



For Immediate Release

Sphere Medical Holding PLC
("Sphere Medical", "Sphere" or "the Company")

Successful £14 million fundraising in connection with proposed flotation on AIM

14 November 2011 – Sphere Medical Holding plc, a UK based medical device company, is pleased to announce that it has agreed to raise gross proceeds of £14 million by way of a placing with institutional and other investors in connection with the proposed admission of its ordinary share capital to trading on the AIM market of the London Stock Exchange, valuing the Company at £34.05 million.

Sphere's Business

Sphere is a UK based medical device company completing the development of a range of in vitro diagnostic products designed to provide significant improvements in patient management in a number of hospital specialities. Sphere's products are expected to allow near real time measurement of blood gases, various electrolytes and drug levels with laboratory accuracy, at the patient's bedside. This information can be used in a wide range of medical applications and is intended to enable faster clinical decision making and consequently to improve the management of patients.

Sphere's two most advanced products, based on its proprietary microanalyser platform technology, are a disposable patient-attached arterial blood analyser for use in the Intensive Care Unit and Operating Room ('Proxima') and a device for continuous blood monitoring in the bypass circuit in patients undergoing cardiopulmonary bypass surgery ("CPB device"). Sphere has also developed a device ('Pelorus 1000') that can measure blood levels of the intravenously administered anaesthetic drug, propofol and in October 2011 Sphere completed its first commercial sale of a Pelorus 1000. In each case, these products will ultimately target patients requiring close monitoring and frequent levels of blood testing.

Proxima Generation 1 has received CE Marking and 510(k) clearance as an IVD laboratory research instrument. CE Marking for Proxima Generation 2, Sphere's first IVD patient-attached device, is anticipated in December 2011, at the same time the 510(k) application will be submitted for Proxima Generation 2. CE Marking clearance for Sphere's CPB device is expected in Q2 2012 and 510(k) clearance is expected in Q4 2012. Pelorus 1000 has achieved CE Marking for use as a research instrument. CE Marking and 510(k) clearances for the Pelorus 1500 IVD device are expected in Q2 and Q4 2012, respectively.

Sphere has recently completed a clinical trial at the University Hospitals Birmingham (one of the largest ICU centres in Europe) and at the West Suffolk Hospital. This 17 patient open, non-randomised, clinical trial compared readings from the Proxima Generation 2 device with those obtained from a commercial blood analyser used in the trial hospital and also the Abbott i-STAT handheld POC device. Clinical data from this trial together with the supportive laboratory data will form the basis for CE Marking clearance in December 2011 and for the submission of 510(k) clearance for the Proxima Generation 2 device.

Sphere employs 43 staff in the areas of research and development, product development, sales and marketing and management and operations at its premises at Harston, Cambridge, UK.



Details of the Placing

The Company is raising £12.8 million (net of expenses) by way of an underwritten placing of 15,135,135 new ordinary shares to institutional investors and other investors at 92.5 pence per share. Admission of the share capital of the Company and the first tranche of placing shares to trading on AIM is expected to occur on 17 November 2011 and admission of the second tranche of placing shares is expected to occur on 18 November 2011. The Company's enlarged issued share capital is expected to be 36,805,644 ordinary shares.

The net proceeds of the Placing will be used by the Company to fund continued development and regulatory approvals, manufacturing operations, general administrative expenses and commercial marketing activities, as well as working capital requirements.

Peel Hunt LLP is acting as Nominated Adviser and Broker to Sphere.

The Company's ticker will be SPHR.L, and its ISIN number will be GB00B551W951.

Commenting on the success of the proposed flotation on AIM, Chief Executive Officer, Dr Stuart Hendry, said:

"Sphere Medical's successful admission to AIM is an important further milestone in its corporate development. We are delighted that our current range of in vitro diagnostic products and technologies has generated such an enthusiastic response from new and existing investors and I would like to thank them for their support. I would also like to thank our dedicated staff and commercial partners who have helped to develop Sphere's leading technologies which are expected to enable faster clinical decision making and lead to improvements in the management of patients in critical care."

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This announcement contains certain forward looking statements relating to the Company's future prospects, developments and business strategies. Forward looking statements are identified by their use of terms and phrases such as "targets" "estimates", "envisages", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative of those, variations or comparable expressions, including references to assumptions. The forward looking statements in this announcement are based on current expectations and are subject to risks and uncertainties which could cause actual results to differ materially from those expressed or implied by those statements. Potential investors should not place any reliance on forward looking statements. These forward looking statements relate only to the position as at the date of this announcement. The Company does not undertake any obligation to update forward looking statements, other than as required by the AIM Rules for Companies or by the rules of any other applicable securities regulatory authority, whether as a result of the information, future events or otherwise.