



FUSION IP PLC

("Fusion IP" or "the Company")

"Asalus raises £510k to continue development of its medical devices portfolio"

Fusion IP (AIM: FIP), the university commercialisation company which turns university research into business, is pleased to announce that its portfolio company, Asalus Medical Instruments ("Asalus"), has successfully completed a £510k funding round that will enable it to further develop its first three products: Clearvision, Snugport and Surehold.

Based in Cardiff, Asalus is developing three 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.

Asalus' three products are:

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

The £510k funding round includes investments from existing investors Fusion (£220k), Finance Wales (£220k), and IP Group (£60k).

Following the fund raising Fusion will have a 43% shareholding in Asalus.

David Baynes, Chief Executive Officer of Fusion IP, commented:

"We are delighted with Asalus' progress. They have met all their development milestones to date and the customer reaction to the instruments has been particularly strong. This funding will enable them to significantly progress their lead product Clearvision and license Snugport and Surehold."

Dominic Griffiths, CEO of Asalus, added:

"We continue to believe that there is a gap in the market for a specialist incubator and developer of innovative medical devices, particularly in minimally invasive surgery market. Asalus' team allows it to accurately screen new ideas for potential value and then rapidly prototype and test new devices. Our first three products are testament to this. We are delighted with the feedback we have received from end users of the devices and potential commercial partners. We look forward to 2011 with confidence."

Ann Casey, investment executive at Finance Wales, said:

"Finance Wales congratulates Asalus on the progress it has made in developing its innovative laparoscopic instruments. The reaction from potential commercial partners has been encouraging and we're pleased to invest in this round to enable Asalus to develop Clearvision and license its Snugport and Surehold products."

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About Fusion IP

Fusion IP plc (Fusion) was established in 2002 to commercialise university-generated intellectual property. It has long-term exclusive agreements with two of the UK's leading research intensive universities, the University of Sheffield and Cardiff University, giving it exclusive access to a combined R&D spend of over £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 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 University of Sheffield 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, IP Group held approximately 19.8% of Fusion.

Fusion has also entered into a new Co-Investment Agreement with IP Group, in which IP Group has the right to acquire for cash, 20% of Fusion's equity in any new portfolio company. As Fusion normally owns 60% of any new portfolio company at start-up, IP Group's shareholding would 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.

About Finance Wales

Finance Wales provides commercial funding to small and medium-sized businesses throughout Wales, enabling them to realise their potential for innovation and growth. A subsidiary of the Welsh Assembly Government, Finance Wales manages funds of more than £335 million and has invested more than £177 million through 2500 investments in Wales-based businesses. It has also leveraged an additional £365 million in private-sector investment.

In April, 2009 Finance Wales launched a new £150 million commercial investment fund utilising funding from the European Investment Bank and EU under the JEREMIE (Joint European Resources for Micro to Medium Enterprises) initiative. The fund was the first of its kind in Europe.

Media centre: www.financewales.co.uk/media