

Please note that this press release replaces the previously issued announcement under RNS number 5876J. The updated announcement includes a quote from Ann Casey, Investment Executive at Finance Wales.

**For immediate release**

1 April 2010

**RNS Reach**



("Fusion IP" or "the Company")

### **Asalus Medical Instruments raises £0.45m in first round funding**

#### **IP Group makes first investment in Fusion Portfolio**

Fusion IP (AIM: FIP), the university IP commercialisation company that turns world class research into business, is pleased to announce that its medical devices portfolio company, Asalus Medical Instruments Limited ("Asalus") which was launched in January 2010, has successfully raised £0.45m in its first funding round. This financing will allow it to advance its three new laparoscopic devices through preclinical development. Both of Fusion's investment partners, Finance Wales PLC and IP Group PLC, participated in the round.

This investment represents IP Group's first investment in a Fusion IP portfolio company under the agreement between IP Group and Fusion that was signed in November 2009 and is the sixth Fusion portfolio company Finance Wales has invested in since the MOU was signed over two years ago.

Asalus is developing a range of innovative medical devices that will improve the safety and efficiency of laparoscopic surgery. Laparoscopic surgery is a modern surgical technique in which operations in the abdomen are performed through small incisions, as compared to the larger incisions needed in traditional surgical procedures. There are several benefits to conducting laparoscopic surgery and, as a result, the number of procedures conducted using this technique has grown rapidly over recent years. Over 2 million laparoscopic operations per year are now performed in the USA alone.

The three products that Asalus is developing are:

- A novel smoke and steam clearance device that represents a paradigm shift in the way in which electrosurgical smoke is removed from both minimal access and open surgical procedures;
- A novel access port that will provide significant benefits over those currently on the market; and
- A novel, multifunctional device for the atraumatic manipulation of tissues and organs.

The company plans to seek further funding by the fourth quarter of 2010 that will allow it to complete development of the devices, after which licensing partners will be sought.

**David Baynes, CEO of Fusion IP said:**

“I am delighted to welcome Finance Wales and IP Group as investors in Asalus. Development of all three devices has progressed well and this funding will allow the company to take significant steps forward in both its clinical and regulatory development pathways.”

**Dominic Griffiths, Portfolio Investment Manager of Fusion Cardiff and Director of Asalus said:**

“Successfully completing the rigorous due diligence conducted as part of Asalus’ funding round validates the commercial potential of our devices. We welcome Finance Wales and IP Group as investors and their experience puts the business on a stronger footing as it seeks to validate the devices in this exciting preclinical testing phase.”

**Ann Casey, Investment Executive at Finance Wales, said:**

“Our continued relationship with Fusion IP demonstrates how spin-out companies such as Asalus are benefiting from the combined investment approach. Finance Wales is committed to investing in start-up and spin-out companies that can demonstrate growth potential through innovative research, development and commercialisation.”

**For further information please contact:**

**Fusion IP** +44 (0)114 275 5555

David Baynes, CEO

Tony Gardiner, CFO

**Buchanan Communications** +44 (0)20 7466 5000

Tim Anderson / Lisa Baderoon / Catherine Breen

**Seymour Pierce** +44 (0)20 7107 8000

Chris Howard, Corporate Finance

Catherine Leftley, Corporate Finance

**Finance Wales** +44 (0)1686 613118

Owain Betts

**Fusion IP**

Fusion IP plc, previously called Biofusion plc, was established in 2002 to commercialise university-generated intellectual property. Fusion IP has signed long term agreements with two of the UK’s leading research intensive universities, the University of Sheffield and Cardiff University, giving a combined R&D spend attributable to Fusion IP of approximately £185m a year.

Fusion's first agreement was a ten-year exclusive arrangement with the University of Sheffield giving it the right to commercialise (through both the creation of spin-out companies and licensing) research, owned by the University, initially in the area of medical life sciences. This agreement was expanded in July 2008 to include all non-life science research-generated IP such as energy, engineering and electronics. Fusion has significant shareholdings in a portfolio of Sheffield University spin-out companies including Simcyp, Magnomatics, Diurnal and Phase Focus.

In January 2007, Fusion completed a ten year exclusive agreement with Cardiff University, also giving it the right to commercialise (through the creation of spin-out companies) Cardiff University's research-generated IP. Fusion has significant shareholdings in a portfolio of Cardiff University spin-out companies including Mesuro, Abcellute, Medaphor and Q-Chip.

On 2 December 2009, Fusion announced that it had raised approximately £3.2 million through a fund raising and that, as a result of its participation in such fund raising, IP Group plc ("IP Group") held approximately 19.8% of Fusion. Fusion has also entered into a Co-Investment Agreement with IP Group under which IP Group has the right to acquire, for cash, 20% of Fusion's equity in any new Fusion portfolio company. As Fusion normally owns 60% of any new portfolio company at start-up, IP Group's shareholding will normally equate to a 12% stake in the new portfolio company.

Fusion IP also has a Memorandum of Understanding with Finance Wales, the provider of commercial funding to Wales-based SMEs, which outlines a strategy of co-investment in opportunities arising from the Cardiff Agreement.