

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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2014

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 registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

26-2797813

(I.R.S. Employer Identification No.)

9 Innovation Way, Suite 100 , Newark, DE

(Address of principal executive offices)

19711

(Zip Code)

(302) 355-0650

(Registrant's telephone number, including area code)

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

Yes ☐ No ☒

Shares of Common Stock outstanding as of May 15, 2014: 65,642,095

PART I - FINANCIAL INFORMATION**Item 1. Financial Statements.**

iBio, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In Thousands, except share and per share amounts)

| | March 31, 2014 (Unaudited) | June 30, 2013 (See Note 2) |
|---|----------------------------------|----------------------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 4,333 | \$ 4,414 |
| Accounts receivable – trade | 1,007 | 1,007 |
| Prepaid expenses and other current assets | 192 | 1,214 |
| Total current assets | 5,532 | 6,635 |
| Fixed assets, net of accumulated depreciation | 7 | 6 |
| Intangible assets, net of accumulated amortization | 2,675 | 2,713 |
| Total Assets | <u>\$ 8,214</u> | <u>\$ 9,354</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,118 | \$ 2,401 |
| Accrued expenses | 95 | 1,885 |
| Total liabilities | 1,213 | 4,286 |
| Commitments and Contingencies | | |
| Stockholders' equity: | | |
| Preferred stock - no par value; 1,000,000 shares authorized; no shares issued and outstanding | - | - |
| Common stock - \$0.001 par value; 175,000,000 shares authorized at March 31, 2014 and 100,000,000 shares authorized at June 30, 2013; 65,642,095 shares issued and outstanding at March 31, 2014 and 56,692,095 shares issued and outstanding as of June 30, 2013 | 66 | 57 |
| Additional paid-in capital | 46,995 | 42,547 |
| Accumulated deficit | (40,060) | (37,536) |
| Total Stockholders' Equity | 7,001 | 5,068 |
| Total Liabilities and Stockholders' Equity | <u>\$ 8,214</u> | <u>\$ 9,354</u> |

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

iBio, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited; In Thousands, except per share amounts)

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|---------------------------------|-------------------|--------------------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 |
| Revenues | \$ - | \$ - | \$ - | \$ 390 |
| Operating expenses: | | | | |
| Research and development (related party of \$124, \$82, \$430 and \$301) | 343 | 631 | 1,480 | 2,464 |
| Research and development – effect of Settlement Agreement (Note 6) | - | - | (1,041) | - |
| General and administrative | 951 | 1,229 | 2,950 | 3,291 |
| General and administrative – effect of Settlement Agreement (Note 6) | - | - | (700) | - |
| Total operating expenses | <u>1,294</u> | <u>1,860</u> | <u>2,689</u> | <u>5,755</u> |
| Operating loss | <u>(1,294)</u> | <u>(1,860)</u> | <u>(2,689)</u> | <u>(5,365)</u> |
| Other income (expense): | | | | |
| Interest income | 3 | 1 | 7 | 7 |
| Interest expense | - | (15) | - | (48) |
| Interest expense – effect of Settlement Agreement (Note 6) | - | - | 122 | - |
| Royalty income | 9 | 7 | 34 | 22 |
| Other income | 3 | - | 3 | - |
| Loss on disposal of fixed assets | - | - | (1) | - |
| Change in fair value of warrant derivative liability | - | 109 | - | 503 |
| Total other income | <u>15</u> | <u>102</u> | <u>165</u> | <u>484</u> |
| Net loss | <u>\$ (1,279)</u> | <u>\$ (1,758)</u> | <u>\$ (2,524)</u> | <u>\$ (4,881)</u> |
| Loss per common share – basic and diluted | <u>\$ (0.02)</u> | <u>\$ (0.04)</u> | <u>\$ (0.04)</u> | <u>\$ (0.10)</u> |
| Weighted-average common shares outstanding – basic and diluted | <u>65,642</u> | <u>47,767</u> | <u>62,080</u> | <u>47,767</u> |

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

iBio, Inc. and Subsidiaries
Condensed Consolidated Statement of Stockholders' Equity
Nine Months Ended March 31, 2014
(Unaudited; in Thousands)

| | Common Stock Shares | Common Stock Amount | Additional Paid-In Capital | Accumulated Deficit | Total |
|---|------------------------|------------------------|----------------------------------|------------------------|-----------------|
| Balance as of July 1, 2013 | 56,692 | \$ 57 | \$ 42,547 | \$ (37,536) | \$ 5,068 |
| Common stock issued for warrant exercises | 7,750 | 8 | 3,092 | - | 3,100 |
| Common stock issued for private placement | 1,200 | 1 | 479 | - | 480 |
| Costs to raise capital | - | - | (29) | - | (29) |
| Shared-based compensation | - | - | 835 | - | 835 |
| Expiration of warrants | - | - | 71 | - | 71 |
| Net loss | - | - | - | (2,524) | (2,524) |
| Balance as of March 31, 2014 | <u>65,642</u> | <u>\$ 66</u> | <u>\$ 46,995</u> | <u>\$ (40,060)</u> | <u>\$ 7,001</u> |

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

iBio, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited; In Thousands)

| | Nine Months Ended March 31, | |
|---|--------------------------------|-----------------|
| | 2014 | 2013 |
| Cash flows from operating activities: | | |
| Net loss | \$ (2,524) | \$ (4,881) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Effect of Settlement Agreement | (1,863) | - |
| Share-based compensation | 835 | 1,009 |
| Amortization of intangible assets | 266 | 250 |
| Depreciation | 2 | 2 |
| Loss on disposal of fixed assets | 1 | - |
| Change in fair value of derivative financial liability | - | (503) |
| Changes in operating assets and liabilities | (149) | 183 |
| Net cash used in operating activities | (3,432) | (3,940) |
| Cash flows from investing activities: | | |
| Additions to intangible assets | (196) | (154) |
| Purchases of fixed assets | (4) | (4) |
| Net cash used in investing activities | (200) | (158) |
| Cash flows from financing activities: | | |
| Proceeds from sale of common stock | 480 | - |
| Proceeds from exercise of warrants | 3,100 | - |
| Costs to raise capital | (29) | - |
| Net cash provided by financing activities | 3,551 | - |
| Net decrease in cash | (81) | (4,098) |
| Cash - beginning of period | 4,414 | 5,624 |
| Cash - end of period | <u>\$ 4,333</u> | <u>\$ 1,526</u> |
| Schedule of non-cash activities | | |
| Unpaid intangible assets included in accounts payable | \$ 12 | \$ - |
| Unpaid intangible assets included in accrued expenses | \$ 20 | \$ - |
| Expiration of warrants | \$ 71 | \$ - |

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

iBio, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Nature of Business

iBio, Inc. and Subsidiaries (“iBio” or the “Company”) is a biotechnology company focused on the commercialization of its proprietary plant-based protein expression technologies - the iBioLaunch™ platform for vaccines and therapeutic proteins and the iBioModulator™ platform for vaccine enhancement – and on developing and commercializing select biopharmaceutical product candidates. The advantages of iBio’s technology include the ability to manufacture therapeutic proteins that are difficult or commercially infeasible to produce with conventional methods, and reduced production time, capital and operating costs for biopharmaceuticals. iBio was established as a public company in August 2008 as the result of a spinoff from Integrated BioPharma, Inc. The Company operates in one business segment under the direction of its Executive Chairman. The Company has two wholly - owned subsidiaries, iBioDefense Biologics LLC (“iBioDefense”), a Delaware limited liability company formed in July 2013 to explore development and commercialization of defense-specific applications of the Company’s proprietary technology, and another subsidiary organized in Brazil, iBIO DO BRASIL BIOFARMACÊUTICA LTDA. (“iBio Brazil”), to manage and expand the Company’s business activities in Brazil. The activities of iBio Brazil are intended to include coordination and expansion of the Company’s existing relationship with FioCruz (part of the Ministry of Health of Brazil) beyond the current Yellow Fever Vaccine program and development of biosimilar products with private sector participants for the Brazilian market. Neither subsidiary has had any activity through March 31, 2014.

2. Basis of Presentation

Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared from the books and records of the Company and include all normal and recurring adjustments which, in the opinion of management, are necessary for a fair presentation in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information and Rule 8-03 of Regulation S-X. Accordingly, these interim financial statements do not include all of the information and footnotes required for complete annual financial statements. Interim results are not necessarily indicative of the results that may be expected for the full year. Interim unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the year ended June 30, 2013, from which the accompanying condensed balance sheet dated June 30, 2013 was derived.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated as part of the consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates include the valuation of intellectual property, legal and contractual contingencies, a warrant derivative liability and share-based compensation. Although management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, actual results could differ from these estimates.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation. Depreciation and amortization expenses have been separated in the accompanying condensed consolidated statements of cash flows.

Going Concern

Since its spin-off from Integrated BioPharma, Inc. in August 2008, the Company has incurred significant losses and negative cash flows from operations. As of March 31, 2014, the Company had an accumulated deficit of approximately \$40.1 million, expects to incur prospective losses for costs of the development of its products, and used cash in operating activities of \$3.4 million for the nine months ended March 31, 2014. The Company has historically financed its activities through the sale of common stock and warrants. Through March 31, 2014, the Company has dedicated most of its financial resources to investing in and advancing a proprietary product on its iBioLaunch™ and iBioModulator™ platforms, advancing its intellectual property, and general and administrative activities. Cash on hand as of March 31, 2014 of \$4.3 million is expected to support the Company’s activities through the quarter ending March 31, 2015.

The Company plans to fund its future business operations using cash on hand, through proceeds from the sale of additional equity or other securities and through proceeds realized in connection with license and collaboration arrangements. The Company cannot be certain that such funding will be available on favorable 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 favorable terms, it may have to: a) significantly delay, scale back, or discontinue the product application and/or commercialization of its proprietary technologies; b) seek collaborators for its technology and product candidates on terms that are less favorable than might otherwise be available; c) relinquish or otherwise dispose of rights to technologies, product candidates, or products that it would otherwise seek to develop or commercialize; or d) possibly cease operations. See Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended June 30, 2013 for a more detailed discussion of risks.

The Company's history of significant losses, negative cash flow from operations, limited cash resources currently on hand and its dependence on obtaining additional financing (which may not be available) to fund its operations after the current cash resources are exhausted 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 this uncertainty.

3. Summary of Significant Accounting Policies

The Company's significant accounting policies are described in Note 3 of the Notes to Financial Statements in the Annual Report on Form 10-K for the year ended June 30, 2013.

The Company adopted Accounting Standards Update No. 2013-11, "*Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*" ("ASU 2013-11") on January 1, 2014. ASU 2013-11 is expected to reduce diversity in practice by providing guidance on the presentation of unrecognized tax benefits and will better reflect the manner in which an entity would settle at the reporting date any additional income taxes that would result from the disallowance of a tax position when net operating loss carryforwards, similar tax losses, or tax credit carryforwards exist. The amendments in this update are applied prospectively for annual and interim periods beginning after December 15, 2013. The adoption of ASU 2013-11 did not have a material effect on the Company's consolidated financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standard if currently adopted would have a material effect on the accompanying financial statements.

4. Financial Instruments and Fair Value Measurement

The carrying values of cash, accounts receivable, prepaid expenses and other current assets, accounts payable and accrued expenses in the Company's condensed consolidated balance sheets approximated their fair values as of March 31, 2014 and June 30, 2013 due to their short-term nature.

5. Intangible Assets

The Company has two categories of intangible assets – intellectual property and patents. 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") acquired in December 2003 from Fraunhofer USA Inc., acting through its Center for Molecular Biotechnology ("Fraunhofer"), pursuant to a Technology Transfer Agreement, as amended (the "TTA"). Patents consist of payments for services and fees related to the further development and protection of the Company's patent portfolio.

In January 2014, the Company entered into a license agreement with a U.S. university whereby iBio acquired exclusive worldwide rights to certain issued and pending patents covering specific candidate products for the treatment of fibrosis (the "Licensed Technology"). The license agreement provides for payment by the Company of a license issue fee, annual license maintenance fees, reimbursement of prior patent costs incurred by the university, payment of a milestone payment upon regulatory approval for sale of a first product, and annual royalties on product sales. In addition, the Company has agreed to meet certain diligence milestones related to product development benchmarks. As part of its commitment to the diligence milestones, the Company successfully commenced production of a plant-made peptide comprising the Licensed Technology before March 31, 2014. The next milestone – filing a New Drug Application with the FDA covering the Licensed Technology – becomes due on December 1, 2015.

The Company accounts for intangible assets at their historical cost and records amortization utilizing the straight-line method based upon their estimated useful lives. Patents are amortized over a period of ten years and other intellectual property is amortized over periods from 16 to 23 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, and recoverability is assessed by comparing the projected undiscounted net cash flows of the assets over the remaining useful life to the carrying amount. Impairments, if any, are based on the excess of the carrying amount over the fair value of the assets. There were no impairment charges during the nine months ended March 31, 2014 and 2013.

The following table summarizes by category the gross carrying value and accumulated amortization of intangible assets (in thousands):

| | March 31, 2014 | June 30, 2013 |
|--|-------------------|------------------|
| Intellectual property – gross carrying value | \$ 3,100 | \$ 3,100 |
| Patents – gross carrying value | 2,097 | 1,869 |
| | <u>5,197</u> | <u>4,969</u> |
| Intellectual property – accumulated amortization | (1,582) | (1,465) |
| Patents – accumulated amortization | (940) | (791) |
| | <u>(2,522)</u> | <u>(2,256)</u> |
| Net intangible assets | <u>\$ 2,675</u> | <u>\$ 2,713</u> |

Amortization expense was \$91 and \$85 for the three months ended March 31, 2014 and 2013, respectively, and for the nine months ended March 31, 2014 and 2013, amortization expense was \$266 and \$250, respectively.

6. Significant Vendor

Fraunhofer USA, Inc. (“Fraunhofer”) continues to be the Company’s most significant vendor. The accounts payable balance includes amounts due Fraunhofer of approximately \$1 million and \$2.2 million as of March 31, 2014 and June 30, 2013, respectively. In addition, the accrued expenses balance includes amounts due Fraunhofer of approximately \$0 and \$1.7 million as of March 31, 2014 and June 30, 2013, respectively. The Company is charged interest by Fraunhofer on certain outstanding balances at the rate of prime plus 2%. For the three months ended March 31, 2014 and 2013, research and development expenses related to Fraunhofer were approximately \$0.1 million and \$0.4 million, respectively, and \$0.7 million and \$1.8 million for the nine months ended March 31, 2014 and 2013, respectively.

In September 2013, the Company and Fraunhofer completed the Terms of Settlement for the TTA Seventh Amendment (the “Settlement Agreement”), the significant terms of which are as follows:

- The Company’s liabilities to Fraunhofer in the amount of approximately \$2.9 million as of June 30, 2013 were released and terminated;
- The term of the TTA has been extended by one year and will now expire on December 31, 2015;
- The Company’s obligation under the TTA, prior to the Settlement Agreement, to make three \$1 million payments to Fraunhofer in April 2013, November 2013, and April 2014 (the “Guaranteed Annual Payments”) was terminated and replaced with an obligation to engage Fraunhofer to perform at least \$3 million of research and development work as directed by iBio prior to December 31, 2015. See Note 13 – Commitments and Contingencies for additional information;
- The Company terminated and released Fraunhofer from the obligation to make further financial contributions toward the enhancement, improvement and expansion of iBio’s technology in an amount at least equal to the Guaranteed Annual Payments. In addition, the Company terminated and released Fraunhofer from the obligation to further reimburse iBio for certain past and future patent-related expenses;
- The Company’s obligation to remit to Fraunhofer minimum annual royalty payments in the amount of \$ 200,000 was terminated. Instead the Company will be obligated to remit royalties to Fraunhofer only on technology license revenues that iBio actually receives and on revenues from actual sales by iBio of products derived from the Company’s technology until the later of November 2023 or until such time as the aggregate royalty payments total at least \$4 million;
- The rate at which the Company will be obligated to pay royalties to Fraunhofer on iBioLaunch and iBioModulator license revenues received was reduced from 15% to 10%; and
- Any and all other claims of each party to any other amounts due at June 30, 2013 were mutually released.

The effect of the Settlement Agreement was the elimination of approximately \$1.7 million of accrued expenses and \$1.2 million of accounts payable from the Company’s books, as well as a \$1 million reduction in prepaid expenses and an approximately \$1.9 million positive impact on earnings resulting from the reversal of expenses incurred by the Company under the terms of the previous agreement. This \$1.9 million is composed of credits of \$1.04 million to research and development expenses, \$0.7 million to general and administrative expenses, and \$122 interest expense.

7. Warrant Derivative Liability

In August 2013, approximately 5.0 million of the Company’s outstanding warrants expired. These warrants were issued in August 2008 (the “August 2008 Warrants”) as part of a private placement completed concurrently with the spin-off from Integrated BioPharma, Inc. The warrants contained an anti-dilution provision which was accounted for separately as a derivative liability and measured at fair value on a recurring basis. Changes in fair value were charged to other income or expense, as appropriate. The fair value of the warrant derivative liability was determined based on Level 2 inputs utilizing observable quoted prices for similar instruments in active markets and observable quoted prices for identical or similar instruments in markets that are not very active. Using the Black-Scholes option pricing model, the Company developed its own assumptions based on observable inputs and available market data to support the reported fair value of \$- 0 - as of June 30, 2013.

The following table summarizes the inputs and assumptions used to calculate the fair value of the warrant derivative liability:

| | June 30, 2013 |
|---------------------------------------|------------------|
| Common stock price | \$ 0.42 |
| Exercise price | \$ 1.53 - \$1.97 |
| Risk-free interest rate | 0.04% |
| Dividend yield | 0% |
| Volatility | 97.9% |
| Remaining contractual term (in years) | 0.2 |

8. Stockholders' Equity

Preferred Stock

The Company's Board of Directors is authorized to issue, at any time, without further stockholder approval, up to 1 million shares of preferred stock. The Board of Directors has the authority to fix and determine the voting rights, rights of redemption and other rights and preferences of preferred stock. As of March 31, 2014, there were no shares of preferred stock issued and outstanding.

Common Stock

As of June 30, 2013, the Company was authorized to issue up to 100 million shares of common stock. On December 18, 2013, the Company amended its certificate of incorporation and increased the number of authorized shares of common stock to 175 million. As of March 31, 2014, the Company had reserved up to 15 million shares of common stock for incentive compensation (stock options and restricted stock) and approximately 12.6 million shares of common stock for the exercise of warrants.

Issuances of common stock were as follows:

Warrant Exercise Inducement

On October 15, 2013, the Company announced that it was providing holders of its warrants issued as part of the January 2012 equity offering (the "January 2012 Warrants") the opportunity to exercise at a reduced price for a limited period of time. The original exercise price of \$ 0.88 was reduced to \$0.40 until 5:00 p.m. on November 12, 2013 (the "Expiration Time"), after which the exercise price reverted back to \$ 0.88 until these January 2012 Warrants expired on January 14, 2014. In October 2013, pursuant to this warrant exercise inducement, the Company issued 7.75 million shares of common stock and received exercise proceeds of approximately \$ 3.1 million, net of expenses.

Private Placement Offering

In November 2013, the Company completed a private placement offering of 1.2 million shares of its common stock at a price of \$0.40 per share, resulting in net proceeds of approximately \$0.5 million. The shares were issued in January 2014.

Warrants

The Company has historically financed its operations through the sale of common stock and warrants, sold together as units.

The following table summarizes all warrant activity for the nine months ended March 31, 2014:

| | Warrants | Weighted- average Exercise Price |
|----------------------------------|-------------|---|
| Outstanding as of June 30, 2013 | 25,395,940 | \$ 1.23 |
| Exercised | (7,750,000) | \$ 0.40 |
| Expired | (8,876,029) | \$ 1.38 |
| Outstanding as of March 31, 2014 | 8,769,911 | \$ 1.38 |
| Exercisable as of March 31, 2014 | 8,769,911 | \$ 1.38 |

9. Earnings (Loss) Per Common Share

Basic earnings per share (“EPS”) per common share is computed by dividing the net income (loss) allocated to common stockholders by the weighted-average number of shares of common stock outstanding during the period. For purposes of calculating diluted EPS, the denominator includes the weighted-average number of shares of common stock outstanding during the period, the weighted-average effect of the 1.2 million shares from the private placement offering, and the number of common stock equivalents if the inclusion of such common stock equivalents is dilutive. Dilutive common stock equivalents potentially include stock options and warrants using the treasury stock method. The following table summarizes the components of the EPS calculation (in thousands, except per share amounts):

| | Three Months ended March 31, | | Nine Months ended March 31, | |
|-------------------|---------------------------------|------------|--------------------------------|------------|
| | 2014 | 2013 | 2014 | 2013 |
| Basic Numerator: | | | | |
| Net loss | \$ (1,279) | \$ (1,758) | \$ (2,524) | \$ (4,881) |
| Basic Denominator | 65,642 | 47,767 | 62,080 | 47,767 |
| Per Share Amount | \$ (0.02) | \$ (0.04) | \$ (0.04) | \$ (0.10) |

For the three and nine months ended March 31, 2014 and 2013, the Company incurred net losses which cannot be diluted; therefore, basic and diluted loss per common share is the same. As of March 31, 2014, shares issuable which could potentially dilute future earnings included approximately 8.8 million stock options and 8.8 million warrants. As of March 31, 2013, shares issuable which could potentially dilute future earnings included approximately 6.7 million stock options and 21.0 million warrants.

10. Share-Based Compensation

The following table summarizes the components of share-based compensation expense in the Condensed Consolidated Statements of Operations (in thousands):

| | Three Months Ended March 31, | |
|----------------------------|---------------------------------|--------|
| | 2014 | 2013 |
| Research and development | \$ 55 | \$ 75 |
| General and administrative | 270 | 264 |
| Totals | \$ 325 | \$ 339 |

| | Nine Months Ended March 31, | |
|----------------------------|--------------------------------|----------|
| | 2014 | 2013 |
| Research and development | \$ 93 | \$ 178 |
| General and administrative | 742 | 831 |
| Totals | \$ 835 | \$ 1,009 |

Stock Options

On August 12, 2008, the Company adopted the iBioPharma 2008 Omnibus Equity Incentive Plan (the “Plan”) for employees, officers, directors and external service providers. The original Plan provided that the Company may grant options to purchase stock and/or make awards of restricted stock up to an aggregate amount of 10 million shares. On December 18, 2013, the Plan was amended to increase the number of shares reserved for awards under the Plan from 10 million to 15 million. As of March 31, 2014, there were approximately 6.2 million shares of common stock reserved for future issuance under the Plan. Stock options granted under the Plan may be either incentive stock options (as defined by Section 422 of the Internal Revenue Code of 1986, as amended) or non-qualified stock options at the discretion of the Board of Directors. Vesting of service awards occurs ratably on the anniversary of the grant date over the service period, generally three or five years, as determined at the time of grant. Vesting of performance awards occurs when the performance criteria have been satisfied. The Company uses historical data to estimate forfeiture rates.

The following table summarizes all stock option activity during the nine months ended March 31, 2014:

| | Stock Options | Weighted- average Exercise Price | Weighted- average Remaining Contractual Term (in years) | Aggregate Intrinsic Value (in thousands) |
|--|------------------|---|---|--|
| Outstanding as of June 30, 2013 | 6,760,000 | \$ 1.45 | 7.5 | \$ 161 |
| Granted after June 30, 2013 | 1,990,000 | \$ 0.47 | | |
| Outstanding as of March 31, 2014 | 8,750,000 | \$ 1.23 | 7.3 | \$ 390 |
| Vested and expected to vest as of March 31, 2014 | 8,643,019 | \$ 1.24 | 7.3 | \$ 390 |
| Exercisable as of March 31, 2014 | 5,085,206 | \$ 1.49 | 6.4 | \$ 253 |

The weighted-average grant date fair value of stock options granted during the nine months ended March 31, 2014 was \$0.40 per share. As of March 31, 2014, there was approximately \$1.8 million of total unrecognized compensation cost related to non-vested stock options that the Company expects to recognize over a weighted-average period of 2.4 years.

Warrants

In July 2012, the Company issued 100,000 fully vested warrants to a consultant as payment for investor relations services. These warrants have an exercise price of \$ 1.00 per share and expire two years from the date of issuance. The grant date fair value of approximately \$33,000 was determined using the Black-Scholes option pricing model with similar inputs to those used to value stock options.

11. Related Party Transactions

In January 2012, the Company entered into an agreement with a vendor in which iBio's President is a minority stockholder. The vendor performs laboratory feasibility analyses of gene expression, protein purification and preparation of research samples. The transaction has been conducted on an arm's length basis at market terms. The accounts payable balance includes amounts due this vendor of approximately \$37,000 and \$93,000 at March 31, 2014 and June 30, 2013, respectively. Research and development expenses related to this vendor were approximately \$124,000 and \$82,000 for the three months ended March 31, 2014 and 2013, respectively, and approximately \$430,000 and \$301,000 for the nine months ended March 31, 2014 and 2013, respectively.

12. Income Taxes

The Company recorded no income tax expense for the nine months ended March 31, 2014 and 2013 because the estimated annual effective tax rate was zero. As of March 31, 2014, the Company continues to provide a valuation allowance against its net deferred tax assets since the Company believes it is more likely than not that its deferred tax assets will not be realized.

13. Commitments and Contingencies

Under the terms of the Settlement Agreement described in Note 6 – Significant Vendor above, the Company is obligated to engage Fraunhofer to perform at least \$3 million of research and development work as directed by iBio by December 31, 2015. Effective January 31, 2014, the Company terminated a \$1.5 million research services agreement with Fraunhofer. The Company had incurred \$0.6 million in research and development expense related to such agreement. As of March 31, 2014, the Company had entered into research services agreements with Fraunhofer representing approximately \$0.6 million of the \$3 million commitment.

14. NYSE Listing Compliance

On October 25, 2013, the Company received notice from NYSE Regulation that the Company had resolved all previously cited continued listing deficiencies with respect to listing standards of the NYSE MKT LLC's (the "Exchange") Company Guide, and therefore continues its listing eligibility, subject, as is the case for all listed issuers, to assessment on an ongoing basis by the Exchange.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following information should be read together with the financial statements and the notes thereto and other information included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended June 30, 2013. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "iBio," the "Company," "we," "us," or "our" and similar terms mean iBio, Inc.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. For this purpose, any statements contained herein regarding our strategy, future operations, financial position, future revenues, projected costs and expenses, prospects, plans and objectives of management, other than statements of historical facts, are forward-looking statements. The words "anticipate", "believe", "estimate", "may", "plan", "will", "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Such statements reflect our current views with respect to future events. Because these forward-looking statements involve known and unknown risks and uncertainties, actual results, performance or achievements could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons, including those discussed in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q, as well as in the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended June 30, 2013. We cannot guarantee any future results, levels of activity, performance or achievements. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Quarterly Report on Form 10-Q as anticipated, believed, estimated or expected. The forward-looking statements contained in this Quarterly Report on Form 10-Q represent our estimates as of the date of this Quarterly Report on Form 10-Q (unless another date is indicated) and should not be relied upon as representing our expectations as of any other date. While we may elect to update these forward-looking statements, we specifically disclaim any obligation to do so.

Overview

We are a biotechnology company focused on commercializing our proprietary platform technologies: the iBioLaunch™ platform for vaccines and therapeutic proteins, and the iBioModulator™ platform for vaccine enhancement. We plan on developing and commercializing select product candidates that may benefit from the iBioLaunch platform, which is a proprietary, transformative technology for development and production of biologics using transient gene expression in hydroponically grown, unmodified green plants. The iBioModulator platform is complementary to the iBioLaunch platform and is designed to significantly improve vaccine products with both higher potency and greater duration of effect. The iBioModulator platform can be used with any recombinant expression technology for vaccine development and production. We believe our technology offers advantages that are not available with conventional manufacturing systems. These anticipated advantages may include the ability to manufacture therapeutic proteins that are difficult or commercially infeasible to produce with conventional methods, reduced production time, and lower capital and operating costs.

Our near-term focus is to realize two key objectives: (1) the establishment of additional business arrangements pursuant to which commercial, government and not-for-profit licensees will utilize our platform technology in connection with the production and development of products for both therapeutic and vaccine uses; and (2) the further advancement of product candidates selected for clinical development. These objectives are a part of our strategy to commercialize the proprietary technology we have developed and validated.

Our strategy to engage in partnering and out-licensing of our technology preserves the opportunity for iBio to share in the successful development and commercialization of product candidates while conserving our own capital and financial resources as licensees undertake to conduct and fund the development and commercialization of the product candidates derived under our platform. In addition to financial resources we may receive, we believe that successful development by licensees of product candidates derived from the iBio platforms will further validate our technology, increase awareness of the advantages that may be realized by its use and promote broader adoption of our transformative technology.

The advancement of product candidates which may benefit from the iBioLaunch platform is also a key element of our strategy. We believe that selecting and developing products which individually have substantial commercial value and are representative of classes of pharmaceuticals that can be successfully produced using the iBioLaunch technology will allow us to maximize the near and longer term value of our technology. To realize this result, we believe that we should seek to advance designated product candidates through the preclinical stage required for submission of Investigational New Drug Applications and, in some instances, early stage clinical development.

Results of Operations

Comparison of Three Months ended March 31, 2014 ("2014") versus March 31, 2013 ("2013")

Revenue

There was no revenue for 2014 and 2013. Revenue, when earned, is attributable to technology services provided to FioCruz in connection with the development by FioCruz of a yellow fever vaccine using our iBioLaunch technology. To fulfill our obligations, we engage Fraunhofer as a subcontractor to perform the services required. In 2014, the Company, FioCruz and Fraunhofer were awaiting approval by the Brazilian government of a contract amendment reflecting the agreed modifications to the work plan. During this waiting period, no revenues were recognized by iBio in connection with services provided to FioCruz through the subcontract arrangement with Fraunhofer.

Research and development expenses

Research and development expenses for 2014 were \$0.3 million, as compared to approximately \$0.6 million for 2013, a decline of approximately \$0.3 million. The decline in spending compared to the prior year quarter was primarily attributable to lower expenses associated with Fraunhofer as a subcontractor rendering research and development services to FioCruz while awaiting approval of the contract amendment.

General and administrative expenses

General and administrative expenses for 2014 were approximately \$1.0 million, as compared to approximately \$1.2 million for 2013. General and administrative expenses principally include officer and employee salaries and benefits, legal and accounting fees, insurance, consulting services, investor and public relations services, and other costs associated with being a publicly traded company.

Other income (expense)

Other income for 2014 was approximately \$15,000, as compared to approximately \$102,000 for 2013. The 2013 amount included \$109,000 of non-cash expense related to the change in the fair value of the warrant derivative liability resulting from the anti-dilution provision of the August 2008 Warrants. These warrants expired in August 2013 and the warrant derivative liability was eliminated. The 2013 period also included interest expense of approximately \$15,000.

Results of Operations - Comparison of Nine Months ended March 31, 2014 ("2014") versus March 31, 2013 ("2013")

Revenue

There was no revenue for 2014, as compared to revenue of approximately \$0.4 million for 2013. Revenue in the prior-year period was attributable to technology services provided to FioCruz in connection with the development by FioCruz of a yellow fever vaccine using our iBioLaunch technology. To fulfill our obligations, we engage Fraunhofer as a subcontractor to perform the services required. In 2014, the Company, FioCruz and Fraunhofer were awaiting approval by the Brazilian government of a contract amendment reflecting the agreed modifications to the work plan. During this waiting period, no revenues were recognized by iBio in connection with services provided to FioCruz through the subcontract arrangement with Fraunhofer.

Research and development expenses

Research and development expenses for 2014 were approximately \$0.4 million, as compared to approximately \$2.5 million for 2013. However, research and development expenses for 2014 included a credit of \$1.04 million resulting from the reversal of expenses accrued through June 30, 2013 under the TTA prior to the Settlement Agreement with Fraunhofer completed in September 2013. Adjusting for this, research and development spending was approximately \$1.5 million for 2014, a decline of approximately \$1.0 million. The decline in spending compared to the prior nine months was attributable to lower expenses associated with Fraunhofer as a subcontractor rendering research and development services to FioCruz while awaiting approval of the contract amendment and lower spending on Company projects directly with Fraunhofer.

General and administrative expenses

General and administrative expenses for 2014 were approximately \$2.3 million, as compared to approximately \$3.3 million for 2013. However, general and administrative expenses for the current nine months include a credit of \$0.7 million resulting from the reversal of royalty expenses accrued through June 30, 2013 under the TTA prior to the Settlement Agreement with Fraunhofer completed in September 2013. Adjusting for this, general and administrative spending was approximately \$3.0 million for 2014, a decline of approximately \$0.3 million attributable to lower spending on consulting and investor relations services. General and administrative expenses principally include officer and employee salaries and benefits, legal and accounting fees, insurance, consulting services, investor and public relations services, and other costs associated with being a publicly traded company.

Other income (expense)

Other income for 2014 was approximately \$165,000, as compared to approximately \$484,000 for 2013. However, other income for the nine months includes a credit of \$122,000 resulting from the reversal in interest expense accrued through June 30, 2013 under the TTA prior to the Settlement Agreement with Fraunhofer completed in September 2013. This compares to interest expense of approximately \$48,000 for the prior nine months. Additionally, the prior nine months included \$503,000 of non-cash income related to the change in the fair value of the warrant derivative liability resulting from the anti-dilution provision of the August 2008 Warrants. These warrants expired in August 2013, and the warrant derivative liability was eliminated. The 2013 period also included interest expense of approximately \$48,000.

Liquidity and Capital Resources

As of March 31, 2014, we had cash of \$4.3 million as compared to \$4.4 million as of June 30, 2013.

Net Cash Used in Operating Activities

Operating activities used \$3.4 million in cash for the nine months ended March 31, 2014. The decrease in cash was primarily attributable to funding the loss for the period.

Net Cash Used in Investing Activities

For the nine months ended March 31, 2014 and 2013, net cash used in investing activities was \$0.2 million. Cash used in investing activities was attributable primarily to additions to intangible assets.

Net Cash Provided by Financing Activities

For the nine months ended March 31, 2014, net cash provided by financing activities was \$3.6 million.

On October 15, 2013, we announced that we were providing holders of our warrants issued as part of the January 2012 equity offering (the “January 2012 Warrants”) the opportunity to exercise at a reduced price for a limited period of time. The original exercise price of \$0.88 was reduced to \$0.40 until 5:00 p.m. on November 12, 2013 (the “Expiration Time”), after which the exercise price reverted back to \$0.88 until these January 2012 Warrants expired on January 14, 2014. Except for the temporarily reduced exercise price, the terms of the January 2012 Warrants remained unchanged. Pursuant to this warrant exercise inducement, we issued 7.75 million shares of common stock and received exercise proceeds of approximately \$3.1 million, net of expenses.

In November 2013, we completed a private placement offering of 1.2 million shares of our common stock at a price of \$0.40 per share, resulting in net proceeds of approximately \$0.5 million.

Funding Requirements

We have incurred significant losses and negative cash flows from operations since our spinoff from Integrated BioPharma, Inc. in August 2008. As of March 31, 2014, our accumulated deficit was approximately \$40.1 million, and we used approximately \$3.4 million of cash for operating activities for the nine months ended March 31, 2014. As of March 31, 2014, cash on hand of approximately \$4.3 million was expected to support the Company’s activities through the quarter ending March 31, 2015. We have historically financed our activities through the sale of common stock and warrants, sold together as units.

We plan to fund our future business operations using cash on hand, through proceeds from the sale of additional equity or other securities and through proceeds realized in connection with license and collaboration arrangements. To the extent we seek to sell additional equity securities prior to September 30, 2014, we may be required to affect such offers and sales pursuant to private placements or registration under a Registration Statement on Form S-1. We cannot be certain that such funding will be available on favorable terms or available at all. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution. If we are unable to raise funds when required or on favorable terms, we may have to: a) significantly delay, scale back, or discontinue the product application and/or commercialization of our proprietary technologies; b) seek collaborators for our technology and product candidates on terms that are less favorable than might otherwise be available; c) relinquish or otherwise dispose of rights to technologies, product candidates, or products that we would otherwise seek to develop or commercialize; or d) possibly cease operations.

Off-Balance Sheet Arrangements

As part of our ongoing business, we do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities (SPEs), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually limited purposes. As of March 31, 2014, we were not involved in any SPE transactions.

Contractual Obligations

Our most significant contractual obligation is the TTA with Fraunhofer. Under the terms of the Settlement Agreement completed in September 2013, we are obligated to engage Fraunhofer to perform at least \$3 million of research and development work as directed by iBio by December 31, 2015. As of March 31, 2014, the Company had entered into research services agreements with Fraunhofer representing approximately \$0.6 million of the \$3 million commitment.

Critical Accounting Policies and Estimates

A critical accounting policy is one that is both important to the portrayal of a company’s financial condition and results of operations and requires management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Our condensed consolidated financial statements are presented in accordance with U.S. GAAP, and all applicable U.S. GAAP accounting standards effective as of March 31, 2014 have been taken into consideration in preparing the condensed consolidated financial statements. The preparation of condensed consolidated financial statements requires estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. Some of those estimates are subjective and complex, and, consequently, actual results could differ from those estimates. The following accounting policies and estimates have been highlighted as significant because changes to certain judgments and assumptions inherent in these policies could affect our condensed consolidated financial statements:

- Research and development expenses; and

- Share-based compensation expenses.

We base our estimates, to the extent possible, on historical experience. Historical information is modified as appropriate based on current business factors and various assumptions that we believe are necessary to form a basis for making judgments about the carrying value of assets and liabilities. We evaluate our estimates on an on-going basis and make changes when necessary. Actual results could differ from our estimates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and, as such, are not required to provide the information under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, under the direction of our Executive Chairman and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of March 31, 2014. Based upon that evaluation, our Executive Chairman and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2014.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended March 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On November 5, 2013, the Company completed a private placement pursuant to which it sold 1 million shares of its common stock to Carlos Picosse, chief executive officer of the Company’s wholly-owned subsidiary iBio Brazil, and 200,000 shares of common stock to Dr. Renato Lobo, chief medical officer of iBio Brazil, at a price per share of \$0.40, for a total consideration of \$480,000. The shares were issued in January 2014.

The issuances described above were exempt from registration pursuant to Regulation S of the Securities Act of 1933, as amended, since the foregoing issuances did not involve a public offering, the recipients took the securities for investment and not resale, the Company took appropriate measures to restrict transfer, and the recipients were non-U.S. persons.

Item 5 – Other Information.

As previously reported, in an advisory vote on the frequency of the advisory vote on the compensation of the Company’s named executive officers held at the Annual Meeting of Shareholders of the Company on December 17, 2013, 23,434,027 shares voted for one year, 175,679 shares voted for two years, 14,494,461 shares voted for three years, and there were 61,561 abstentions and 17,653,046 broker non-votes.

Securities and Exchange Commission (“SEC”) regulations state that the Company must hold these votes on frequency at least once every six years. In light of these voting results and other factors, the Company’s Board of Directors decided that the Company will hold an annual advisory vote on the compensation of its named executive officers. The Company will continue to hold annual advisory votes until the Company’s Board of Directors decides to hold the next shareholder advisory vote on the frequency of advisory votes.

Item 6. Exhibits.

Exhibit Number

| | |
|----------|--|
| 3.1 | Certificate of Incorporation of the Company |
| 3.2 | First Amended and Restated Bylaws of the Company(1) |
| 4.1 | Form of Common Stock Certificate(2) |
| 4.2 | Form of Investor Warrant (2010) (3) |
| 4.3 | Form of Common Stock Purchase Warrant (2012) (4) |
| 4.4 | Form of Common Stock Purchase Warrant (2013) (5) |
| 4.5 | Form of Registration Rights Agreement (2010)(3) |
| 31.1 | Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.INS* | XBRL Instance Document |
| 101.SCH* | XBRL Taxonomy Extension Schema |
| 101.CAL* | XBRL Taxonomy Extension Calculation |
| 101.DEF* | XBRL Taxonomy Extension Definition |
| 101.LAB* | XBRL Taxonomy Extension Labeled |
| 101.PRE* | XBRL Taxonomy Extension Presentation |

- (1) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on August 14, 2009.
- (2) Incorporated herein by reference to the Company's Form 10-12G filed with the SEC on July 11, 2008.
- (3) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 15, 2010.
- (4) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on January 10, 2012.
- (5) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on April 23, 2013.

Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

iBio, Inc.
(Registrant)

Date: May 15, 2014

/s/ Robert B. Kay

Robert B. Kay
Executive Chairman

Date: May 15, 2014

/s/ Mark Giannone

Mark Giannone
Chief Financial Officer

**CERTIFICATE OF INCORPORATION
OF
IBIOPHARMA, INC.**

PURSUANT TO SECTION 102 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE

The undersigned, in order to form a corporation pursuant to Section 102 of the General Corporation Law of the State of Delaware, hereby certifies:

1. The name of the Corporation is iBioPharma, Inc. (the "Corporation").
2. The Certificate of Incorporation of the Corporation shall read as follows:

First: The name mailing address of the incorporator are as follows:

Name

Kelly S. Diemand

Mailing Address

c/o Greenberg Traurig, LLP
Met Life Building
200 Park Avenue
New York, New York 10166

Sixth: The Corporation is to have perpetual existence.

Seventh: The Corporation expressly elects not to be subject to the provisions of Section 203 of the General Corporation Law of the State of Delaware.

Eighth: The Board of Directors is expressly authorized to adopt, amend or repeal the by-laws of the Corporation.

Ninth: Elections of directors need not be by written ballot unless the by-laws of the Corporation shall otherwise provide.

Tenth: No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit.

Eleventh: Except as may otherwise be specifically provided in this Certificate of Incorporation, no provision of this Certificate of Incorporation is intended by the Corporation to be construed as limiting, prohibiting, denying or abrogating any of the general or specific powers or rights conferred under the General Corporation Law of the State of Delaware upon the Corporation, upon its stockholders, bondholders and security holders, and upon its directors, officers and other corporate personnel, including, in particular, the power of the Corporation to furnish indemnification to directors and officers in the capacities defined and prescribed by the General Corporation Law of the State of Delaware and the defined and prescribed rights of said persons to indemnification as the same are conferred under the General Corporation Law of the State of Delaware. The Corporation shall, to the fullest extent permitted by the laws of the State of Delaware, including but not limited to Section 145 of the Delaware General Corporation Law, as the same may be amended and supplemented, indemnify any and all directors and officers of the Corporation and may, in the discretion of the Board of Directors, indemnify any and all other persons whom it shall have power to indemnify under said Section or otherwise under Delaware law from and against any and all of the expenses, liabilities or other matters referred to or covered by said Section. The indemnification provisions contained in the Delaware General Corporation Law shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, resolution of stockholders or disinterested directors, or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent, both as to action in his official capacity and as to action in another capacity while holding such office, and shall inure to the benefit of the heirs, executors and administrators of such person.

Twelfth: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereinafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of April, 2008, and I affirm that the foregoing certificate is my act and deed and that the facts stated herein are true.

/s/ Kelly S. Diemand
Kelly S. Diemand, Incorporator

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
IBIO, INC.
(a Delaware Corporation)

The undersigned, Frederick Larcombe, hereby certifies that:

1. He is the Chief Financial Officer of iBio, Inc. (the "Corporation"), a Delaware corporation, and is duly authorized by the unanimous written consent of the Board of Directors of the Corporation to execute this instrument.

2. The present name of the Corporation is "iBio, Inc." The Corporation filed its Certificate of Incorporation with the Secretary of State of the State of Delaware on April 17, 2008 under the name of "iBioPharma, Inc.," filed a Certificate of Merger with the Secretary of State of the State of Delaware on July 25, 2008, merging the Corporation with InB:Biotechnologies, Inc., with iBioPharma, Inc. as the surviving corporation, and filed a Certificate of Ownership and Merger with the Secretary of State of the State of Delaware on August 10, 2009, changing the name of the Corporation from "iBioPharma, Inc." to "iBio, Inc."

3. This Certificate of Amendment of the Certificate of Incorporation was duly approved by the Corporation's Board of Directors and duly adopted by the stockholders of the Corporation at a meeting in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

4. Article IV of the Certificate of Incorporation of the Corporation is hereby amended to read in its entirety as follows:

Fourth: The total number of shares which the Corporation shall have authority to issue is 101,000,000 shares of capital stock consisting of 100,000,000 shares of common stock, \$0.001 par value per share ("Common Stock") and 1,000,000 shares of preferred stock, \$0.001 par value per share ("Preferred Stock").

The Board of Directors of the Corporation (the "Board of Directors") is hereby expressly authorized by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment of the Certificate of Incorporation to be executed this 10th day of December 2010.

By: /s/ Frederick Larcombe
Frederick Larcombe
Chief Financial Officer

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
IBIO, INC.
(a Delaware Corporation)

The undersigned, Robert B. Kay, hereby certifies that:

1. He is the Executive Chairman and Chief Executive Officer of iBio, Inc. (the "Corporation"), a Delaware corporation, and is duly authorized by the Board of Directors of the Corporation to execute this instrument.

2. The present name of the Corporation is "iBio, Inc." The Corporation filed its Certificate of Incorporation with the Secretary of State of the State of Delaware on April 17, 2008 under the name of "iBioPharma, Inc.," filed a Certificate of Merger with the Secretary of State of the State of Delaware on July 25, 2008, merging the Corporation with InB:Biotechnologies, Inc., with iBioPharma, Inc. as the surviving corporation, and filed a Certificate of Ownership and Merger with the Secretary of State of the State of Delaware on August 10, 2009, changing the name of the Corporation from "iBioPharma, Inc." to "iBio, Inc."

3. This Certificate of Amendment of the Certificate of Incorporation was duly approved by the Corporation's Board of Directors and duly adopted by the stockholders of the Corporation at a meeting in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

4. Article IV of the Certificate of Incorporation of the Corporation is hereby amended to read in its entirety as follows:

Fourth: The total number of shares which the Corporation shall have authority to issue is 176,000,000 shares of capital stock consisting of 175,000,000 shares of common stock, \$0.001 par value per share ("Common Stock") and 1,000,000 shares of preferred stock, \$0.001 par value per share ("Preferred Stock").

The Board of Directors of the Corporation (the "Board of Directors") is hereby expressly authorized by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment of the Certificate of Incorporation to be executed this 18th day of December 2013.

By: /s/ Robert B. Kay
Robert B. Kay
Executive Chairman and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Robert B. Kay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 of iBio, Inc. (the registrant);
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 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 these 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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 auditors 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: May 15, 2014

/s/ Robert B. Kay

Robert B. Kay
Executive Chairman
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Mark Giannone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 of iBio, Inc. (the registrant);
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 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 these 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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 auditors 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: May 15, 2014

/s/ Mark Giannone

Mark Giannone
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of iBio, Inc. (the Company) for the quarterly period ended March 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Robert B. Kay, Executive Chairman of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2014

/s/ Robert B. Kay
Robert B. Kay
Executive Chairman
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of iBio, Inc. (the Company) for the quarterly period ended March 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Mark Giannone, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2014

/s/ Mark Giannone

Mark Giannone
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)
