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INSTITUTIONAL RESEARCH
Healthcare & Biotechnology
TERMINATION REPORT

Viragen (VRA)

Terminating Coverage
Old: Under Review

Terminating Coverage - Change in Management Direction – Canceled Programs - AMEX Delisting

July 10, 2007

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Current Price $0.03 **Old Target N/A** **New Target N/A**

1) **We are terminating research coverage of Viragen after placing the company Under Review on March 21, 2007. We believe that subsequent management actions have dramatically changed the business, and thus our original investment thesis for Viragen is no longer applicable. We believe the likelihood of significant short- or long-term positive catalysts are low and as a result, we are terminating coverage of Viragen at this time. Below are some of the events that have significantly changed the business of Viragen**:

2) March 20, 2007 – Viragen converted $9.2M of debt into equity, resulting in 77% dilution of existing shareholders. Viragen downgraded to Under Review.

3) April 16, 2007 – Viragen raised $3M with convertible preferred stock and warrants, which are also potentially dilutive to existing shareholders.

4) April 18, 2007 – Viragen licensed the European rights to Multerferon to Orphan Sweden receiving just a $2M upfront payment.

5) May 4, 2007 – Viragen cancels development of VG101 with Memorial Sloan-Kettering Cancer Center (MSKCC).

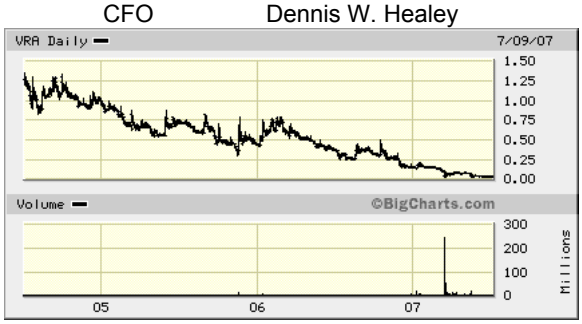
6) June 21, 2007 – Viragen cancels OVA avian transgenic technology development with the Roslin Institute and Oxford BioMedica.

7) July 6, 2007 – Viragen announces that the American Stock Exchange Listing Qualifications Panel affirmed the Amex Staff determination to delist Viragen common stock, units and warrants. Viragen's securities will continue to trade on the Amex through July 11, 2007, and then are expected to begin trading on the Over-the-Counter Bulletin Board (OTCBB) on July 12, 2007.

Stock Data	
52-Week Range	$0.02 - $0.50
Shares Outstanding (Mill)	219
Market Capitalization ($Mill)	$6.8
Average Daily Volume	1,350,610
Book Value/Share	$0.02
Price/Book	1.0X
Cash / Securities ($Mill)	$2.3
Cash/Share	$0.01
Enterprise Value ($Mill)	$4.6
Current Ratio	2.9
Debt ($Mill)	$0
Dividend/Yield	$0.00/0%
Short Interest (Mill) / %	0.2 / 0.1%

Results-FYE June	2004	2005	2006
Revenues ($Mill)	$0.3	$0.3	$0.4
EPS (Loss)	($.55)	($0.71)	($0.46)

Management	
CEO	Charles A. Rice
CFO	Dennis W. Healey



Price target and ratings changes over the past 3 years:
Initiated December 12, 2006 – Spec. Buy – Target $0.65
Downgrade March 21, 2007 – Under Review – Target N/A
Terminated - July 10, 2007

See last page for important disclosures and analyst certification.

DISCLOSURES

Price target and ratings changes over the past 3 years:
Initiated December 12, 2006 – Speculative Buy – Target $0.65
Downgrade March 21, 2007 – Under Review – Target N/A
Terminated – July 10, 2007

Analyst Certification: The analyst(s) whose name appears on this research report certifies that 1) all of the views expressed in this report accurately reflect his personal views about any and all of the subject securities or issuers discussed; and 2) no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst in this research report; and 3) All Dawson James employees, including the analyst(s) responsible for preparing this research report, may be eligible to receive non-product or service specific monetary bonus compensation that is based upon various factors, including total revenues of Dawson James and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by investment banking activities, including but not limited to shares of stock and/or warrants, which may or may not include the securities referenced in this report.

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	Company Coverage		**Investment Banking**	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Speculative Buy	5	18%	2	40%
Strong Buy	3	11%	1	33%
Buy	17	61%	1	6%
Neutral	3	11%	0	0%
Sell	0	0%	0	0%
Sell Short	0	0%	0	0%
Under Review	0	0%	0	0%
Restricted	0	0%	0	0%
Total	28	100%	4	14%

Information about valuation methods and risks can be found in the "STOCK VALUATION" and "RISKS" sections of this report.

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