



FUSION IP PLC
("Fusion IP" or "the Company")

£250k Investment into MedaPhor

Fusion IP plc (AIM: FIP), the university IP commercialisation company that turns world class university research into business, is pleased to announce that it has co-invested £75,000 in MedaPhor ("MedaPhor"), a spin-out company from the Cardiff University, that produces innovative training products for postgraduate medical professionals including advanced tutorials for learning or improving ultrasound examination technique. Alongside this investment, Finance Wales has co-invested £75,000 through its memorandum of understanding with Fusion IP. In addition, MedaPhor has also received a £100,000 grant from SMART Wales, the Welsh Assembly Government's Award scheme to boost innovative or exploratory ways of solving practical problems, bringing the total investment into MedaPhor to £250,000.

MedaPhor is developing a portable ultrasound simulator that enables ultrasound training of physicians to take place without utilising ultrasound machines, which are in heavy demand, or volunteer patients. The ultrasound simulator enables trainees to perform virtual reality gynaecological ultrasound examinations, using a virtual probe that conveys the realistic sensation of contact with a live body. This technology will reduce the hands-on patient contact required to achieve full competence.

The investment will be used to further develop the simulator for commercial launch into the UK and US markets in 2009.

Prior to this round of investment, Fusion IP owned 32 percent of MedaPhor. Fusion IP now owns 35.2 percent of MedaPhor.

Commenting on the investment David Baynes, CEO of Fusion IP, said: "MedaPhor is attracting significant recognition for its portable ultrasound simulator for physician training and is a good example of the innovative technologies that are originating from Cardiff University. We are pleased to be working with Finance Wales to develop such ideas into commercial products and look forward to providing further updates next year."

Also commenting on the announcement, Roger Fickling, CEO of MedaPhor, said: "There is currently a global shortage of trained ultrasound practitioners and as a result,

effective ultrasound training that doesn't require the use of a hospital ultrasound machine is in strong demand. MedaPhor has made significant progress with its core simulator technology and with this fundraising round, expects to be able to launch commercially the simulator into the UK and US markets next year."

Also commenting on the investment, Steve Smith, Director of Development Funding at Finance Wales, said: "Researching, developing and then successfully transferring innovative ideas into commercial reality is vital for university spin-out companies such as MedaPhor. The ultrasound simulator has the potential to save the health service valuable time and money and the product's universal appeal gives it global potential. Finance Wales is pleased to once again be co-investing with Fusion IP on yet another exciting venture coming out of Cardiff University."

For further information please contact:

Fusion IP

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About Fusion IP

Fusion IP plc, previously called BioFusion plc, was established in 2002 to commercialise university-generated IP. Fusion IP has signed long term agreements with two of the UK's top ten research intensive universities, the University of Sheffield and Cardiff University, giving a combined R&D spend attributable to Fusion IP of approximately £166.8 million a year.

Fusion IP's first agreement was a ten-year exclusive arrangement with the University of Sheffield for the commercialisation of IP owned by the University initially in the area of medical life sciences. This agreement was expanded in July 2008 to include the commercialisation of all non-life science research-generated IP, giving Fusion IP access to all of the University's world class research in areas such as energy, engineering and

electronics. Fusion IP has shareholdings in a portfolio of Sheffield University spin-out companies including Asterion, Axordia, Biohydrogen, Lifestyle Choices, Diurnal and Phase Focus. The University of Sheffield was ranked 6th in the UK for the quality of its research and will be spending approximately £1 billion of research funding over the lifetime over the life of the Sheffield Agreement.

In January 2007, Biofusion completed a long-term exclusive agreement with Cardiff University, to commercialise 100% of all Cardiff University's research-generated IP. Biofusion has shareholdings in a portfolio of Cardiff University spin-out companies including Abcellute, Q-Chip and Morvus. Cardiff University was ranked 7th in the UK in the most recent research rankings and will be spending more than £1.0bn of research funding over the lifetime over the life of the Cardiff Agreement.

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 University agreement.

About Finance Wales

Finance Wales provides commercial funding to small and medium-sized businesses throughout Wales, enabling them to realise their growth potential for innovation and growth. A subsidiary of the Welsh Assembly Government, Finance Wales manages funds of more than £130 million; has invested £94 million through more than 1900 investments into Wales-based SMEs and leveraged an additional £293 million private sector investment. www.financewales.co.uk

About SMARTCymru

The Research and Development element of the Welsh Assembly Government's Single Investment Fund (SIF R&D) is primarily aimed at individuals planning to start up businesses in Wales and at small and medium sized enterprises (SMEs) already operating in Wales. Grant funding is offered, at the discretion of the Welsh Assembly Government, to help businesses carry out research and development work that will lead to technologically innovative products or processes. Proposals are assessed against selection criteria that include the level of technological innovation, technical risks, commercial prospects and the need for grant funding. There are four types of grant funding aimed at supporting different phases of a research and development project.



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