



FUSION IP PLC

("Fusion IP" or "the Company")

£190k Investment in Medaphor

Fusion IP (AIM: FIP), the university commercialisation company which turns university research into business, is pleased to announce that Medaphor, which has developed an advanced ultrasound training tool, has raised £190,000, including £75,000 each from Fusion and Finance Wales.

Medaphor is developing a "virtual reality" ultrasound training device, called ScanTrainer™, which combines high quality ultrasound images with world-class computer-based feedback and training. The product, which eliminates the current ultrasound training constraints of limited equipment, trainers and volunteers, can be applied to a number of different therapeutic areas.

Following significant product development progress made this year, the funds raised today will enable Medaphor to complete development of the ScanTrainer™ prototype and move it into commercialisation, with a product launch now planned for the first half of 2010. Fusion anticipates that a further fund raising round will be needed to finance the launch of the ScanTrainer™, which will initially be targeting the Obstetrics and Gynaecology market. Medaphor is currently in discussions with potential distributors for the product.

Following this investment Fusion IP now owns 36.7% of Medaphor.

Commenting on announcement, David Baynes, Chief Executive Officer of Fusion IP, said:

"The Medaphor team has made considerable progress with the development of its first product, the ScanTrainer™ ultrasound training device, and we are delighted to see it progressing toward market launch in the first half of next year. The innovative ScanTrainer™ will initially be targeted for the Obstetrics and Gynaecology ultrasound training market, the largest and most pressing ultrasound market where current training needs are unmet. Due to NHS requirements to deliver more qualified diagnostic imaging professionals, we believe that the ScanTrainer™ is strongly positioned for the postgraduate and continuous professional development segments."

Steve Smith, Director, Early Stage Investments at Finance Wales, commented:

“Medaphor has made very good progress since our first round investment in partnership with Fusion IP, with the company expected to begin commercialisation of its novel products over the next 12 months.

“Since signing the co-investment memorandum of understanding with Fusion IP, we have been exposed to some very exciting early stage investment opportunities spinning out from Cardiff University. We look forward to strengthening our relationship through more co-investments with them.”

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
David Banks, Corporate Broking

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 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, 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 plc 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 £280million and has invested over £130million through more than 2,200 investments. It has also leveraged an additional £332million in private-sector investment. In April 2009 the company launched a new £150 million commercial investment fund through the EU's JEREMIE initiative, utilising funding from the European Investment Bank and EU.