



FUSION IP PLC

("Fusion IP" or "the Company")

New Medical Devices Start-up Asalus Medical Instruments

Fusion IP (AIM: FIP), the university IP commercialisation company that turns world class research into business, is pleased to announce a new start-up medical devices company, Asalus Medical Instruments Limited ("Asalus").

Asalus is a new spin-out company from Fusion's partnership with Cardiff University and is founded on the inventions of Mr Neil Warren, Manager of the Wales Institute of Minimal Access Therapy (WIMAT) at University Hospital Wales in Cardiff. It is developing three innovative new 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 numbers 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.

According to a 2006 report by BCC Research the global market for minimally invasive surgery (MIS) devices and instruments was worth an estimated \$12 billion in 2005, and is expected to grow to \$18.5 billion by 2011, at an average annual growth rate (AAGR) of 7.5%.

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 the abdominal cavity during laparoscopic surgery;
- 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.

Patents have already been filed on all three devices.

Established in 1994, WIMAT was one of the first and best equipped laparoscopic training centres in the UK, and it is now the busiest multi-disciplinary training centre in the country. WIMAT is at the forefront of providing a wide range of basic, intermediate and advanced courses of postgraduate education and training in a range of medical and surgical techniques, offering in excess of sixty courses per year.

Neil Warren, founder and CTO of Asalus said:

"The work at WIMAT is at the forefront of minimally invasive surgery training and it was this hands-on experience that enabled me to come up with the concepts for the Asalus range of laparoscopic devices. Fusion's support, both commercially and financially has been invaluable and we look forward to bringing our novel product range to market in the near future."

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

“This is a great example of how the injection of know-how and money from the commercial sector can facilitate the rapid conversion of Cardiff’s world class IP pipeline into businesses with real value. Asalus has a great opportunity to be a developer of some of the UK’s leading laparoscopic devices and we look forward to supporting the company as it commercialises its product range.”

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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, 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.