

IMPORTANT TAX INFORMATION FOR INTEGRATED SHAREHOLDERS

Distribution of iBioPharma, Inc. Common Stock

Integrated BioPharma, Inc. Shareholder Tax Basis Information

On August 18, 2008, Integrated BioPharma, Inc. a Delaware corporation (“Integrated”), distributed (the “Distribution”) 100% of the equity interests in its subsidiary iBiopharma, Inc., a Delaware corporation (“iBioPharma”) (formerly known as INB:Biotechnologies, Inc.) to the holders of record of Integrated common stock as of 5:00 p.m. New York City Time on August 12, 2008 (each an “Integrated Shareholder”). Integrated and iBioPharma are now two unaffiliated, publicly-owned companies.

This notice contains a general explanation of certain U.S Federal income tax consequences of the Distribution for Integrated Shareholders. Attached to this notice is a form for a Tax Information Statement that must be filed by certain U.S. Integrated Shareholders with their 2008 U.S. Federal income tax returns.

CONSULT YOUR TAX ADVISOR

The information contained in this notice represents our general understanding of the application of certain existing U.S. Federal income tax laws and regulations relating to the Distribution. It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of Integrated Shareholders. *You are urged to consult your own tax advisor regarding the particular consequences of the Distribution to you, including applicability and effect of all U.S. Federal, state and local and foreign tax laws.*

INFORMATION ABOUT THE DISTRIBUTION

In the Distribution, Integrated Shareholders of record received one share of iBioPharma common stock for every share of Integrated common stock held as of 5:00 p.m. New York City Time on August 12, 2008.

If you did not receive the Distribution of iBiopharma common stock on August 18, 2008, this notice does not apply to you. Additionally, this notice does not apply to shares of Integrated common stock sold, exchanged or otherwise disposed of prior to the time of the Distribution.

GENERAL TAX INFORMATION

Integrated received an opinion of counsel that the Distribution of iBioPharma common stock qualifies as a tax-free distribution for U.S. Federal income tax purposes. As a result, you generally will not recognize gain or loss for U.S. Federal income tax purposes on the receipt of iBioPharma common stock.

GENERAL GUIDANCE REGARDING TAX BASIS

As a consequence of the Distribution you will need to allocate the tax basis in your Integrated shares immediately before the Distribution between your Integrated shares and your newly-received iBioPharma shares. If you purchased your Integrated shares for cash, the tax basis for your Integrated shares would generally equal the cost of these shares including commission or other fees. If you received your Integrated shares as a gift, through an employee compensation arrangement, or through some other means, *we recommend that you consult your own tax advisor to determine your basis in these shares.* If you acquired Integrated shares at different times, you will need to make separate tax basis calculations for each group of shares based on their fair market values at the time you acquired the shares.

The allocation of tax basis between shares of Integrated common stock and iBioPharma common stock you received in the Distribution is based on their relative fair market values at the time of the Distribution. U.S. Federal income tax law does not specify how to determine these fair market values. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. There are several potential methods for determining the fair market values of Integrated and iBioPharma common stock. One approach for determining the fair market value is to utilize the closing trading prices of Integrated common stock and iBioPharma common stock quoted on the Nasdaq GM Stock Exchange and the OTC Bulletin Board, respectively, for the first trading day after the Distribution, which was \$3.02 on August 19, 2008 for Integrated and \$1.05 on August 21, 2008 for iBioPharma.

The following is an example of how to allocate your aggregate tax basis in your Integrated common stock immediately before the Distribution between your Integrated common stock and your newly-received iBioPharma common stock. The example is based on the closing prices on the first trading day following the Distribution, as described above. The example is provided solely for illustrative purposes and as a convenience to Integrated Shareholders and their tax advisors when establishing their specific tax position. Please remember that neither Integrated nor iBioPharma provides its shareholders with tax advice, and this notice is not intended to provide tax advice. This notice is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. Integrated encourages its shareholders to consult with their own tax advisors with their specific questions pertaining to their own tax positions including the application of the tax basis allocation rules to Integrated shares acquired at different times and/or at different prices.

HYPOTHETICAL EXAMPLE OF TAX BASIS ALLOCATIONS

Assumptions:

Shares of Integrated common stock owned: 100 shares
 Purchase price of Integrated shares: \$7.00 per share
 Aggregate tax basis for Integrated shares: \$700 (100 shares x \$7 per share)

Your aggregate tax basis in Integrated shares immediately prior to the Distribution would be allocated between your Integrated common stock and your newly-received iBioPharma common stock as follows:

Formula for Calculating Share Basis Allocation Percentage:

To find the Integrated basis allocation percentage, simply divide the fair market value of Integrated common stock by the sum of the fair market values of Integrated common stock and iBioPharma common stock.

To find the iBioPharma basis allocation percentage, simply divide the fair market value of iBioPharma common stock by the sum of the fair market values of Integrated common stock and iBioPharma common stock.

	Fair Market Value (e.g. Integrated/ Nasdaq and iBioPharma /Bulletin Board Closing Price)		Sum of Fair Market Values (e.g. Integrated Nasdaq Closing Price plus iBioPharma Bulletin Board Closing Price)				Share Basis Allocation Percentage
Integrated Common Stock August 19, 2008	\$3.02	÷	(\$3.02 + \$1.05)	X	100%	=	74.2%
iBioPharma Common Stock August 21, 2008	\$1.05	÷	(\$3.02 + \$1.05)	X	100%	=	25.8%

Formula for Calculating Tax Basis Allocation:

To find your Integrated tax basis allocation, multiply your aggregate Integrated tax basis prior to the Distribution by your Integrated share basis allocation percentage. To find your Integrated tax basis allocation per share, divide this number by the number of Integrated shares held prior to the Distribution.

To find your iBioPharma tax basis allocation, multiply your aggregate Integrated tax basis prior to the Distribution by your iBioPharma share basis allocation percentage. To find your iBioPharma tax basis allocation per share, divide this number by the number of Integrated shares held prior to the Distribution.

	Aggregate Integrated Tax Basis		Share Basis Allocation Percentage		Tax Basis Allocation	Integrated Shares held Prior to Distribution	Tax Basis Allocation per share
Integrated Common Stock	\$700	x	74.2%	=	\$519.40	100	\$5.19
iBioPharma Common Stock	\$700	x	25.8%	=	\$180.60	100	\$1.81

Certain Integrated Shareholders (i.e., those shareholders who, immediately before the Distribution, owned 5% or more of Integrated common stock or owned Integrated securities with an aggregate tax basis of \$1 million or more) who received shares of iBioPharma common stock in the Distribution are required to include a statement related to the Distribution in their U.S. Federal income tax returns for the year in which the Distribution occurs. This statement is attached to this notice for your convenience.

STATEMENT PURSUANT TO TREASURY REGULATIONS
SECTION 1.355-5(b) BY (Name): _____,
(Taxpayer Identification Number or Social Security Number): _____,

A SIGNIFICANT DISTRIBUTE

On August 12, 2008, Integrated BioPharma, Inc. a Delaware corporation (“Integrated”), distributed (the “Distribution”) 100% of the equity interests in its subsidiary iBioPharma, Inc., a Delaware corporation (“iBioPharma”) (formerly known as INB:Biotechnologies, Inc.) to the holders of record of Integrated common stock as of 5:00 p.m. New York City Time on August 12, 2008 (the “Record Date”). As a result of the Distribution, each Integrated shareholder of record as of the Record Date was entitled to receive one share of iBioPharma common stock for each share of Integrated common stock held by such shareholder as of the Record Date.

1. Name, address and employer identification number of the distributing corporation.

Integrated BioPharma, Inc.
225 Long Ave.Hillside,
New Jersey 07205
EIN: 22-2407475

- 2 . Name, address and employer identification number of the controlled corporation.

iBioPharma, Inc.9 Innovation Way
Suite 100
Newark, Delaware 19711
EIN: 26-2797813

3. The undersigned was a shareholder owning shares of Integrated common stock as of the Record Date and solely received shares of iBioPharma common stock in the Distribution. The aggregate fair market value of the iBioPharma stock received by the shareholder was \$ _____.
4. The undersigned did not surrender any stock or securities in Integrated in connection with theDistribution.
5. Integrated received an opinion of its counsel to the effect that the Distribution will qualify as tax-free under Section 355 of the Internal Revenue Code of 1986, as amended.

Shareholders Name (please print)

Taxpayers Signature (please print)

Taxpayers Identification Number Or Social Security
Number

IF APPLICABLE, THIS STATEMENT SHOULD BE COMPLETED AND ATTACHED TO YOUR 2008 FEDERAL INCOME TAX RETURN.IT SHOULD NOT BE SENT TO INTEGRATED OR IBIOPHARMA.