consent of Independent Registered Public Accounting Firm (7)
31.1	Certification of Periodic Report by Chief Executive Officer Pursuant to Rule 13a-14 and 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (7)
31.2	Certification of Periodic Report by Chief Financial Officer Pursuant to Rule 13a-14 and 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (7)
32.1	Certification of Periodic Report by Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (7)
32.2	Certification of Periodic Report by Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (7)

(1) Incorporated herein by reference to the Company's Form 10-12G filed with the SEC on July 11, 2008.
(2) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on December 15, 2010.
(3) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on August 14, 2009.
(4) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on August 21, 2008.
(5) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 15, 2010.
(6) Incorporated herein by reference to the Company's Form 10-12G filed with the SEC on June 18, 2008.
(7) Filed herewith.

Item 8: Financial Statements

IBIO, INC.
INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
iBio, Inc.

We have audited the accompanying balance sheets of iBio, Inc. as of June 30, 2012 and 2011, and the related statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of iBio, Inc. as of June 30, 2012 and 2011, and its results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note B to the financial statements, the Company has incurred net losses and negative cash flows from operating activities for the years ended June 30, 2012 and 2011 and has an accumulated deficit as of June 30, 2012. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding these matters are also described in Note B. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ CohnReznick LLP

Eatontown, New Jersey
October 12, 2012

iBio, Inc.
Balance Sheets

	As of June 30,	
	2012	2011
Assets		
Current assets:		
Cash	$ 5,624,403	$ 2,843,300
Accounts receivable	351,409	344,085
Prepaid expenses (related party of $666,666 and $759,833, respectively)	684,435	774,146
Other accounts receivable and current assets (related party of $177,379 and $222,769, respectively)	239,898	338,647
Total current assets	6,900,145	4,300,178
Fixed assets, net	2,497	8,412
Intangible assets, net	2,861,940	3,027,239
Total assets	$ 9,764,582	$ 7,335,829
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable (related party of $2,524,309 and $2,359,794, respectively)	$ 2,845,518	$ 2,895,359
Accrued expenses (related party of $99,617 and $0, respectively)	230,300	56,059
Derivative financial liability	519,725	4,187,769
Total liabilities	3,595,543	7,139,187
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, no par value, 1,000,000 shares authorized, no shares outstanding	—	—
Common stock, $0.001 par value, 100,000,000 shares authorized, 47,767,095 and 32,382,095 issued and outstanding as of June 30, 2012 and 2011, respectively	47,767	32,382
Additional paid-in capital	37,459,053	25,826,203
Accumulated deficit	(31,337,781)	(25,661,943)
Total stockholders' equity	6,169,039	196,642
Total liabilities and stockholders' equity	$ 9,764,582	$ 7,335,829

The accompanying notes are an integral part of these audited financial statements.

iBio, Inc.
Statements of Operations

	Year Ended June 30,	
	2012	2011
Revenues	$ 1,277,345	$ 520,080
Operating expenses:		
Research and development (related party of $4,215,596 and $2,445,247, respectively)	4,981,040	3,083,517
General and administrative (related party of $200,000 and $200,000, respectively)	5,623,397	7,090,568
Total	10,604,437	10,174,085
Operating loss	(9,327,092)	(9,654,005)
Other income (expense):		
Interest income	11,673	12,620
Interest expense (related party of $62,374 and $50,280, respectively)	(62,848)	(50,501)
Royalty income	34,385	23,120
Change in the fair value of derivative financial liability	3,668,044	(2,473,685)
Total	3,651,254	(2,488,446)
Net loss	$ (5,675,838)	$ (12,142,451)
Net loss per common share - basic and diluted	$ (0.14)	$ (0.39)
Weighted average common shares outstanding - basic and diluted	39,505,561	30,968,798

The accompanying notes are an integral part of these audited financial statements.

iBio, Inc.
Statements of Stockholders' Equity

	Common Stock				
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance, June 30, 2010	28,272,655	$ 28,273	$ 14,567,349	$ (13,519,492)	$ 1,076,130
Issuance of common stock and warrants between October 2010 and November 2010, at $2.00 per unit, net of expenses	4,000,000	4,000	7,231,644	—	7,235,644
Common stock issued in accordance with anti-dilution provisions pursuant to the August 2008 equity offering	19,599	20	(20)	—	—
Issuance of common stock in connection with exercise of warrants for cash and the cashless provision of the warrant agreement	89,841	89	129,911	—	130,000
Stock-based compensation expense	—	—	3,897,319		3,897,319
Net loss	—	—		(12,142,451)	(12,142,451)
Balance, June 30, 2011	32,382,095	32,382	25,826,203	(25,661,943)	196,642
Issuance of common stock and warrants in January 2012, at $0.65 per unit, net of expenses	15,385,000	15,385	9,020,464	—	9,035,849
Stock-based compensation expense	—	—	2,612,386	—	2,612,386
Net loss	—	—	—	(5,675,838)	(5,675,838)
Balance, June 30, 2012	47,767,095	$ 47,767	$ 37,459,053	$ (31,337,781)	$ 6,169,039

The accompanying notes are an integral part of these audited financial statements.

iBio, Inc.
Statements of Cash Flows

	Year Ended June 30,	
	2012	2011
Cash flows used in operating activities:		
Net loss	$ (5,675,838)	$(12,142,451)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in the fair value of derivative financial liability	(3,668,044)	2,473,685
Stock-based compensation expense	2,612,386	3,897,319
Stock-based compensation included in accrued expenses	70,752	—
Depreciation and amortization	329,712	376,810
Impairment of intangible assets	86,602	586,330
Vendor concession - related party	100,000	—
Changes in operating assets and liabilities:		
Increase in accounts receivable	(7,324)	(344,085)
Decrease (increase) in prepaid expenses, other receivables and other current assets	88,460	(997,183)
(Decrease) increase in accounts payable	(49,841)	888,193
Increase (decrease) in accrued expenses	103,489	(76,806)
Net cash used in operating activities	(6,009,646)	(5,338,188)
Cash flows used in investing activities:		
Additions to intangible assets	(244,213)	(92,864)
Purchase of fixed asset	(887)	(1,224)
Net cash used in investing activities	(245,100)	(94,088)
Cash flows from financing activities:		
Proceeds from sale of common stock and warrants, net of expenses	9,035,849	7,235,644
Proceeds from the exercise of warrants	—	130,000
Net cash provided by financing activities	9,035,849	7,365,644
Net increase in cash	2,781,103	1,933,368
Cash - beginning of year	2,843,300	909,932
Cash - end of year	$ 5,624,403	$ 2,843,300
Supplemental disclosures of non-cash operating and financing activities:		
Issuance of 19,599 shares of common stock in accordance with anti-dilution features pursuant to the provisions from the August 2008 equity offering	$ —	$ 20
Issuance of 19,841 shares of common stock from the cashless exercise provision in exchange for 25,000 warrants	$ —	$ 20

The accompanying notes are an integral part of these audited financial statements.

NOTE A - BUSINESS

iBio, Inc. ("iBio" and the "Company") is a biotechnology company focused on commercializing its proprietary technologies, the iBioLaunch™ platform for vaccines and therapeutic proteins. Its also includes the iBioModulator™ platform for vaccine enhancement. Our strategy is to promote our technology, through commercial product collaborations and license arrangements. We expect to share in the increased value of our technology through upfront license fees, milestone revenues, service revenues, and royalties on end products. We believe our technology offers the opportunity to develop products that might not otherwise be commercially feasible, and to work with both corporate and government clients to reduce their costs during product development and meet their needs for low cost, high quality biologics manufacturing systems and vaccines with improved properties. Our near-term focus is to establish business arrangements for use of our technology by licensees for the development and production of products for both therapeutic and vaccine uses. The Company operates in one business segment.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Liquidity and Basis of Presentation

The Company has incurred significant losses and negative cash flows from operations since its spinoff from its Former Parent, Integrated Bio Pharma, Inc. in August 2008. As of June 30, 2012, the Company's accumulated deficit was approximately $31,338,000 and had cash used in operating activities for the years ended June 30, 2012 and 2011 of approximately $6,010,000 and $5,338,000, respectively. The Company has historically financed its activities through the sale of common stock and warrants. Through June 30, 2012, the Company has dedicated most of its financial resources to investing in its iBioLaunch™ platform, advancing its intellectual property and general and administrative activities. Cash on hand as of June 30, 2012 was approximately $5,624,000 and is expected to support the Company's activities through the end of the second calendar quarter of 2013.

These matters raise substantial doubt about the Company's ability to continue as a going concern. These financial statements were prepared under the assumption that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of that uncertainty.

The Company plans to fund its development and commercialization activities through the end of the second quarter of calender 2013 and beyond through milestone receipts from licensing arrangements including royalties and/or the sale of equity securities. The Company cannot be certain that such funding will be available on acceptable terms or available at all. To the extent that the Company raises additional funds by issuing equity securities, its stockholders may experience significant dilution. If the Company is unable to raise funds when required or on acceptable terms, it may have to: a) significantly delay, scale back, or discontinue the development and/or commercialization of one or more product candidates; b) seek collaborators for product candidates at an earlier stage than would otherwise be desirable and/or on terms that are less favorable than might otherwise be available; or c) relinquish or otherwise dispose of rights to technologies, product candidates, or products that it would otherwise seek to develop or commercialize itself and possibly cease operations.

In addition to the normal risks associated with a new business venture, there can be no assurance that the Company's research and development will be successfully completed or that any product will be approved or commercially viable. The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, dependence on collaborative arrangements, development by the Company or its competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, and compliance with Food and Drug Administration ("FDA") and other governmental regulations and approval requirements.

Revenue Recognition

The Company recognizes revenue when all four of the following criteria are met: (i) persuasive evidence that an arrangement exists; (ii) delivery of the products and/or services has occurred; (iii) the fees earned can be readily determined; and (iv) collectability of the fees is reasonably assured.

Commencing in February 2011, the Company recognized service revenue when earned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. The significant estimates are valuation and recovery of intangible assets, stock-based compensation expenses, valuation of derivative instruments and income taxes and valuation of income taxes.

Concentration of Credit Risk

The Company invests its excess cash to ensure both liquidity and safety of principal. Excess cash is invested in a strong financial grade institution to reduce the Company's credit risk. At times, the Company's cash balances may exceed federally insured limits.

The Company has an exposure to credit risk in its trade accounts receivable from sales of its services. The entire accounts receivable and service revenues are derived from one customer that is located in Brazil. The Company invoices the customer in U.S. dollars.

The Company relies on the Center for Molecular Biotechnology of Fraunhofer USA, Inc. ("FhCMB") to perform the majority of its research and development.

Research and Development

Research and development costs primarily consist of salaries, benefits, research contracts for the advancement of product development, stock-based compensation, and consultants. The Company expenses all research and development costs in the periods in which they are incurred.

Stock-Based Compensation

The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost is recognized over the period during which an employee is required to provide service in exchange for the award —the requisite service period. The grant-date fair value of employee share options is estimated using the Black-Scholes option pricing model adjusted for the unique characteristics of those instruments.

Compensation expense for options and warrants granted to non-employees is determined by the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measured. Compensation expense for options granted to non-employees is measured each period as the underlying options or warrants vests.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rate is recognized in income or expense in the period that the change is effective. Tax benefits are recognized when it is probable that the deduction will be sustained. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will either expire before the Company is able to realize the benefit, or that future deductibility is uncertain. As of June 30, 2012 and 2011, the Company had recognized a valuation allowance to the full extent of our net deferred tax assets since the likelihood of realization of the benefit does not meet the more likely than not threshold.

The Company files a U.S. Federal income tax return as well as returns for various states. The Company's income taxes have not been examined by any tax jurisdiction since its spin off in August 2008. Uncertain tax positions taken on our tax returns will be accounted for as liabilities for unrecognized tax benefits. The Company will recognize interest and penalties, if any, related to unrecognized tax benefits in general and administrative expenses in the Statements of Operations. There were no liabilities recorded for uncertain tax positions at June 30, 2012 or 2011. The open tax years, subject to potential examination by the applicable taxing authority, for the Company are 2008-2011.

Loss Per Share

Basic loss per share is computed by dividing the net loss allocated to common shares by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the additional potential dilution that could occur if options or warrants were exercised or converted into common stock, using the treasury stock method. Since the Company incurred a net loss in each of those periods, diluted loss per share for the years ended June 30, 2012 and 2011, were the same as basic loss per share. There were 26,450,796 and 12,298,607 options and warrants for the years ended June 30, 2012 and 2011, respectively, that were excluded from the calculation of dilutive earnings per share since they were anti-dilutive.

The following table summarizes the number of common shares excluded from the calculations of weighted average common shares outstanding for the years ended June 30, 2012 and 2011:

	Years Ended June 30,	
	2012	2011
Stock options	5,510,000	4,350,000
Warrants	20,940,796	7,948,607
Total	26,450,796	12,298,607

Fair Value of Financial Instruments

The Company's financial instruments primarily include cash, accounts receivable, other receivables, other current assets and accounts payable. Due to the short-term nature of cash, accounts receivable, other receivables, current assets and accounts payable, the carrying amounts of these assets and liabilities approximate their fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company categorizes its derivative financial instrument liability in Level 2 of the hierarchy. The derivative financial liability relating to a warrant with an anti-dilution feature is valued using the Black-Scholes option pricing model. The fair value of the derivative financial liability is based principally on Level 2 inputs. For this liability, the Company developed its own assumptions based on observable inputs or available market data to support the fair value.

The following table sets forth the Company's assets and liabilities measured at fair value on a recurring and nonrecurring basis, by input level, in the balance sheets at June 30, 2012 and 2011:

	Fair value measurement at reporting date using			
	Quoted prices In Active Market for Identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
At June 30, 2012:				
Liabilities:				
Recurring				
Derivative financial liability - related to a warrant with anti-dilution provisions	$ —	$ 519,725	$ —	$ 519,725
At June 30, 2011:				
Liabilities:				
Recurring				
Derivative financial liability - related to a warrant with anti-dilution provisions	$ —	$ 4,187,769	$ —	$ 4,187,769

The valuations were determined using Level 2 observable inputs, as described in Note G (derivative financial liabilites).

The reconciliation of the derivative financial liability measured at fair value on a recurring basis using observable inputs (Level 2) is as follows:

	2012	2011
Balance, July 1	$ 4,187,769	$ 1,714,084
Change in fair value of derivative financial liability	(3,668,044)	2,473,685
Balance, June 30	$ 519,725	$ 4,187,769

Derivatives and Hedging-Contracts in Entity's Own Equity

In accordance with the provisions of Accounting Standards Codification ("ASC") 815 "Derivatives and Hedging" the embedded August 2008 warrants are not considered to be indexed to our stock. As a result of the anti-dilution provision per the warrant agreement from the August 2008 equity offering the August 2008 warrants were required to be accounted for as a derivative financial liability and have been recognized as a liability on the balance sheets. The fair value of the derivative financial liability is determined using the Black-Scholes option pricing model and is affected by changes in inputs to that model including the Company's stock price, expected stock price volatility, the contractual term, and the risk-free interest rate. The derivative financial liability is subject to remeasurement at each balance sheet date and any changes in fair value is recognized as a component in other income (expenses).

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful life of the related assets, which is three or five years.

Intangible Assets

The Company accounts for intangible assets at their historical cost and records amortization utilizing the straight-line method based upon their estimated useful lives. Intellectual property is amortized over a period from 18 to 23 years and patents over 10 years. The Company reviews the carrying value of its intangible assets for impairment whenever events or changes in business circumstances indicate the carrying amount of such assets may not be fully recoverable. Evaluating for impairment requires judgment, including the estimation of future cash flows, future growth rates and profitability and the expected life over which cash flows will occur. Changes in the Company's business strategy or adverse changes in market conditions could impact impairment analyses and require the recognition of an impairment charge equal to the excess of the carrying value over its estimated fair value.

Reclassification

Certain items in the 2011 Financial Statements have been reclassified to conform to the 2012 presentation. The primary reclassification relates to the presentation of stock-based compensation expense in the Statements of Cash Flows.

Recently Adopted Accounting Pronouncements

In May of 2011, ASC Topic 820, *Fair Value Measurement* was amended to develop common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. generally accepted accounting principles.

NOTE C – PREPAID EXPENSES

Prepaid expenses consist of the following:

	As of June 30,	
	2012	2011
Technology Transfer Agreement ("TTA") - related party	$ 666,666	$ 759,833
Other	17,769	14,313
Total	$ 684,435	$ 774,146

NOTE D – OTHER RECEIVABLES AND OTHER CURRENT ASSETS

Other receivables and current assets consist of the following:

	As of June 30,

	2012	2011
Reimbursable costs - related party	$ 177,379	$ 222,769
Other	62,519	115,878
Total	$ 239,898	$ 338,647

NOTE E – INTANGIBLE ASSETS

Intangible assets consist of the following:

	As of June 30,	
	2012	2011
Intellectual property	$ 3,100,000	$ 3,100,000
Patents	1,684,388	1,533,366
	4,784,388	4,633,366
Accumulated amortization - intellectual property	(1,309,410)	(1,153,710)
Accumulated amortization - patents	(613,038)	(452,417)
	(1,922,448)	(1,606,127)
Net	$ 2,861,940	$ 3,027,239

Intellectual property consists of Technology for producing targeted proteins in plants for the development and manufacture of novel vaccines and therapeutics for humans and certain veterinary applications (the "Technology"). The Company originally acquired this Technology from FhCMB through a TTA in December 2003, as amended, for $3,600,000.

Terms of the TTA require FhCMB to provide the Company with research and development services related to the commercialization of the Technology and allow FhCMB to apply the Technology to the development and production of certain vaccines for use in developing countries as defined in the agreement. The most recent amendment to the TTA requires: a) the Company to make payments to FhCMB of $2,000,000 per year for five years, aggregating $10,000,000, for such services beginning in November 2009; and b) FhCMB to expend at least equal amounts during the same timeframe for research and development services related to the commercialization of the Technology. Additionally, under the terms of the TTA and for a period of fifteen years: a) the Company shall pay FhCMB a defined percent (per the agreement) of all receipts derived by the Company from sales of products produced utilizing the Technology and a defined percentage (per the agreement) of all receipts derived by the Company from licensing the Technology to third parties with an overall minimum annual payment of $200,000 beginning with the twelve months ended December 2010; and b) FhCMB shall pay the Company a defined percentage (per the agreement) of all receipts from sales, licensing, or commercialization of the Technology in developing countries as described above.

Patents consist of payments for services and fees related to the further development and protection of the Company's patent portfolio.

During the fourth quarter of June 30, 2011, the Company re-evaluated its business strategy and reviewed its product portfolio. After such review, the Company's near-term potential for upfront milestone receipts and/or licensing deals led to further evaluation of its intellectual property including its patents. The Company recorded an impairment charge of approximately $87,000 and $586,000 for the years ended June 30, 2012 and 2011, respectively, which was charged to general and administrative expense in the accompanying Statements of Operations.

Amortization expense for intangible assets is recorded utilizing the straight-line method over periods ranging from 10 to 23 years, is included in general and administrative expenses, and was approximately $323,000 and $373,000 for the years ended June 30, 2012 and 2011, respectively. The weighted average remaining life for intellectual property and patents at June 30, 2012 was approximately 12 and 6 years, respectively.

The estimated annual amortization expense for intangible assets for the next five years and thereafter is as follows:

Year ending June 30,	
2013	$ 324,000
2014	324,000
2015	324,000
2016	309,000
2017	295,000
Thereafter	1,286,000
Total	$ 2,862,000

NOTE F – ACCRUED EXPENSES

Accrued expenses consists of the following:

	As of June 30,	
	2012	2011

Project with related party	$ 99,617	$ —
Warrant liability	70,752	—
Other	59,931	56,059
Total	$ 230,300	$ 56,059

NOTE G – DERIVATIVE FINANCIAL LIABILITY

The Company was required to account for the August 2008 Warrants ("August 2008 Warrants") as derivative liabilities in accordance with ASC 815-40. The Company is required to mark to market in each reporting quarter the value of the embedded derivative and the August 2008 Warrants. The Company revalues these derivative liabilities at the end of each reporting period. The periodic change in value of the derivative liabilities is recorded as either non-cash derivative gain (if the value of the embedded derivative and the August Warrants decrease) or as non-cash derivative loss (if the value of the embedded derivative and the August 2008 Warrants increase). If the stock price increases, the derivative liability

will generally increase and if the stock price decreases, the derivative financial liability will generally decrease. For the years ended June 30, 2012 and 2011, the Company recorded non-cash income and non-cash expense of approximately $3,668,000 and ($2,474,000), respectively.

The assumptions made in computing the estimated fair value for the derivative financial liability using the Black-Scholes option pricing model were as follows:

	As of June 30,	
	2012	2011
Common stock price	$ 0.76	$ 2.86
Risk free interest rate	0.2%	0.4%
Dividend yield	0%	0%
Volatility	100.0%	96.7%
Remaining contract term (in years)	1.2	2.2

NOTE H – INCOME TAXES

The components of the Company's deferred tax assets are as follows:

	As of June 30,	
	2012	2011
Deferred tax assets:		
Net operating loss	$ 8,532,000	$ 6,217,000
Stock-based compensation	2,682,000	1,622,000
Research and development tax credits	400,000	—
Accounts payable amounts not currently deductible	140,000	632,000
Intangible assets – impairment	172,000	234,000
Vacation accrual	14,000	9,000
Other	—	7,000
Valuation allowance	(11,940,000)	(8,721,000)
Total	$ —	$ —

Federal net operating losses of approximately $5.5 million were used by the Former Parent prior to June 30, 2008 and are not available to the Company. The Former Parent allocated the use of the Federal net operating losses available for use on its consolidated Federal tax return on a pro rata basis based on all of the available net operating losses from all the entities included in its control group.

Federal and state net operating losses of approximately $23.2 and $5.7 million, respectively, are available to the Company as of June 30, 2012 and will expire at various dates through 2032. These carryforwards could be subject to certain limitations in the event there is a change in control, pursuant to Internal Revenue Code Section 382, of the Company and have been fully reserved in the Company's valuation allowance account as there is substantial doubt the Company and the Former Parent would be able use these net operating losses to offset future taxable income before the net operating losses expire and the Company or the Former Parent is able to realize the related benefit. The Company has a research and development credit of approximately $400,000 at June 30, 2012.

The components of the provision for income taxes consist of the following:

	For the Years Ended June 30,	
	2012	2011
Current - Federal and state	$ —	$ —
Deferred - Federal	(2,802,000)	(4,128,000)
Deferred - state	(417,000)	(192,000)
Total	(3,219,000)	(4,320,000)
Change in valuation allowance	3,219,000	4,320,000
Income tax expense	$ —	$ —

A reconciliation of the statutory tax rate to the effective tax rate is as follows:

	Years Ended June 30,	
	2012	2011
Statutory Federal income tax rate	34%	34%
State (net of Federal benefit)	6%	6%
Non-deductible expenses - change in fair value of derivative financial liability	26%	(7%)
Research and development tax credit	7%	—
Non utilization of state operating loss (1)	(12%)	—
Other	(4%)	(3%)
Change in valuation allowance	(57%)	(30%)
Effective income tax rate	0%	0%

(1) During the year ended June 30, 2012, the Company ceased doing business in a state and received a tax clearance. As a result, the cumulative net operating losses are not being recognized in the audited financial statements.

NOTE I – COMMITMENTS AND CONTINGENCIES

Research and Royalty Agreements

See Note K – related party transactions for agreements with FhCMB.

Remaining minimum commitments to FhCMB as of June 30, 2012 are as follows:

For the year ended June 30,:

2013	$ 2,630,000
2014	2,200,000
2015	200,000
2016	200,000
2017	200,000
Thereafter	1,600,000
Total	$ 7,030,000

NOTE J – STOCKHOLDERS' EQUITY

October and November 2010

Between October 2010 and November 2010, the Company raised $8,000,000 through the sale of 4,000,000 shares of common stock at $2.00 per unit. Additionally, each investor was issued a five-year warrant to purchase 4,000,000 shares of common stock at $2.20 per share. The Placement Agent was paid $530,000 and was issued five-year cashless exercise warrants to purchase 249,324 shares of the Company's common stock at exercise prices ranging from $2.16 to $2.30 per share. The Company received net proceeds of $7,235,644 from this transaction.

Based upon the down round provisions from the August 2008 equity offering, the following resulted (see Note B – Fair Value of Financial Instruments relating to derivative financial liability):

1) Issued 19,599 shares of common stock to all the investors in the August 2008 offerings; and

2) Adjusted the warrant agreements with all the investors in all the August 2008 offering to provide for the purchase of an additional 133,472 shares of common stock and adjusted the exercise prices as follows:

    a) Warrants for the purchase of 1,350,073 shares of common stock at $2.78 per common share were revised to the purchase of 1,400,449 at $2.68 per common share; and

    b) Warrants for the purchase of 1,365,151 shares of common stock at $3.66 per common share were revised to the purchase of 1,448,247 shares of common stock at $3.45 per common share.

January 2012 Units

On January 13, 2012, the Company raised net proceeds of approximately $9,036,000 after offering expenses of approximately $964,000 by issuing 15,385,000 shares of common stock at $0.65 per share and warrants to purchase 11,538,750 shares of common stock. The Company paid to the underwriter a fee of approximately $700,000. The common stock and warrants were sold together as units (the "Units"), each Unit consisting of one share of common stock and 0.75 of one warrant to purchase one share of common stock. Each warrant has an exercise price of $0.88 per share and will be exercisable after the first anniversary of issuance and will expire on the second anniversary date of issuance. The warrants will be registered using the effective shelf registration statement when the warrants are available for exercise. In the event the Company issues rights, options or warrants to holders of its common stock, the exercise price of the warrants may be adjusted for the anti-dilutive effects of such an issuance. The Company used its effective registration statement on Form S-3 for this offering.

This equity offering triggered the anti-dilution provisions applicable to all August 2008 equity offering and the following resulted (see Note B – Fair Value of Financial Instruments relating to derivative financial liability):

1) Modification of the warrants issued to all the investors in the August 2008 offering to provide for the purchase of an additional 1,353,439 shares of common stock and adjustment of the exercise prices as follows:

    a) Warrants for the purchase of 1,400,449 shares of common stock at $2.68 per common share were revised to the purchase of 2,065,814 at $1.82 per share; and
    b) Warrants for the purchase of 1,448,247 shares of common stock at $3.45 per common share were revised to the purchase of 2,136,321 shares of common stock at $2.34 per share.

Stock-Based Compensation - Stock Options and Warrants

The Company accounts for options granted to employees by measuring the cost of services received in exchange for the award of equity instruments based upon the fair value of the award on the date of grant. The fair value of that award is then ratably recognized as expense over the period during which the recipient is required to provide services in exchange for that award. Options and warrants granted to consultants and other non-employees are recorded at fair value as of the grant date and subsequently adjusted to fair value at the end of each reporting period until such options and warrants vest, and the fair value of such instruments, as adjusted, is expensed over the related vesting period. Adjustments to fair value at each reporting date may result in income or expense, depending upon the estimate of fair value and the amount of expense recorded prior to the adjustment. The Company reviews its agreements and the future performance obligation with respect to the unvested options or warrants for its vendors or consultants. When appropriate, the Company will expense the unvested options or warrants at the time when management deems the service obligation for future services has ceased.

On August 12, 2008, the Company adopted the iBioPharma (former Parent's) 2008 Omnibus Equity Incentive Plan (the "Plan") for employees, officers, directors, or external service providers. Under the provisions of the Plan, the Company may grant options to purchase stock and/or make awards of restricted stock up to an aggregate amount of 10,000,000 shares. There are 4,490,000 options available for future issuance under the Plan. Options granted under the Plan may be either incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or non-statutory stock options at the discretion of the Board of Directors and as reflected in the terms of the written option agreement. Options granted under the Plan vest ratably at the end of each twelve month period and a three or five year period from the date of grant.

Stock-based compensation expense for options and warrants was recorded as follows:

	For The Years Ended June 30,	
	2012	2011
Research and development	$ 191,424	$ 255,789
General and administrative	2,491,714	3,641,530
Totals	$ 2,683,138	$ 3,897,319

The Company utilizes the Black-Scholes option pricing model to estimate the fair value of such instruments. The risk-free interest rate assumptions were based upon the observed interest rates appropriate for the expected term of the equity instruments. The expected dividend yield was assumed to be zero as the Company has not paid any dividends since its inception and does not anticipate paying dividends in the foreseeable future. The expected volatility was based upon historical volatility of the Company's common stock. The Company routinely reviews its calculation of volatility based upon historical prices, expected changes in future volatility, the Company's life cycle, its peer group, and other factors.

In November and December 2011, the Board of Directors modified the cancellation provision of previously issued options, permitting an option holder, upon termination without cause, to exercise the vested portion of an option post-termination for up to ten years after the grant date. Current period option awards granted also include this provision. Effective September 30, 2011, the Company ceased using the simplified method for share-based compensation expense and now estimates the expected term for each award to approximate its contractual term. Subsequent to September 30, 2011, the Company estimates the fair value of option awards, using the expected term for share-based compensation in its option-pricing model. The Company uses its historical stock price volatility consistent with the expected term of grant as the basis for its expected volatility assumption. The Company estimated the effect of the modification to be approximately $633,000. Such value was based upon the fair market value of the options prior to the modification and the fair market value after the modification. Accordingly, for the year ended June 30, 2012 the Company recorded a modification charge to research and development and to general and administrative expenses of approximately $17,000 and $552,000 respectively. The balance of $64,000 will be recorded over the remaining vesting period.

In May 2012, the Board of Directors modified an option agreement to change the terms to reinstate forfeited options for non-employee options. The Company estimated the effect of the modification to be approximately $35,000. Such value was based upon the fair market value of the options prior to the modification and the fair market value after the modification and will be expensed over the vesting terms. The amount that was recorded in research and development expense at June 30, 2012 was approximately $7,000 and the Company is required to mark to market in each reporting period the value of the option and record an increase or decrease in the expense at the end of each reporting date.

During the years ended June 30, 2012 and 2011, the Company granted options to members of the Board of Directors and Officers to purchase 960,000 and 1,910,000 shares of common stock, respectively. These options vest ratably on their anniversary each year from three to five years, expire in ten years from the date of grant, and have a weighted average exercise price of $1.90 and $2.54 per share, respectively. See Note K for related party transactions. During the years ended June 30, 2012 and 2011, the Company granted options to employees to purchase 200,000 and 230,000 shares of common stock, respectively. These options vest ratably on their anniversary each year for three years, expire in ten years from the date of grant, and have a weighted average exercise price of $1.37 and $2.51 per share, respectively.

On March 1, 2012, the Company's CSO ceased his employment as CSO and instead became a consultant to the Company as its Chief Scientific Advisor. As of February 29, 2012, the former CSO had a prior outstanding option grant to purchase 500,000 shares of common stock of which 200,000 were vested. As compensation for his prospective role as Chief Scientific Advisor, the 300,000 unvested options that the former CSO had were allowed to continue to vest in accordance with the original terms of his option award agreement. The fair market value of this non-employee option award at the date of grant for the unvested options was $234,000, and will continue to be amortized over the vesting terms. The initial option was granted on February 25, 2010 with an exercise price of $0.87 per share, and expires in ten years subject to other vesting conditions. The remaining options will vest ratably on January 1, 2013 and on each of the two subsequent anniversary dates.

A summary of the changes in options outstanding during the years ended June 30, 2012 and 2011 is as follows:

	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at June 30, 2010	2,210,000	$ 0.58	9.1	$ 1,770,000
Granted	2,140,000	$ 2.44		
Outstanding and expected to vest at June 30, 2011	4,350,000	$ 1.49	8.7	6,112,000
Granted	1,160,000	$ 1.80		
Outstanding and expected to vest at June 30, 2012	5,510,000	$ 1.56	8.1	493,800
Options exercisable at June 30, 2012	2,594,665	$ 1.37	7.6	361,800

The weighted average fair value of options granted during the years ended June 30, 2012 and 2011 were $1.56 and $1.98, respectively, on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	For the Years Ended June 30,	
	2012	2011
Risk free interest rate	0.2% to 2.2%	1.2% to 2.1%
Dividend yield	0%	0%
Volatility	94.8% to 101.0%	96.8% to 133.0%
Expected term (in years)	9 to 10	5.5 to 10

A summary of the changes in warrants outstanding during the years ended June 30, 2012 and 2011 is as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
Outstanding at June 30, 2010	3,085,811	$ 2.91
Granted	5,257,796	$ 1.99(1)
Exercised	(95,000)	$ 1.54
Cancelled	(300,000)	$ 1.38
Outstanding at June 30, 2011	7,948,607	$ 2.37
Granted	12,992,189	$ 0.80(2)
Outstanding at June 30, 2012	20,940,796	$ 1.39
Exercisable at June 30, 2012	20,920,796	$ 1.39

The following assumptions were used to estimate fair value or share-based compensation awards:

(1) Includes the issuance of 133,472 warrants that had a lower exercise price as a result of anti-dilution provisions from the August 2008 equity offering.

(2) Includes the issuance of 1,353,472 warrants that had a lower exercise price as a result of anti-dilution provisions from the August 2008 equity offering.

The fair value of each warrant was estimated using the Black-Scholes option pricing model using the following assumptions:

	Years Ended June 30,	
	2012	2011
Risk-free interest rate	0.3% to 0.4%	0.3% to 2.0%
Dividend yield	0%	0%
Expected volatility	94.8% to 97.3%	96.8% to 133%
Expected term (in years)	2 to 4	2 to 5

The weighted average fair value of warrants granted during the years ended June 30, 2012 and 2011 were $0.71 and $1.29, respectively, on the date of grant.

In October 2011, the Company issued 100,000 warrants to purchase common stock at $2.00 per share to a consultant for investor relations services. The warrant has a term for two years and the fair market value at the date of grant was $0.71 per share using the Black-Scholes option pricing model.

In October 2010, the Company issued a warrant to a marketing development firm to purchase 300,000 shares of common stock at $1.38 per share that expire in five years that were fully vested. This warrant was cancelled and the Company reissued warrants with the same terms to purchase 75,000 shares of common stock at $1.38 per share. The reason for the reissuance of the warrants was to terminate the agreement. The Company accounted for the cancellation and reissuance of these warrants as a modification. As a result of this transaction, the difference between the estimated fair market value of the warrants at the date of modification was recorded to expense using the Black-Scholes option-model. For the years ended June 30, 2012 and 2011, the Company recorded an expense of approximately $0 and $204,000, respectively, in general and administrative expenses.

In July 2010, the Company issued a warrant to a financial advisor to purchase 500,000 shares of common stock at $1.10 per share that expire in ten years. The warrants vested monthly and the Company recorded the estimated value at each month and revalues the unvested warrants at each reporting period until such warrants are fully vested. The Company recorded an expense for the years ended June 20, 2012 and 2011 of approximately $18,000 and $874,000, respectively, to general and administrative expenses.

NOTE K - RELATED PARTY TRANSACTIONS

1) During the years ended June 30, 2012 and 2011, the Company maintained a license agreement with its Former Parent. The Company earned royalties of approximately $34,000 and $23,000 during the years ended June 30, 2012 and 2011, respectively. A shareholder of the Company is also an officer of the Former Parent.

2) During the years ended June 30, 2012 and 2011, the Company had four service arrangements with the Center for Molecular Biotechnology of Fraunhofer USA, Inc. (“FhCMB”) for research and development. During part of the year ended June 30, 2012 and the entire year ended June 30, 2011, the Company’s CSO was an Executive Officer of FhCMB. Since March 1, 2012, this former CSO has a consulting agreement to be the Company’s Scientific Advisor.

   A) In 2003, the Company entered into a TTA which requires FhCMB to provide the Company with research and development services related to the commercialization of the Technology and allows FhCMB to apply the Technology to the development and production of certain vaccines for use in developing countries as defined in the agreement. The most recent amendment to the TTA requires: 1) the Company to make payments to FhCMB of $2,000,000 per year for five years, aggregating $10,000,000, for such services beginning in November 2009; and 2) FhCMB to expend at least equal amounts during the same timeframe for research and development services related to the commercialization of the Technology. Additionally, under the terms of the TTA and for a period of 15 years: 1) the Company shall pay FhCMB a defined percent (per the agreement) of all receipts derived by the Company from sales of products produced utilizing the Technology and a defined percentage (per the agreement) of all receipts derived by the Company from licensing the Technology to third parties with an overall minimum annual payment of $200,000 beginning with the twelve months ended December 2010; and 2) FhCMB shall pay the Company a defined percentage (per the agreement) of all receipts from sales, licensing, or commercialization of the Technology in developing countries as defined in the agreement. All new intellectual property invented by FhCMB during the period of the TTA is owned by and is required to be transferred to iBio. The expense for the year ended June 30, 2012 and 2011 was approximately $2,200,000 and $1,533,000, respectively. During the year ended June 30, 2010, the Company expensed the second $1,000,000 obligation under this agreement to pay for a cGMP plant at FhCMB. Because of the timing of the obligation, there was no prepaid balance to expense during the year ended June 30, 2011. The Company has consistently applied the accounting treatment as the expense is recorded and as services are rendered. The Company is charged interest by FhCMB on certain outstanding balances at prime plus 2 percent.

   B) In December 2010, the Company and FhCMB entered into a $1,660,000 research services agreement to evaluate gene expression and protein production, focused on a series of product candidates, using the iBioLaunch platform. The expense for the years ended June 30, 2012 and 2011 was approximately $643,000 and $457,000, respectively.

   C) In March 2011, the Company and FhCMB entered into a $432,000 research services agreement for the evaluation of the mechanism of immune-potentiating activity of lichenase (“LicKM”), which is a thermostable bacterial enzyme used as a carrier molecule for vaccine antigens. The value of LicKM is as an immunomodulator. Fraunhofer completed their research during the year ended June 30, 2012 and the Company recorded the entire cost of the agreement as of June 30, 2012. The expense for the years ended June 30, 2012 and 2011 was $296,000 and $135,000 respectively.

   D) In January 2011, the Company has a commercial, royalty-bearing license to Fiocruz/Bio-Manguinhos (“Fiocruz”) of Brazil to

develop, manufacture and sell certain vaccines based upon our proprietary technology. Fiocruz is expected to invest $6,500,000 to bring the first product candidate, a new yellow fever vaccine, through a Phase I clinical trial. iBio engaged FhCMB to perform research and development activity in conjunction with this contract. The expected research and development expense to service this opportunity is approximately $6,500,000. The Company does not expect to

earn a profit until it receives a license fee. The expense for the years ended June 30, 2012 and 2011 was approximately $1,277,000 and $520,000, respectively.

E) Pursuant to an agreement, FhCMB is required to reimburse the Company for patent related costs. Included in current receivables and other current assets as of June 30, 2012 and 2011, there is approximately $177,000 and $223,000, respectively. The Company recorded a $100,000 vendor concession to general and administrative expenses and reduced the asset to its net realizable value during the year ended June 30, 2012.

Below are expenses recorded for transactions associated with FhCMB for the years ended June 30, 2012 and 2011 and amounts included in the balance sheet for accounts as of June 30, 2012 and 2011:

	For the Year Ended June 30, 2012	For the Year Ended June 30, 2011
Research and development expenses	$4,216,000	$2,445,000
Royalty expenses	200,000	200,000
Interest expense	62,000	50,000

	As of June 30, 2012	As of June 30, 2011
Prepaid expenses, other receivable and other current assets	$844,000	$983,000
Accounts payable and accrued expenses	2,591,000	2,360,000

3) On February 1, 2012, the Company entered into a consulting agreement with a member of the Board of Directors, primarily for business development. The agreement is for six months at $15,000 per month and 60,000 options to purchase common stock at $0.93 per share. These options vest in six equal monthly installments of 10,000 and expire in ten years. The consulting expense for the year ended June 30, 2012 was $75,000. The Company pays an annual fee of $10,000 to a member of the Board of Directors per year. The aggregate expense for the years ended June 30, 2012 and 2011 was $85,000 and $1,000, respectively.

4) On March 1, 2012, the Company's CSO ceased his employment as CSO and instead became a consultant to the Company as its Chief Scientific Advisor. As of February 29, 2012, the former CSO had a prior outstanding option grant to purchase 500,000 shares of common stock of which 200,000 were vested. As compensation for his prospective role as Chief Scientific Advisor, the 300,000 unvested options that the former CSO had were allowed to continue to vest in accordance with the original terms of his option award agreement. The fair market value of this non-employee option award at the date of grant for the unvested options was $234,000, and will continue to be amortized over the vesting terms. The initial option was granted on February 25, 2010 with an exercise price of $0.87 per share, and expires in ten years subject to other vesting conditions. The remaining options will vest ratably on January 1, 2013 and on each of the two subsequent anniversary dates.

5) The Company entered into an agreement during the year ended June 30, 2012, with a vendor, whose minority stockholder is the President of the Company. The vendor performs laboratory feasibility analyses of gene expression and protein purification and also preparation of research samples. The expense for the years ended June 30, 2012 and 2011 approximated $225,000 and $0, respectively. Included in accounts payable at June 30, 2012 and 2011, was approximately $64,000 and $0, respectively.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on October 12, 2012.

iBio, Inc.

By: /s/ Robert B. Kay

Robert B. Kay
Chief Executive Officer

In accordance with the Securities Exchange Act, this report has been signed below by the following persons on behalf of iBio, Inc. and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Robert B. Kay Robert B. Kay	Chief Executive Officer and Director (Principal Executive Officer)	October 12, 2012
/s/ Glenn Chang Glenn Chang	Director	October 12, 2012
/s/ Arthur Y. Elliott Arthur Y. Elliott, Ph.D.	Director	October 12, 2012
/s/ James T. Hill General James T. Hill (Ret.)	Director	October 12, 2012
/s/ Douglas Beck Douglas Beck, CPA	Chief Financial Officer (Principal Financial and Accounting Officer)	October 12, 2012
/s/ John D. McKey, Jr. John D. McKey, Jr.	Director	October 12, 2012
/s/ Philip K. Russell Philip K. Russell, M.D.	Director	October 12, 2012
/s/ Jules Müsing Jules Müsing	Director	October 12, 2012

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-171315 and No. 333-175420) of iBio, Inc. of our report dated October 12, 2012, on our audits of the financial statements of iBio, Inc. as of June 30, 2012 and 2011 and for the years then ended, which report includes an explanatory paragraph relating to iBio, Inc.'s ability to continue as a going concern, included in this Annual Report on Form 10-K.

/s/ CohnReznick LLP

Eatontown, New Jersey
October 12, 2012

Exhibit 31.1

Certification of Chief Executive Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert B. Kay certify that:

1. I have reviewed this Annual Report on Form 10-K of iBio, Inc. for the year ended June 30, 2012;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's independent registered public accounting firm and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 12, 2012

By: /s/ Robert B. Kay

Name: Robert B. Kay
Title: Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Douglas Beck, certify that:

1. I have reviewed this Annual Report on Form 10-K of iBio, Inc. for the year ended June 30, 2012;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's independent registered public accounting firm and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 12, 2012

By: /s/ Douglas Beck

Name: Douglas Beck, CPA
Title: Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PERIODIC REPORT

As adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K for the year ended June 30, 2012 of iBio, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert B. Kay, the Chief Executive Officer of iBio, Inc. certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to his knowledge:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification accompanies the Report pursuant to Section 906 of Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: October 12, 2012

By: /s/ Robert B. Kay

Name: Robert B. Kay
Title: Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF PERIODIC REPORT

As adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K for the year ended June 30, 2012 of iBio, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Douglas Beck, the Chief Financial Officer of iBio, Inc. certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to his knowledge:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification accompanies the Report pursuant to Section 906 of Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: October 12, 2012

By: /s/ Douglas Beck

Name: Douglas Beck, CPA
Title: Chief Financial Officer