



FUSION IP PLC

("Fusion" or "the Company")

"Fusion portfolio company, Asalus, to commence 'in-man' clinical trials of its revolutionary Innervision electro-surgical device"

Fusion IP plc (AIM: FIP), the university IP commercialisation company that turns world class research into business, is pleased to announce that Asalus Medical Instruments ("Asalus") has completed a first closing of its £0.7m funding round, following a successful pre-clinical study of its lead product, Innervision, the company's revolutionary electrosurgical smoke clearance device.

The funds will be used to commence Innervision's 'first-in-man' clinical study (subject to regulatory approval) and begin the process of scaling up the technology, prior to its expected launch in 2013.

Innervision is one product in a range of laparoscopic surgery devices being developed by Asalus. 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:

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

The £292k first closing includes investments from existing investors Fusion, Finance Wales and IP Group plc. Investors have an option to invest a further £392k, subject to investor approval and the achievement of milestones. Following the first closing, Fusion will have a 46% undiluted shareholding in Asalus (44% if the further option to invest is taken up).

Peter Grant, Operations Director of Fusion, said

"Innervision, which provides a simple and highly effective means of maintaining a clear visual field during laparoscopic surgery, continues to meet its development milestones as well as excite surgeons and distributors alike. The product answers a clear requirement within the sector and we are very pleased with the market feedback and progress of this novel product. Asalus is a product of our strong working relationship with Cardiff University, with whom we continue to identify and develop further exciting inventions."

Dominic Griffiths, MD of Asalus said:

'2011 was a fantastic year, with development work completed on time and on budget. Our investors continue to recognise the potential value of our products and our ability to deliver. These funds will

allow us to reach the critical milestone of completing a clinical trial with Innervision and the excellent results obtained in the GLP preclinical study give us confidence that the trial will meet its endpoints”.

Ann Casey, Investment Executive at Finance Wales, said:

“Asalus has so far achieved all its milestones on time and to budget to achieve excellent pre-clinical outcomes for Innervision. With this further investment, we’re confident the company will successfully complete clinical trials.”

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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 all the IP generated by their research departments. These exclusive agreements enable Fusion to identify world class IP and turn it into a commercial opportunity, either through the creation of a start-up company or a license.

Fusion currently owns shareholdings in over 20 portfolio companies, including significant shareholdings in Seren, Simcyp, Magnomatics, Phase Focus, MedaPhor, Asalus and Diurnal

Fusion has a Co-Investment Agreement with IP Group plc (“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. IP Group holds an interest in approximately 26% of Fusion.

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.

For more information visit www.fusionip.co.uk