



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

**CONTRACT WIN FOR LEADING PORTFOLIO-COMPANY MAGNOMATICS**

Fusion IP plc (AIM: FIP), the university IP commercialisation company that turns world class university research into business, is pleased to note that one of its portfolio companies, Magnomatics limited, has today issued the following announcement:

**MoD ATTRACTED TO MAGNOMATICS TECHNOLOGY**

Magnomatics Limited, the Sheffield based company which specialises in the development of advanced magnetic transmission systems and high-torque electrical machines, has recently signed a six-figure contract with the Ministry of Defence (MoD). Magnomatics will perform a detailed design study of a Magnetically Geared Propulsion Motor, based on the Pseudo Direct Drive (PDD®) it has patented. The contract with MoD will see Magnomatics further developing its technology at the MW scale, such that Defence Equipment and Support can assess the potential for its use within Integrated Full Electric Propulsion systems within future frigates and submarines.

The Magnomatics PDD® integrates magnetic gearing within a brushless permanent magnet machine to enable superior electrical machine performance in low speed, high continuous torque drive applications. A PDD® solution offers the potential for increased system efficiency in a significantly more compact package than other motor technologies, offering significant benefits over standard propulsion motors.

Magnomatics has also developed a mature range of gear technologies using the high-torque magnetic gear the company has invented. These gears use permanent magnets to transmit torque between an input and output shaft without mechanical contact meaning they have reduced maintenance, improved reliability and higher efficiency than conventional gears. This is the same technology used to create the PDD®.

The work for the MoD is due to be completed by the end of March 2010, at which point the MoD will decide whether to put additional funding into the project to advance the technology further.

Chris Kirby, Managing Director of Magnomatics, said: "we are delighted that MoD have decided to thoroughly investigate the potential for the use of our magnetically geared propulsion motors within future marine vessels and we hope that this programme will successfully quantify the envisaged size reduction and performance benefits."

Commenting on this announcement David Baynes, CEO of Fusion IP, said: "I am very pleased that Magnomatics has signed this significant contract with the UK Government's Ministry of Defence. The tender process was non-competitive, demonstrating the uniqueness of Magnomatics' patented technology. As one of the leading companies in our portfolio, we look forward to issuing updates and future newsflow."

**For further information please contact:**

**Fusion IP**  
David Baynes, CEO  
Tony Gardiner, CFO

**+44 (0)114 275 5555**

**Nomura Code Securities**  
Phil Walker / Clare Terlouw

**+44 (0)20 7776 1200**

**Buchanan Communications**  
Mary-Jane Elliott / Catherine Breen

**+44 (0)20 7466 5000**

### **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 leading 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, Diurnal, Magnomatics and Phase Focus. The University of Sheffield will be spending approximately £1 billion of research funding over the lifetime of the Sheffield Agreement.

In January 2007, Fusion IP completed a long-term exclusive agreement with Cardiff University, to commercialise 100% of all Cardiff University's research-generated IP. Fusion IP has shareholdings in a portfolio of Cardiff University spin-out companies including Mesuro and Q-Chip. Cardiff University 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 Magnomatics**

Magnomatics Limited is a high-technology spin-out company formed in 2006 from the internationally leading research group in Electrical Machines and Drives at the University of Sheffield. Dr Kais Atallah, the inventor of the high torque density magnetic gear and high torque electrical machine, now spends a proportion of his time advising the Company.

Magnomatics has extensive design capabilities for realising industrial solutions based on its magnetic gear and high torque machine intellectual property and it also provides design services for challenging applications of standard electromagnetic topologies such as motors, generators, actuators and eddy current couplings and dampers. It has particular skills in designing machines for high torque, high speed, high temperatures and fault tolerant applications.