



BIOFUSION PLC
 (“Biofusion” or “the Company”)

**TRANSFER OF CARDIFF BIOLOGICALS TO BIOFUSION
 AND
 INVESTMENT IN CARDIFF BIOLOGICALS**

Biofusion plc (AIM: BFN), the university IP commercialisation company that turns world class research into business, is today pleased to announce that under its agreement with Cardiff University, the University’s 25% stake in Cardiff Biologicals Limited (“Cardiff Biologicals”), a drug discovery and development company specialising in anti-angiogenesis products for the treatment of cancer, has been transferred to Biofusion, for a loan note to the value of £250,000.

In addition, Biofusion announces that it has invested £200,000 into Cardiff Biologicals, thereby bringing its total shareholding in the company to 50%. The funding will be utilised by Cardiff Biologicals to continue development of its lead anti-angiogenesis compound for the treatment of cancer, which is currently poised to enter the pre-clinical phase of its development.

Cardiff Biological’s technology is based on research conducted by Professor Wen Jiang’ at Cardiff University.

For further information about Biofusion or Cardiff Biologicals please contact:

Biofusion +44 (0)114 275 5555
 David Baynes, CEO

Cardiff Biologicals +44 (0)7710466386
 Jon Dickens

Buchanan Communications +44 (0)20 7466 5000
 Lisa Baderoon / Mary-Jane Johnson / Catherine Breen

Nomura Code +44 (0)20 7776 1200
 Phil Walker / Clare Terlouw

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. The Company has a portfolio of over 20 spin-out companies.

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 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 Cardiff University spin-out companies including Abcellute and Q-Chip. Cardiff University was ranked 7th in the UK in the most recent research rankings and will be spending over £1.0bn of research funding over the lifetime over the life of the Cardiff Agreement.

www.biofusion.co.uk

About Cardiff Biologicals

Cardiff Biological's technology is based on Professor Wen Jiang's research specialising in anti-angiogenesis products for the treatment of cancer. Cardiff Biological's lead compound is KVE702, a novel, hybrid molecule combining anti-angiogenic activity and endothelial cell regulatory activity. KVE702 has completed its research phase and is now ready to enter full development. This protein comprises two functional sequences each with a different mode of action and so has the potential for dual action giving rise to a greater anti-angiogenic activity.