



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

**£250k Additional Investment in "Lensless" Microscopy Company Phase Focus**

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 invested £125,000 in Phase Focus Limited ("Phase Focus"), a spin-out company from the University of Sheffield that is developing "lensless" optical electron and x-ray microscope technology. In parallel to this, the Riding Early Growth Investment Company Ltd "Viking Fund", a Yorkshire-wide, co-investment venture capital fund for early-stage technology companies, has invested £100,000 and White Rose Technology Seedcorn Fund, managed by Aberdeen Asset Managers, has invested a further £25,000, bringing the total investment in Phase Focus announced today to £250,000. The investment follows the successful completion of a "lensless" optical microscope prototype instrument by the Company.

Fusion IP is also pleased to announce the appointment of Dr Neil Loxley as Non-Executive Director, representing White Rose, on the Board of Phase Focus. Neil was formerly Chief Executive at Bede plc, which he transformed from a specialist scientific instruments company into a global semiconductor equipment company.

Following this investment round, Fusion IP will have a 59.7% shareholding (on an undiluted basis) in Phase Focus.

Phase Focus' cutting edge technology can generate greatly magnified high definition images of an object without the need for sophisticated lenses that are used in conventional microscopes. Such lenses or other focusing devices in optical, X-ray or electron microscopes can account for up to 30% of the cost of the equipment and often introduce distortions in the images that they produce. Phase Focus' "lensless" microscopy is therefore not only highly cost competitive, but can also provide a more faithful image of the object of interest and can enable a range of additional novel applications.

The investment announced today, which follows previous investment in February 2008 from both Fusion IP and White Rose, will allow Phase Focus to progress the electron microscope technology through full proof of principle. The previous investment allowed Phase Focus to complete the development of a prototype "lensless" optical microscope.

Potential applications for the Phase Focus technology lie within the optical, x-ray and electron microscopy market, a market which is forecast to grow to US\$1.6 billion by 2009, according to Business Opportunity\*. The technology has already been demonstrated in both the optical and x-ray frequency ranges and is in principle applicable to the entire electromagnetic spectrum, and other potential applications therefore exist in radar, ultra-violet, infra-red, and terahertz imaging.

**David Baynes, CEO of Fusion IP, said:** *“Phase Focus is a very exciting spin-out company from the University of Sheffield and has a revolutionary “lensless” microscope technology which is principally targeting the electron microscopy and optical microscopy markets for which addressable opportunities of approximately £40 million are forecast each year, according to Phase Focus estimates. We are pleased to be investing with White Rose and the Viking Fund to advance the prototype technology through full proof of principle.”*

**Also commenting on the investment, Professor John Rodenburg, Phase Focus’s Chief Scientific Officer and developer of the technology, said:** *“We are delighted with the progress that has already been made on the development of a prototype “lensless” optical microscope. It has the potential to build a 3D image that will not only provide high definition images for microscopists, but has applications that could extend beyond the optical and x-ray frequency ranges into applications in radar, ultra-violet, infra-red, and terahertz imaging.”*

*\*Reference: Business Opportunity Report GB-312: “Microscopy”, Business Communications Company, Inc., ISBN 1-59623-057-6, February 2005.*

**For further information please contact:**

**Fusion IP**

David Baynes/Stuart Gall

+44 (0) 114 275 5555

**Nomura Code Securities**

Phil Walker

+44 (0) 20 7776 1200

**Buchanan Communications**

Mary-Jane Johnson / Lisa Baderoon

+44 (0)20 7466 5000

/ Catherine Breen

**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.