



Transforming Today's Discoveries into Tomorrow's Products



Innovative Biotechnologies Acquired by Privately Held Rheonix, Inc.

GRAND ISLAND, NY — December 31, 2008 — Richard A. Montagna, President of Innovative Biotechnologies International, Inc. ("IBI"), today announced the successful completion of an acquisition by privately-held, Ithaca, NY-based Rheonix, Inc. The ability to integrate the biosensor capabilities of IBI, developed in collaboration with scientists at Cornell University with Rheonix's novel CARD™ (Chemistry And Reagent Device) microfluidic technology, will provide a fully automated "point-of-care" (POC) or "point-of-use" (POU) diagnostic platform with applications in a broad spectrum of markets including human and veterinary *in vitro* diagnostics, biopharmaceutical manufacturing, food and beverage manufacturing, food/water safety testing, and homeland security/defense applications. Moreover, due to novel production methods, extremely rapid prototyping is possible, thus dramatically reducing the time from concept to market.

The fully-integrated system permits the completely-automated analysis of "raw" samples, with all preparative, analytical, and readout functions performed on the CARD™, with virtually no intervention required by the analyst. Thus far, such diverse samples as whole blood, plasma, saliva, vaginal swabs, cell culture specimens, and food and drinking water samples have been introduced onto the CARD™ and successfully analyzed by molecular or immunologic methods. Using molecular methods, all nucleic acid isolation and purification processes, along with gene amplification steps, are fully-automatically performed. Similarly, where immunologic methods are required, the CARD™ can be configured to automatically perform all necessary steps to achieve the desired results.

Coupled with a simple computer interface that controls all functions on the CARD™, this powerful diagnostic platform finally provides a revolutionary means for individuals of varying technical expertise, including unskilled analysts, to easily perform rapid POC and POU testing. Once a sample is applied to the CARD™, even the most sophisticated assays can be performed automatically.

Rheonix can design and produce CARD™ devices to meet the most exacting demands of partners that wish to commercialize products in the burgeoning POC and POU markets. For additional information and background about how the Rheonix CARD™ can meet your needs, please visit us at our web site: www.rheonix.com.

About Innovative Biotechnologies International, Inc.

IBI was incorporated in 1994 to assist in the development and commercialization of certain biosensor technologies developed at Cornell University. A number of biosensor platforms were advanced to the point where its acquisition by Rheonix, Inc. provided the means to further its commercial efforts. Over \$3.0 million of Federal research grant funding has been awarded to IBI president Richard Montagna, Ph.D. and used in collaboration with scientists at Cornell to advance the technologies to their current level.

About Rheonix, Inc.

Rheonix, Inc. began operations as the microfluidic division of Kionix, Inc., a global leader in the design and fabrication of high-performance, silicon-micromachined, MEMS inertial sensors used in the automotive, consumer electronics, and gaming industries. Based on its experience in the manufacture of millions of such devices, Kionix has imparted to Rheonix considerable intellectual property and expertise to launch the independent company, a spin-out of Kionix. Greg Galvin, Ph.D. president of Kionix commented, "The same dedication and attention to detail that has propelled Kionix into its leadership role has been mirrored by the

Rheonix staff as they move into their own facilities and provide novel solutions to today's diagnostic challenges. The completion of the IBI transaction adds another dimension of expertise and versatility to the Rheonix CARD™ system."

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