

iBio, Inc.  
Form 10-Q  
February 14, 2011

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

**FORM 10-Q**

**Part I Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended December 31, 2010

OR

**Part II Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-53125

**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)*

**Not Applicable**

*(Former name, former address and former fiscal year, if changed since last report)*

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.

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Yes ☐

No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting  
company ☐

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

Yes ☐

No ☐

The number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date:

| <i>Class</i>                    | <i>Outstanding at February 11, 2011</i> |
|---------------------------------|---|
| Common Stock, \$0.001 par value | 32,362,254 Shares                       |

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iBio, Inc.  
FORM 10-Q  
For the Six Month Period Ended December 31, 2010

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### Disclosure Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q may constitute forward-looking statements as defined in Section 27A of the Securities Act of 1933 (the Securities Act ), Section 21E of the Securities 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, all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of iBio, Inc. or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. 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 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.

iBio, Inc. (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 its business described in Item 1A of the Company's Annual Report filed on Form 10-K for the year ended June 30, 2010 and in registration statements and 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, which are subject to change and inherent risks and uncertainties.

The forward-looking statements contained in this Quarterly Report on Form 10-Q 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.

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**PART I FINANCIAL INFORMATION****Item 1 FINANCIAL STATEMENTS****iBio, Inc.  
Condensed Balance Sheets**

|  | December 31,<br>2010<br>(Unaudited) | June 30,<br>2010<br>(Note 2) |
|--|-------------------------------------|------------------------------|
| <b>Assets</b>  |                                     |                              |
| Current assets:  |                                     |                              |
| Cash   | \$ 5,768,766                        | \$ 909,932                   |
| Accounts receivable  | 60,274                              | 47,460                       |
| Prepaid expenses and other current assets  | 724,532                             | 68,150                       |
|  | <hr/>                               | <hr/>                        |
| Total current assets   | 6,553,572                           | 1,025,542                    |
| Fixed assets, net  | 9,136                               | 11,050                       |
| Intangible assets, net   | 3,853,560                           | 3,893,653                    |
|  | <hr/>                               | <hr/>                        |
| Total assets   | \$ 10,416,268                       | \$ 4,930,245                 |
| <b>Liabilities and Stockholders' Equity</b>  |                                     |                              |
| Current liabilities:   |                                     |                              |
| Accounts payable   | \$ 1,970,127                        | \$ 2,007,166                 |
| Accrued expenses   | 276,100                             | 132,865                      |
| Derivative instrument liability  | 5,994,703                           | 1,714,084                    |
|  | <hr/>                               | <hr/>                        |
| Total liabilities  | 8,240,930                           | 3,854,115                    |
|  | <hr/>                               | <hr/>                        |
| Commitments and contingencies  |                                     |                              |
| Stockholders' equity (deficit):  |                                     |                              |
| Preferred stock, no par value, 1,000,000 shares authorized, no shares outstanding  |                                     |                              |
| Common stock, \$0.001 par value, 100,000,000 shares authorized, 32,292,254 and 28,272,655 issued and outstanding as of December 31, 2010 and June 30, 2010, respectively | 36,293                              | 28,273                       |
| Additional paid-in capital   | 23,186,929                          | 14,567,349                   |
| Accumulated deficit  | (21,047,884)                        | (13,519,492)                 |
|  | <hr/>                               | <hr/>                        |
| Total stockholders' equity   | 2,175,338                           | 1,076,130                    |

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|  |                             |                             |
|--|-----------------------------|-----------------------------|
|  | <u>                    </u> | <u>                    </u> |
|  | <u>                    </u> | <u>                    </u> |
| Total liabilities and stockholders' equity | \$ 10,416,268               | \$ 4,930,245                |

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

**iBio, Inc.**  
**Condensed Statements of Operations**  
**(Unaudited)**

|  | Three months ended December 31, |              | Six months ended December 31, |                |
|--|---------------------------------|--------------|-------------------------------|----------------|
|  | 2010                            | 2009         | 2010                          | 2009           |
| Sales  | \$                              | \$           | \$                            | \$             |
| Cost of goods sold   |                                 |              |                               |                |
| Gross profit   |                                 |              |                               |                |
| Operating expenses:  |                                 |              |                               |                |
| Research and development                                       | 619,536                         | 254,172      | 777,079                       | 358,384        |
| General and administrative                                     | 1,245,180                       | 502,783      | 2,457,844                     | 970,990        |
| Total operating expenses                                       | 1,864,716                       | 756,955      | 3,234,923                     | 1,329,374      |
| Operating loss   | (1,864,716)                     | (756,955)    | (3,234,923)                   | (1,329,374)    |
| Other income (expense):  |                                 |              |                               |                |
| Interest income  | 3,502                           | 5,919        | 4,197                         | 8,017          |
| Interest expense   | (12,926)                        |              | (26,051)                      |                |
| Royalty income   | 3,506                           | 3,824        | 10,204                        | 12,954         |
| Change in the fair value of derivative instrument liability    | (2,839,227)                     | 441,141      | (4,280,619)                   | (541,430)      |
| Other income (expense)   | (2,845,145)                     | 450,884      | (4,292,269)                   | (520,459)      |
| Loss before income taxes                                       | (4,709,861)                     | (306,071)    | (7,527,192)                   | (1,849,833)    |
| Income tax expense   | 600                             | 600          | 1,200                         | 1,200          |
| Net loss   | \$ (4,710,461)                  | \$ (306,671) | \$ (7,528,392)                | \$ (1,851,033) |
| Net loss per common share - Basic and diluted                  | \$ (0.15)                       | \$ (0.01)    | \$ (0.25)                     | \$ (0.07)      |
| Weighted average common shares outstanding - Basic and diluted | 30,926,018                      | 28,272,655   | 29,599,336                    | 26,349,341     |

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

**iBio, Inc.**  
**Condensed Statement of Stockholders Equity (Deficit)**  
**(Unaudited)**

|  | Preferred Stock |        | Common Stock |           | Additional<br>Paid-In<br>Capital | Accumulated<br>Deficit | Total        |
|--|-----------------|--------|--------------|-----------|----------------------------------|------------------------|--------------|
|  | Shares          | Amount | Shares       | Amount    |                                  |                        |              |
| Balance, June 30, 2010   |                 | \$     | 28,272,655   | \$ 28,273 | \$ 14,567,349                    | \$ (13,519,492)        | \$ 1,076,130 |
| Issuance of common stock<br>and warrants for cash at<br>\$2.00 per unit, net of<br>expenses                |                 |        | 4,000,000    | 8,000     | 7,227,644                        |                        | 7,235,644    |
| Issuance of common stock<br>in accordance with<br>anti-dilution provisions of<br>the August 2008 financing |                 |        |              |           |                                  |                        |              |