

FINAL TRANSCRIPT

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INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

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Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

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PRESENTATION

Operator

Ladies and gentlemen thank you for standing by. Welcome to today's analyst conference call.

During this presentation, all participants will be in a listen-only mode. Afterwards we will conduct a question-and-answer session for analysts only, but everyone is invited to listen in.

As a reminder, this conference is being recorded on June 2, 2009. I would now like to turn the conference over Bernie Hertel, Inovio's Director of Corporate Communications.

Bernie Hertel - *Inovio Biomedical Corporation - Director of Corporate Communications*

Thank you and hello everyone. With me today is Dr. Joseph Kim, CEO of Inovio Biomedical. Prior to the merger of Inovio and VGX Pharmaceuticals which we announced was completed yesterday, Dr. Kim was President and CEO of VGX Pharmaceuticals. Also joining today's call is Dr. Avtar Dhillon, Inovio's Chairman and President.

Before we begin, I want to make you all aware that during the course of this conference call, statements may be made that outline the intentions, hopes, beliefs and expectations of Inovio's management or predictions of the future which are all considered to be forward-looking statements. Forward-looking statements are based on management's current expectations and estimates based on available information at this time and involve risks and uncertainties that could cause actual results or outcomes to differ materially from those contemplated by the forward-looking statements.

Additional information concerning the numerous factors that could cause such differences in actual results or outcomes for Inovio, including with regard to its technologies, financial condition, operations, personnel and strategic transactions are contained in Inovio's SEC filings which are available for review on the SEC website or from the Company's website free of charge.

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

Investors are encouraged to carefully review Inovio's SEC filings for an understanding of the risks Inovio faces and the factors which influence its results and to review Inovio's future SEC filings related to the information to be discussed today. Now, here is Dr. Dhillon.

Avtar Dhillon - *Inovio Biomedical Corporation - President and Chairman of the Board*

Thank you Bernie. Welcome to today's call, the first for the newly combined Company after the successful completion of our merger with VGX Pharmaceuticals. I thank the shareholders of the two companies for supporting our vision for Inovio's future.

Today Inovio is a leading DNA vaccine, discovery, development and delivery company. Through this merger, we have brought together strategic intellectual property in the form of advanced DNA vaccine design technologies; our multi-candidate, pre-clinical and clinical DNA vaccine pipeline with much of the development work funded by partners and collaborators; a compelling DNA delivery technology based on electro (inaudible); a significant patent (technical difficulty) equally important, we have a well rounded team of experts with the expertise to execute our vision to create vaccines for challenging diseases.

We believe this unique combination of assets positions our Company to play a leadership role in advancing this new, important generation of vaccines. Industry research firm [RMTOS] estimated the global vaccine market will surpass \$21 billion by 2010.

We believe the potential for DNA vaccines to develop to provide both preventative and therapeutic benefits for additional set of diseases could dramatically expand this market size and we look forward to continuing on the path towards commercializing important new products to fulfill unmet medical needs.

Before I introduce Inovio's new CEO, Dr. Joseph Kim, I want to thank him for his spirit of collaboration during this merger process. While he's an accomplished scientist and business leader, I think the greatest testament to his character is the team leaders he attracted to VGX and now brings to Inovio.

He co-founded VGX with a recognized and respected scientist who is considered to be one of the pioneers of DNA vaccines, Dr. David Weiner. Doctor Weiner has recently become Chairman of Inovio's scientific advisory board, continuing through role he paid with VGX.

Joseph's team includes a senior executive who has worked with multiple global pharmaceutical companies, designed and conducted more than 40 clinical trials and was responsible for the approval of five vaccines. It also includes executives who have [continued] and secured vital new patents, researched and developed new products that [were successfully] commercialized, managed business development activities for startups and major pharmaceutical company divisions.

Joseph is a leader who attracts leaders. I expect that you'll see his leadership exhibited through Inovio's growth. Newsweek International Magazine called him an executive who will impact the future. I am pleased to now introduce Inovio's new Chief Executive Officer, Dr. Joseph Kim.

Dr. Joseph Kim - *Inovio Biomedical Corporation - CEO*

Thank you Avtar. I appreciate the efforts of you and your team in building Inovio and forming a strong technology base and patent estate that are vital to Inovio's growth prospects in the promising field of the DNA vaccine and I look forward to benefiting from your experience and insights.

Today we can anticipate expanded opportunities and a new era for Inovio based on four critically important factors for success. First, as Avtar highlighted, the new Inovio has an expanded team of prominent DNA vaccine experts. It has senior executives with years of worldwide experience bringing new medicines to market from Merck, Wyeth, CMS and Baxter and others.

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

Second, Inovio now possesses a broad pipeline of proprietary DNA vaccines for HIV, human papilloma virus, influenza and other infectious diseases. Two vaccine candidates are in the clinic already with two more ready to enter the clinic.

Third, Inovio's proprietary DNA delivery platform using electroporation has achieved proof of principle in humans through numerous clinical studies. This technology is protected by a significant patent estate.

And fourth, Inovio partners such as Merck are conducting multiple clinical studies of cancer and infectious disease DNA vaccines using electroporation delivery technology. We have multiple research collaborations with internationally respected organizations such as the National Cancer Institute and PATH's Malaria Vaccine Initiative.

In a nutshell, Inovio has people with a proven track record of innovation and commercialization to leverage its technology assets and advance its promising pipeline of clinical and pre-clinical candidates for its markets. However, I can't expect you to share my enthusiasm about the future of Inovio if you don't share in our vision of the future of DNA vaccines.

It is quite clear that cancers and infectious diseases such as HIV, HPV and HCV are poorly treated diseases. Some of these diseases have extraordinary prevalence in global populations.

It is clear that the centuries-old idea of simulating the body's immune system remains a powerful concept. It is also clear that a new generation of vaccine technology is required to provide the type of preventative and therapeutic capabilities required to address these challenging diseases.

DNA vaccines possess many attributes showing significant potential to become this new generation of commercialized vaccines. Importantly, there is growing evidence that this emerging technology will be successful.

As an example, there are now four different DNA vaccines approved for use in animals. VGX itself received an Australian market approval for a DNA-based agent delivered using electroporation to improve health and growth in swine. We believe this is an important transformational period in the world of vaccines generally, DNA vaccines specifically and most pertinently for DNA vaccines delivered using electroporation.

Those of you previously following the Inovio or VGX stories know that DNA vaccines provide a number of significant advantages over conventional vaccines. DNA vaccines delivered using electroporation in turn offer a number of important advantages over DNA vaccines delivered using alternative approaches.

We have repeatedly spoken of the various advantages of electroporation to deliver DNA vaccines in terms of their development time, ease of manufacture and safety. Of great importance is our ability to generate not only a strong antibody response, but a strong T cell response which is vital to treating cancers and fighting infectious diseases such as HIV.

In contrast to conventional vaccines, which are simply weekend or dead pathogens, what is most exciting about DNA vaccines is they're designed to produce specific immune responses. Importantly, we are raising the bar even higher.

We are now achieving success in designing DNA vaccines able to protect against changing strains of a disease such as influenza and to protect against pathogen strains that the vaccine is not specifically matched to. The recent swine flu outbreak may not become the newest influenza pandemic, but it has dramatically captured the world's attention and highlighted the unmet need for vaccines with protective capabilities against evolving strains of the disease.

Being able to design vaccines that can better target immune system mechanisms or a given disease and protect against a broader range of evolving strains of disease will be a holy grail accomplishment even for one of the global pharmaceutical companies. We feel very fortunate and confident to be a front contender in the mission to solve this puzzle.

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

At the heart of Inovio's efforts is our proprietary DNA vaccine design and construction process trademark, SynCon. Our SynCon process uses (inaudible) informatics to synthetically derive antigens and gene sequences that are common across a variety of viral subtypes of disease such as HIV, HCV, HPV and influenza.

SynCon helps us design vaccines able to provide cross-strain protection against evolving unmatched pathogen strains. For instance, part of this SynCon process has emerged Inovio's universal influenza DNA vaccine targeting the pandemic and seasonal strains of flu.

We have completed proof-of-concept studies showing immunogenicity and protection against unmatched H5N1 and H1N1 virus in pre-clinical animal studies. The ability to protect against unmatched strains is important and that in a real world setting, the circulating influenza viruses often change their shapes and characteristics to evade our immune system.

To be more effective, a universal flu vaccine must be able to protect humans against viruses that are not exactly like the ones making up the vaccine. To this end, we are enthusiastic about Inovio's news release this morning.

At the recent American Society of Gene Therapy meeting last week, we presented data from two pre-clinical studies demonstrating the power of SynCon vaccines to protect against unmatched virus challenges. In the first study, non-human primates were immunized with an H5N1 or avian-flu-based vaccine.

When infected with an avian flu strain, the data showed a significant reduction in viral load, as much as four logs, and even increased symptoms compared with an unvaccinated control group. This pre-clinical data suggests that we can effectively cross-protect against deadly unmatched avian flu strains. In line with this testing, we have filed an IND for our VGX 3400 vaccine candidate targeting avian influenza.

In the second study, Inovio presented its data from a pandemic seasonal flu vaccine including those for H1N1 strains. Our H1N1 SynCon vaccine has generated protective antibody responses in animals against unmatched H1N1 viruses.

Moreover, the vaccinated animals were injected with a deadly H1N1 flu virus that caused the 1918 Spanish flu. The 1918 Spanish pandemic was the worst of its kind in human history with over 48 million people killed by this virus in 1918.

The Inovio vaccine candidate completely protected mice from an [unmatched challenge] using the 1918 Spanish flu virus while all animals died in the unvaccinated group. We're now testing this vaccine against the currently circulating H1N1 swine flu.

Apart from Inovio DNA vaccine design expertise and technology, the other strategic component of our technology platform is our electroporation-based DNA delivery technology. Safe and efficient delivery continues to be a persistent challenge for other methods of DNA vaccine delivery.

Interim human data from Inovio's partners such as Tripep and the University of Southampton have provided encouraging human data, showing that DNA-based immunotherapies and vaccines delivered using electroporation safely induced heightened immune and clinical responses. Inovio's strong patent estate and technology platform comprised decades of expertise and investment in electroporation-based delivery.

In recent years, Merck and Wyeth entered into license agreements to use Inovio's electroporation technology after extensive due diligence. Inovio has ongoing collaborations in clinical studies focused on DNA vaccines development using its electroporation technology with many additional government, academic and commercial organizations. Based on these two (inaudible) of DNA vaccines design and delivery, Inovio's powerful technology platform supports an exciting pipeline of vaccine candidates.

First is Inovio's VGX 3100 against human papilloma virus and cervical cancer which was designed as a therapeutic cancer vaccine treating the highly prevalent population already infected with the virus. This DNA vaccine is currently in Phase 1 dose escalation

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

study assessing safety and the immune responses in patients previously treated for cervical cancer. The trial is designed to enroll 18 patients by the middle of next year with prospects of interim data later this year.

Second, we're very enthusiastic about our influenza program. VGX 3400 is an avian influenza vaccine awaiting FDA approval of our IND. The Phase 1 study will assess safety and immune responses in approximately 30 patients. Exceeding a 1 to 40 titer for a critical hemagglutination inhibition assay in ferrets is recognized as a consistent benchmark predictive of clinically relevant protective immune responses in humans.

In our pre-clinical animal studies, VGX 3400 produced immune responses consistently exceeding the 1 to 40 titer level through -- against unmatched flu viruses. Most exciting was the vaccine protected 100% of the animals from a lethal challenge of unmatched avian influenza in mice, ferrets and non-human primates. No other DNA vaccine candidate has achieved such broad level protection against unmatched flu challenge in these animal models.

HIV continues to be a challenging disease to treat. We believe that our SynCon designed PENNVAX (inaudible) HIV vaccine provide a potential competitive advantage over other vaccine approaches.

Inovio has one of the most active HIV vaccine development programs in our industry and most of our HIV programs are funded by the outside funding sources. Our third program is our PENNVAX-B vaccines with our electroporation delivery which is in two separate Phase 1 clinical studies.

The first one is assessing safety and emission responses in approximately 120 patients in a preventative setting. This study is sponsored by the NIH and the HIV Vaccine Trials Network also known as the HVTN which is the largest HIV vaccine testing organization in the world.

We expect preliminary data by the end of the year from this study. The second PENNVAX-B study also with electroporation delivery is being conducted in a therapeutic setting with preliminary data expected in 2010.

Our fourth program is the PENNVAX-B HIV vaccine delivered with electroporation. And this Phase 1 study will assess safety and the immune responses in approximately 48 patients. Also to be conducted with [HP10] sponsorship, we anticipate initiating this Phase 1 study before the end of this year.

Our fifth program is also focused on HIV and we are extremely proud that the NIH division of AIDS ordered \$23.5 million in a multi-year funding to advance our PENNVAX-GP candidate vaccine which is targeting multiple HIV subtypes more prevalent outside of North America and Europe.

This candidate vaccine will be delivered by a new intradermal or skin electroporation procedure. The program covers pre-clinical development of the vaccine, cGMP manufacturing of the DNA products and initial Phase 1 human clinical study.

And sixth, we have a small molecule compound VGX 1027 that has shown pre-clinical efficacy in animal models against a variety and various inflammatory and autoimmune diseases including rheumatoid arthritis, Type I diabetes, [porleitis] and uveitis. It is the first of a new class of immune modulators that inhibits the production of several pro-inflammatory cytokines responsible for damaging effects of inflammatory diseases.

VGX 1027 has so far been generally safe and well tolerated in two separate Phase 1 studies. This orally delivered drug also achieved significant and sustained plasma levels after multiple doses in healthy volunteers, demonstrating favorable pharmacokinetics. VGX 1027 is now ready for Phase 2 study.

While the candidates I've mentioned are under the Inovio roof, there are three clinical programs progressing in the hands of our partners using Inovio's DNA delivery technology. Merck is delivering a DNA vaccine coded for (inaudible) and targeting multiple significant cancers.

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

Merck is enrolling people in this 42 patient Phase 1 study assessing safety, tolerability and immunogenicity. Sweden-based Tripep's proof-of-concept Phase 1 study of Hepatitis C vaccine has enrolled 12 patients and Tripep expects to report additional results from this study of safety and immunogenicity before year-end.

In the UK, the University of Southampton has completed enrollment of a 30-patient proof-of-principle study for a prostate cancer vaccine coded for PSMA antigen. Again we expect more data regarding safety and immunogenicity before the end of this year.

To sum up, the combined Company integrates two sets of compelling intellectual property and capabilities under one roof. In completing the merger, we have eliminated our reliance on relatively lower valued license agreements for delivery technology alone and created the downstream opportunity to secure relatively higher valued license agreements for our promising proprietary DNA vaccines in combination with a powerful proprietary delivery technology.

Our intent is to internally advance promising agents through Phase 1 or early Phase 2 clinical studies and then seek license agreements with far greater value in upfront fees, milestone payments and royalties and garner significantly greater profit potential for Inovio's shareholders. Inovio also has controlling ownership in their leading DNA (inaudible) manufacturer, VGX International.

VGX International's subsidiary and facility in Texas under the name VGXI Inc. is a contract manufacturer of clinical-grade human DNA vaccine products and a DNA-based animal growth hormone now approved for use in Australia. This animal growth hormone called LifeTide is marketed by VGX Animal Health, now a majority owned division of Inovio. We believe that our connection to VGXI's patented fermentation, recovery and purification manufacturing facility will enhance Inovio's product development process.

Looking at our financial position as of March 31, Inovio had a cash position of \$11.7 million and VGX had a cash position of \$2.7 million. We believe this cash position will support our operations through Q2 2010.

As of completion of this merger on June 1, 2009 Inovio had approximately 85.7 million shares issued and outstanding and approximately 115.3 million shares outstanding on a fully diluted basis. Finally let me highlight the clinical milestones we expect by year-end.

They are, Phase 1 proof-of-concept data from the University of Southampton's prostate cancer vaccine, Phase 1 proof-of-concept data from Tripep's Hepatitis C virus vaccine, Phase 1 interim data from Inovio's VGX 3100 cervical cancer vaccine, Phase 1 interim data from Inovio's PENNVAX-B HIV vaccine without electroporation and Phase 1 data from Inovio's VGX 1027 rheumatoid arthritis Type I diabetes drug candidate.

We also expect to initiate Phase I studies for our PENNVAX-B HIV vaccine delivered with electroporation and our VGX 3400 avian flu vaccine. Of these seven programs, five of them are funded by our partners and collaborators. We aim to secure additional partnerships and grant funding to expand our already strong pre-clinical programs as well.

The critical consideration is that there are multiple opportunities to announce new data that may provide additional important validation not only for Inovio's electroporation delivered DNA vaccine platform and specific proprietary vaccines, but also for DNA vaccines as an important new generation of vaccines. To sum up, Inovio is now entering a new era of its life as an integrated, differentiated product development company with the momentum to display continuing leadership advancing the DNA vaccine field.

I am enthusiastic about the opportunity and value that Inovio has to provide for medical science, our patients, and our shareholders. We now look forward to answering questions from analysts on this call. Operator, over to you.

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Ren Benjamin, Rodman and Renshaw.

Ren Benjamin - Rodman & Renshaw - Analyst

Thanks for taking the question. Congratulations on the merger.

Unidentified Company Representative

Thank you.

Ren Benjamin - Rodman & Renshaw - Analyst

I guess a couple of questions, maybe starting off with the patent estate because that's one of the key ingredients to this combined entity. Can you talk a little bit more about the specifics of that?

How many patents do you have that are accepted, how many do you have filed? And what is the -- I know this is a broad question, but what is the longevity of it? So is it more composition of matter? Is that more method of use? And now that you can combine both the vaccine and the electroporation, is there more patents that are being filed that can clearly create a runway that is untouchable?

Dr. Joseph Kim - Inovio Biomedical Corporation - CEO

Thanks for a very insightful question. Patents are -- obviously our intellectual property are one of our greatest assets. Separately we had -- both companies had a very strong set of patents covering both DNA vaccine composition, especially previously the VGX side covering the SynCon synthetic consensus approach, covering broad-based consensus approach for DNA vaccines including molecular (inaudible)

We had several dozen patent family groups which encompasses several hundred patents worldwide. That is brought together with extensive electroporation patent estate by previous Inovio and also by VGX.

So together we have spent over \$100 million in these patent estates, over 25 years of patent gathering and establishment. You asked about extension.

These patents last through at least 10 to 15 years of additional life. Some of the SynCon patents are relatively new. We expect at least most have the 20 year patent life and we are continuing to patent, to broaden and to sharpen this field.

And I would also add that there are about five different, separate clinically available electroporation devices currently out there in the field. This merger brings together three of the five under one control. So we feel very strong about our patent estate as well as our technology and proprietary position.

Ren Benjamin - Rodman & Renshaw - Analyst

And going forward, I know you mentioned that you have enough cash to take into probably the middle of 2010. But how should we be viewing the burn?

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

It seems like there's a lot that is going on at the Company, as you mentioned, several trials are ongoing; data coming out at the end of the year. And granted, there are earlier stage trials but looking forward, which programs do you see -- would you like to advance (inaudible) Phase 2 studies maybe over the other and how do you see the -- do you see a partnership coming before going into Phase 2 or will you take the expense yourself and try to complete the Phase 2 studies?

Dr. Joseph Kim - *Inovio Biomedical Corporation - CEO*

Again, very good question. We have taken a great effort in reducing burn as we see cash as the blood of our Company, blood of our body. So both companies have prior to the closing yesterday have taken an extensive look into each other's burn and we have pared down personnel, programs and prioritized the candidates that we want to push forward.

We're [vetting] our own internal sources on our cervical cancer therapeutic vaccine product, VGX 3100; and our flu product, VGX 3400. Other than that, all the other studies are mostly done on other people's dime.

So we have been very active in bringing government funds, partner funds and other funding sources to help us take programs forward. And as for licensing opportunities, we look forward to doing multiple licenses for many of our candidates, but some we will hold until the later -- it all depends on the value and the proposition. But we look forward to extending our cash runway through additional funding, through non-diluted services from additional grants and other licensing revenues in the future.

Operator

Ross Silver, Vista Partners.

Ross Silver - *Vista Partners - Analyst*

Good morning and congratulations on the merger.

Dr. Joseph Kim - *Inovio Biomedical Corporation - CEO*

Good morning. Thank you.

Ross Silver - *Vista Partners - Analyst*

I have a question regarding DNA delivery and where Inovio stands within the [unit of] delivery technologies. What is the -- your competitive stance or I guess where would you rank amongst some of your competitors in terms of DNA delivery? Of course there's PowderMed which was acquired by Pfizer. Is there anyone else as advanced as you are?

Dr. Joseph Kim - *Inovio Biomedical Corporation - CEO*

Well in non-electroporation space, obviously the viral vectors are the strongest conventionally. We recently published or presented data that we collaborated with Merck and the University of Pennsylvania. We did a side-by-side collaborative study with Merck and UPenn where we compared head-to-head Merck's AD5 vector vaccine for HIV along with our electroporation-delivered SynCon DNA vaccine.

And we were at least five to tenfold higher in the metrics for measuring T cell responses call T cell (inaudible). So AD5 was the best of the best. These are better than all other viral vectors out there until recently. We felt very good competitively.

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

As for other non-EP areas, companies like Vical are looking at liposomes and others and they have had some successes both pre-clinically and we look forward to seeing more clinical data from our competitors. Within our electroporation-delivered field -- oh, before that. PowderMed, Pfizer is developing the Gene Gun technology.

We see that also as a potential competitor. But I think we stack up very well and 'we' meaning the electroporation-delivered vaccines. Consistently there are more presentations from us and our collaborators as well as our competitors showing that EP-delivered DNA vaccines generate superior levels of immunogenicity in animal models and we look forward to continually producing proof-of-concept and demonstration in humans through our trials.

Within our own field of electroporation, as I said, we control over three out of five clinically available devices and we are even innovating further within all aspects of the electroporation delivery. We have a very strong skin delivery program that as I mentioned is a \$23.5 million-dollar contract from the NIH, will further support this new technology.

We are expanding our programs and other facets of EP delivery. Our patent estates are very strong especially with the combined estate.

So I think we stack up extremely well against other competitors within our field. But you know, this is a field where I think we and others can really drive the demonstration of human immunogenicity in people and this will really establish the commercial viability and success of DNA vaccines as a field.

Ross Silver - Vista Partners - Analyst

Great, thank you very much.

Operator

Stephen Brozek, WBB Securities.

Stephen Brozak - Westerfield, Bakerink, Brozak - Analyst

Hey, good morning gentlemen and congratulations on the merger. We are new to the story but we're fairly familiar with basically everything dealing with -- how should I put this -- highly pathogenic strains of viruses. Can you give us any background on -- let's say for instance -- we have just seen how swine flu has swept through the world -- on the two-animal rule and what your approach might be if this was an unfortunate vast market situation and how your science would apply in that particular area?

Dr. Joseph Kim - Inovio Biomedical Corporation - CEO

Good morning Steve. Thank you for the question.

The two-animal rule refers to the expedited approval of products against emerging pathogens as such where it's impractical or immoral to do a challenge or large-scale challenge studies in humans or evaluate a Phase 3 trial. So basically we have to establish a human tolerability, safety in Phase 1 trials and show in two separate animal pre-clinical models protection against an established challenge model.

For avian influenza for instance, we have taken -- we actually challenged successfully and provided protection using our VGX 3400 vaccine in three separate challenge models. First was the mice, second was -- which seems to be the most prevalent and most relevant animal system -- are the ferrets for flu. And lastly which I talked about in the conference call, the non-human primate in most cases are the closest model to humans.

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

We were able to successfully show 100% protection in all three of the models. The first two are lethal. And last, it still needs to be worked out of the lethality. But we were able to show 10,000-fold or four logs of reduction in viral load.

So we feel very confident that once our Phase 1 trial is completed, showing safety and tolerability and immunogenicity, we will be able to quickly accelerate this process. So we look forward to doing this using against H5N1. We are also looking at H5N1 as well as part of our universal flu vaccine concept and I have spoken to you earlier about our 1918 challenge which was pretty dramatic.

Stephen Brozak - *Westerfield, Bakerink, Brozak - Analyst*

Just to highlight it, we're talking about there's always the possibility unlike a lot of other smaller biotechs that have the constraints that people are well aware of and the vagaries of the FDA, you have the ability and the right circumstances to go out there and use an expedited model that would actually be a situation where you could see years cut down in terms of being able to actually have sales. Would that be an accurate statement?

Dr. Joseph Kim - *Inovio Biomedical Corporation - CEO*

Yes, we look forward to doing that and if the governments of the world, including our own, stockpile these pandemic vaccines using a Phase 1 proof of concept immunogenicity and safety. So we are looking for accessing these accelerated pathways for our products to really expedite the generation of revenues.

You know, we -- unfortunately the biotech field is a high-risk, high-benefit field as you know. We are trying to circumvent some of that by utilizing our current business model which is to as you said, accelerate in some of these revenue-generating capabilities, number one.

And number two is to get through the proof-of-concept Phase 1 and perhaps early Phase 2 clinical studies using our fact development platform and also -- and then licensing these proprietary vaccines married to our proprietary delivery to large pharmas we're starting as you know for a product candidates. So that's our current model to really contract down this pathway to profitability.

Stephen Brozak - *Westerfield, Bakerink, Brozak - Analyst*

Great. Well again, congratulations. Let me jump back in the queue.

Dr. Joseph Kim - *Inovio Biomedical Corporation - CEO*

Thank you Steve. Thank you for a nice question.

Operator

Mark Monane, Needham & Co.

Mark Monane - *Needham & Company - Analyst*

Thank you and good morning. (inaudible) good morning, Joseph, and thanks for a review of the combined companies. Look forward to the progress going forward.

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

A question on the DNA vaccines and your strategy here in cancer especially. Clearly vaccines can be used early in therapy possibly because the patients are less sick at that point and may have a more active immune system at the time.

It can also be used later in therapy because the (inaudible) profile is usually much more tolerable than traditional chemotherapy or other agents. Maybe you could outline for us please the strategy of where you think the DNA vaccines for cancer may fit in and the different programs that you have chosen.

Dr. Joseph Kim - *Inovio Biomedical Corporation - CEO*

Thank you Mark. Good morning and thank you for an insightful question.

We feel -- and we agree with your assessment that ability to generate the bodies own T cell responses against cancer cells are really the paramount or key points in our approach for therapeutic cancer vaccines and we feel that in conjunction to -- for instance for our HPV cervical cancer therapeutic program, we have chosen to do our initial studies in healthy patients because as you said, we feel this can be a perhaps first immune therapy prior to going to a very harsh chemotherapy. In contrast, we can see the utility of our cancer therapeutic vaccine in conjunction to concurrent chemotherapy as an adjunct therapy because we feel they can be delivered simultaneously.

That's the approach we're taking. Cervical cancer is a very important arena. Gardasil for instance and Ceravix have established the utility of preventing cancers through preventing infection using human papilloma virus, targeting HPV.

Our vaccine VGX 3100 you can say perhaps could be a sister vaccine to Gardasil and Ceravix in that it can treat the women who are already infected. So we feel that the approach could be novel, could be effective and we feel there is a high value proposition for this approach.

Mark Monane - *Needham & Company - Analyst*

That was helpful. Thank you. And then building on an earlier question I guess from Ren, can you talk about how many people there are at the merged companies and how you expect to prioritize your people resources and money resources going forward?

Dr. Joseph Kim - *Inovio Biomedical Corporation - CEO*

So combined, we have 37 personnel mostly devoted to research and development and clinical development and engineering and quality for our devices. We expect to focus on delivering high-quality clinical and pre-clinical products into clinical trials and that's where most of our focus will be on. As well as for our internal programs and our partner, current and future partner programs.

Mark Monane - *Needham & Company - Analyst*

I guess out of the seven programs that you nicely outlined, can you -- and I guess five that are going to have data this year, could you help us think about the Company prioritization towards those programs?

Dr. Joseph Kim - *Inovio Biomedical Corporation - CEO*

We have two internally funded programs as I stated. In terms of the time frame, we will probably see our data from the partner programs earlier than our internal programs.

Jun. 02. 2009 / 9:00AM, INO - Inovio Biomedical Corporation Merger & Acquisition Announcement with VGX Pharmaceuticals

But we are focusing mostly to our internal proprietary vaccine candidates, 3100 and 3400, cervical cancer and influenza candidates. But that's not to say that we are not emphasizing our HIV program.

No, that's the flagship. We have got dozens of millions of dollars of support from HVTN, the Division of AIDS from the NIH and so on. So we will always be at the forefront when the market and the street is discussing HIV vaccine development. We expect to be at the front end of that.

Mark Monane - *Needham & Company - Analyst*

Thanks again for the added information and I look forward to the 2009 events.

Operator

Ladies and gentlemen, that is the last question will address on this call. Bernie?

Bernie Hertel - *Inovio Biomedical Corporation - Director of Corporate Communications*

Thank you all for joining us today. If you require further information, the most convenient way to contact us is by e-mail at investor.relations@inovio.com. Have a good day.

Operator

This concludes today's teleconference. You may disconnect your lines at this time and thank you for your participation.

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