

This Issue: What's Ahead For ITI In 2009

ITI is moving into its third full year of operation in 2009 with a lot to look forward to.

In This Issue we bring you up to date on the latest in our development of an immunotherapeutic vaccine for Japanese Red Cedar and our plans to initiate a Phase I clinical study by the end of the year.

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December 2008 marked the re-launch of the **ITI Website**.

Learn more about this exciting new resource on the web.

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ITI continues to work with strategic partners and possible collaborators in order to maximize the value of our LAMP technology. We provide an **update**.



this issue

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A Letter from the CEO

Dear Friends of ITI,

Happy New Year & welcome to the first edition of the ITI Lighthouse in 2009. For those of you new to this publication, Immunomic Therapeutics publishes this newsletter three or four times a year to provide you with an update on the Company and our progress. This being the first publication of the year, it seems like an opportune time to look back at 2008 and to highlight some of the accomplishments and challenges we faced over the last twelve months.

We started 2008 with a primary objective of refining our business plan and strategy in order to position ITI for its first major fund raising effort. Looking back to 2007 and our original concept for the Company, we have evolved from a business development oriented company to a focused, product-based biotechnology company with multiple products in the clinical trials pipeline. Perhaps the biggest transformation was from a multi-target focus including cancer, allergy and influenza to a focus in allergy and in particular Japanese red cedar with an

emphasis on a streamlined clinical trials program. This effort has put the Company in an excellent position to capture its Series A funding in Q1 of 2009.

The shift to our internal focus on allergy however did not keep us from pursuing important opportunities in cancer, infectious disease and HIV. Through important collaborations and licensing activities, LAMP - based vaccines have continued to be developed and evaluated in the clinic for cancer with Geron and its innovative GRNVAC1 now in clinical studies in AML patients and an emerging therapeutic vaccine application for HIV, "Argotom-VAX," in collaboration with Tom August's laboratory and a corporate sponsor in Brazil.

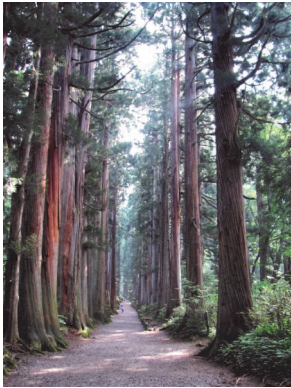
Our efforts in 2008 included building relationships with multiple corporate partners such as Althea, a leading manufacturer of cGMP DNA, Ichor Medical Systems, a pioneer in the delivery of DNA vaccines through electroporation and Nature Pharmaceuticals, an innovator in vaccine plas-

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From the NY Times: Japanese Red Cedar, a Man Made Disaster

For Shigejiro Sugiyama a stroll in the country was an encounter with an impending disaster. He plucked a sprig of cedar and pointed out how the trees were heavy with dense rows of tiny amber buds, the product of a particularly hot, dry summer. They meant that come spring, he and millions of other Japanese are likely to suffer in what experts are saying will be the worst year ever for a malady known in no other country to such a degree: allergic reactions to cedar pollen.



The forests in this mountainous region were once verdant swaths of oak, maple and numerous other kinds of broadleaf trees and evergreens. But after World War II, Government bureaucrats applied their aggressive industrial policies to the environment as well as the economy. In the process, they financed the replacement of what they saw as commercially useless natural forests with more economically productive trees.

(Continue reading on Pg 3)



Last month, ITI unveiled its newly updated website at www.immunomix.com. The site was designed to mesh with the new company logo and color scheme and to bring it into alignment with the Company's updated business plan.

The website, like many biotech websites, features information about the company's technology, it's management team and contact information.

ITI went one step further by creating a learning section on immunology that we believe is second to none! Using new web technology from **Issuu**, educational brochures from the National Institutes of Health are presented in an easy **page - turning format**. We think you will find it easier to read than even downloading the PDF file and printing it!

In addition to the very instructive booklets on general immunology and allergens, we also converted a number of our PowerPoint presentations into the same, easy to read, page turning format. You will find a

wealth of information about LAMP and our competitive advantages over other technologies.

While we are very proud of the presentation, it is still a work in process. This month, we will be adding a fantastic LAMP resource - a article by article summary of all the relevant LAMP literature! This amazing resource enables you to see how LAMP has been applied across a variety of disease targets and animal models.

ITI's Website is a virtual encyclopedia of information on immunology and LAMP

While every effort is made to ensure accuracy on every page and with every link, we are aware that an extra "a" can creep in or that we created a "dead" link. If you see one, drop us a note and we will make sure the "webmaster" fixes it promptly!

ITI Launches New Website

www.immunomix.com is all new -
if you haven't seen it, it is time to
drop in and sit a spell!

Special Resources on the Website for Investors and Shareholders

To all of ITI's valued existing investors and to those prospective investors who have executed a confidentiality agreement with the Company, a special web page section is available to you.

These pages have links to the ITI Business Plan, Executive Summary, key publications and PowerPoint presentations that may be of interest to you.

In order to gain access to this private web page, please request a password by sending an e-mail directly to our CEO at:

bhearl@immunomix.com

Thanks!



Business Developments

ITI invested a significant effort in 2008 to establish relationships necessary for long term success. Three of these relationships stand out as key for the Company going forward.

Althea, a San Diego based manufacturing firm, is one of the companies that we have been working with and plan to collaborate with in the years to come. As one of the premier manufacturers of cGMP grade DNA, Althea's capabilities to produce kg

quantities of DNA will be crucial for the commercial launch of our first product. Althea's state-of-the-art facilities and their experience with the process and the FDA makes them an ideal partner for ITI.

Another emerging company that is viewed as an important partner is Nature Pharmaceuticals (Lincoln, NE). Nature has been developing next generation plasmids to be used as the backbone of DNA vaccines. Their design has an important safety feature in that it has eliminated

the need for antibiotic resistance. Working with Dr. Heiland, Nature has prepared a JRC vaccine with their backbone. Evaluation of this vector is underway.

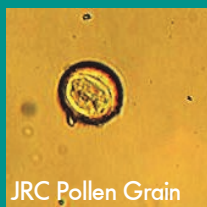


In our next issue, we will discuss a third key partner, Ichor for vaccine delivery. Check back next issue for details!

From the Lab Bench

Dr. Bill Hearl Goes Hunting For Cedar Pollen

When working on developing an allergy therapy, it would seem logical that you may need access to the naturally occurring offending material, in this case pollen from Japanese red cedar trees. While it is plentiful in Japan, it is a little hard to come by here in the U.S.



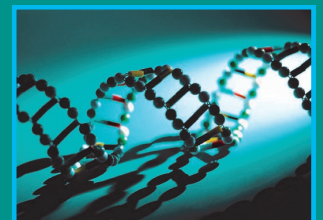
JRC Pollen Grain

Fortunately, a few phone calls and some creative thinking resulted in the identification of over 45 Japanese red cedar trees here in the Washington DC area with the largest concentration found in the National Arboretum. As it happens, the trees are now preparing to bloom and should begin shedding the offending pollen very soon. Dr. Hearl reports that the trees make him sneeze...now there's a surprise!

(from Page 2, JRC Disaster)

For the most part, this extraordinary experiment in environmental engineering has involved planting a single species, the Japanese cedar, because of the usefulness of its wood and the speed of its growth. As a result, Japan now has the largest tracts of cedar on earth.

The cases of pollinosis, as the reactions to the cedar pollen are known, are a product of the unprecedented concentration of mature cedars; it is believed that never before have humans been assaulted by such huge waves of pollen. With 1 in 10 Japanese affected, the allergies have become a national obsession. "At the peak, you can actually see a pollen fog coming from the cedar forests," said Dr. Yozo Saito, an allergy specialist in Tokyo "It is so bad that when people first began to notice this a decade or so ago they thought there were forest fires."





Bio Industry News

Economic Forecast for Biotechnology Is Promising

According to a recent article on the state of Biotech and captured by Fierce Publications, www.fiercebitech.com, the news for 2009 for the biotech sector may hold some promise. According to a recent article on their website, "although biotech stocks have fallen from the record highs posted in August, they aren't as risky as many fear—or expensive, says a report by *Barron's*. Not surprisingly, Big biotech is doing better on Wall Street than their smaller counterparts, but they're also

doing better than the broader stock market and will continue to grow."

The *Barron's* report has a number of analysts touting Big Biotech's resilience: "The biggest companies will grow profits irrespective of what happens in the economy," says Evan McCulloch, manager of the Franklin Biotechnology Discovery Fund. "At a time when growth rates elsewhere are decelerating or turning negative, there is a sense of certainty with these companies."

One analyst with Standard & Poor's Equity Research says

Big Biotech stocks could climb as much as 15 to 20 percent annually for the next three to five years stating that they are "some of the only companies right now that I am confident will grow earnings year over year."

Recognizing this, pharma has been eyeing biotechs with promising pipelines. The folks at Fierce Biotech see continuing strong opportunities in M&A and partnering agreements.

So while the economy is difficult, biotech and the health-care still provide investment value and opportunity.

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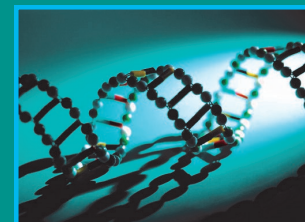
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On the Internet

There are some great resources on the Internet - here's a few of our favorites:

- www.fiercevaccines.com - great news about the industry.
- http://en.wikipedia.org/wiki/DNA_vaccination - excellent educational resource on DNA vaccines
- <http://www.issue.com> - Page - flipping technology (Free!)





Does This Picture Make You Sneeze?!

If you were in Tokyo (or West Texas), you would! These are the pollen bearing male cones of *Cryptomeria japonica*—learn more at www.immunomix.com

mid design. We also attended a number of investment and scientific conferences including the Philadelphia Venture Forum, the Three Rivers Venture Forum and Bio2008, the international conference for our industry. ITI presented posters at the Gallo meeting on HIV in Baltimore this year and on Japanese red cedar allergy at the Philadelphia - Japan Health Conference.

ITI held its first pre-IND meeting with the FDA in 2008 (for Argotom-VAX) and laid the groundwork for a second early in 2009 for a Phase I clinical study with JRC LAMP-vax, our therapeutic vaccine for cedar allergy.

One other major activity that I want to bring to your attention is the new ITI website at www.immunomix.com. I think you will find our website to be extremely informative and educational, providing you with an excellent background in immunology as well as a full understanding of LAMP and why it is so special.

I hope you find this year's editions of The Lighthouse to be useful and informative. If there are some topics you would like to see discussed, please send them to me or give me a call. Thank you for your continued interest and support in Immunomic Therapeutics!

Bill Hearl, Ph.D.
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