



BIOFUSION PLC

Launch of New Spin-Out Company

Medella Therapeutics formed to develop a new drug to stop cancer tumour growth

Biofusion plc (AIM: BFN), the university IP commercialisation company that turns world class research into business, today announces the launch of a new portfolio company, Medella Therapeutics (“Medella”). Medella is developing new ‘monoclonal antibody’ drugs that stop cancerous tumours growing and have less side effects than currently available therapies.

Biofusion has committed to invest an initial £320,000 in Medella and owns 60% of the Company at its inception.

Medella was founded by Biofusion to exploit the intellectual property stemming from the internationally renowned research of Professor Tim Skerry and his team at the University of Sheffield. The patented technology focuses on the use of monoclonal antibodies to inhibit the action of Adrenomedullin (ADM) a molecule found in 80% of cancer cells. This molecule is known to:

- encourage the growth of the new blood vessels, which are necessary for the growth of cancer cells;
- inhibit the body’s immune response, so the body’s natural defenses stop fighting the cancer; and
- interfere with a cell’s natural suicide mechanism which allows cancer cells to survive for longer.

It is believed that ADM is a key molecule in enabling cancer cells to survive and Professor Skerry and his team are developing drugs that will inhibit ADM signalling in cancer cells to stop tumour growth.

The launch of Medella brings Biofusion’s total portfolio of spin-out companies to 24.

Commenting on the investment, David Baynes, Chief Executive Officer of Biofusion, said:
“Cancer and its treatment has become a global health priority with one in three people likely to experience the disease. The launch of Medella and Biofusion’s investment to progress Prof Skerry’s world class research into novel monoclonal antibody drugs could potentially provide patients with more specific cancer targeting therapies that have fewer side effects.”

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About Biofusion

Biofusion was established in 2002 to commercialise university-generated IP. Biofusion has signed long-term agreements with two of the UK's top ten research intensive universities (University of Sheffield and Cardiff University) giving a combined R&D spend attributable to Biofusion of approximately £114 million a year.

Biofusion's first agreement was a ten-year exclusive arrangement with the University of Sheffield for the commercialisation of IP owned by the University in the area of medical life sciences. Biofusion has shareholdings in a portfolio of 18 Sheffield University spin-out companies including Asterion, Axordia, Celltran, Lifestyle Choices, Diurnal and Phase Focus. The University of Sheffield was ranked 5th in the UK for the quality of its life sciences research and will be spending an estimated £0.5bn 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 seven Cardiff University spin-out companies including Abcellute, Q-Chip and Cardiff Protides. 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.