



FUSION IP PLC

("Fusion" or "the Company")

First Major University of Sheffield Licensing Deal

Fusion IP (AIM: FIP), the university commercialisation company which turns university research into business, today announces that it has recently completed a licensing deal with a leading global orthopaedic company, for the use of orthopaedic planning software, that originated from the Medical Physics team at the University of Sheffield. The deal, which was worth just over £0.8m, resulted in a one-off licence fee income for Fusion of just over £0.4m.

Under Fusion's expanded University of Sheffield IP agreement, signed in July last year, the Company has the right to license out any University originated intellectual property, with half the net income receivable by Fusion. This licensing deal is Fusion's first major licence fee to be generated since the expanded agreement.

Commenting on the license fee, David Baynes, CEO of Fusion, said:

"This licence deal demonstrates the value of our pipeline and endorses our ability to extrapolate real value from university research. The one-off licence income for Fusion totalled just over £0.4m and we hope this will be the first of many licence deals in Sheffield, as we build towards our target of covering Fusion's on-going overheads from licence income by 2011/12. This demonstrates that this is an achievable target. Well done to Rod Hose and David Barber of the Medical Physics team and Andrew Tingey, our licensing manager, on achieving the first step towards this goal."

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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 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 9 November 2009 Fusion announced that it proposed to raise approximately £3.2 million through a fund raising and that as a result, IP Group would hold approximately 19.8% of Fusion.

Fusion also announced that it had entered into a new Co-Investment Agreement with IP Group, in which IP Group would have 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.