

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

BIOFUSION INCREASES STAKE IN CARDIFF PROTIDES

Biofusion plc (AIM: BFN), the university IP commercialisation company that turns world class research into business, is today pleased to announce that it has invested £200,000 into Cardiff Protides Limited (“Cardiff Protides”), a drug delivery spin-out company, raising its holding to 50% of the company.

Previously, Biofusion held a 22.5% stake in Cardiff Protides through its agreement with Cardiff University. The funding provided by Biofusion will allow Cardiff Protides to continue to develop improved versions of known nucleoside-based anti-cancer drugs which have the potential to dramatically increase the ability of the drug to enter their target cells in the body.

Cardiff Protides’ technology is based on research conducted by Professor Christopher McGuigan at Cardiff University.

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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. 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 Protides

Cardiff Protide's technology is based on Professor Christopher McGuigan's research which enables the discovery of new and improved nucleoside based drugs. This approach has been successfully utilised with a number of major pharmaceutical companies in the anti-viral field and has more recently been applied in the anti-cancer field. Cardiff Protide's vision is to become a leading developer of cutting edge nucleoside based pharmaceuticals targeted at areas of unmet medical need, initially for the treatment of cancer.