



## **PRESS RELEASE**

# **Nanogate AG strengthens sport/leisure segment and pools activities in new subsidiary**

**Company acquires Feldten heritage brand – Exercises majority option at Holmenkol AG – Enters OEM business**

**Göttelborn, Germany, 12 November 2008. Nanogate AG (ISIN DE000A0JKHC9), a leading international nanotechnology enabler, is significantly expanding its market position in the sport/leisure segment and restructuring its activities in this sector. The segment is being transferred to newly founded subsidiary FNP GmbH, where these activities will be concentrated. At the same time, Nanogate AG is acquiring the rights to the Feldten heritage brand for its newly founded, wholly owned subsidiary. In addition, Nanogate AG is exercising its majority option at Holmenkol AG, which in future is also to provide industrial solutions for sports equipment manufacturers. By means of these moves, Nanogate AG aims to further professionalise and accelerate its growth in the high-volume market for innovative coatings in the sports and leisure sector.**

With the new subsidiary, Nanogate AG plans to take its growth in the sport/leisure segment further forward. That is why existing activities are being merged with the newly acquired brand and cooperation with Holmenkol AG is being extended. The nanotechnology company expects this to lead to substantial benefits in product development and production alongside better international distribution opportunities. New products featuring Nanogate-Technologie® are likely to make their market debut next year, while the new Feldten brand is to contribute towards Nanogate AG sales growth from 2010 at the latest.

In the context of further development in the sport/leisure segment, Nanogate AG has also exercised its majority option at Holmenkol AG and thereby stepped up its commitment. The remaining equity continues to be held by Nanostart AG. To make effective use of technologies, products and marketing know-how, Hol-



menkol AG, Nanogate AG and newly founded FNP GmbH intend to enter into an extensive cooperation within the Group.

Holmenkol AG, with over 85 years of brand tradition in the sports sector, is to be established in the medium term as a leading international provider of sports surfaces. Holmenkol will continue to concentrate on high-margin, high-performance applications and in the near future will provide industrial solutions in the sports sector in addition to its existing range. In the past it has been successful in a wide range of areas with its strategy, and since Nanogate acquired a stake in the company its sales and enterprise value have grown significantly.

For over 120 years, the newly acquired heritage brand Feldten has stood for cleaning, protection and care products in connection with leisure activities. This focus will continue to be its main concern, but the existing product range is to be totally restructured. Within the Nanogate Group, Feldten will ideally complement Holmenkol's premium strategy while being positioned in other market segments.

Nanogate CEO Ralf Zastrau said: "In the future, the further development of our sport/leisure segment will make an attractive contribution towards growth and margins. Nanogate anticipates a marked sales boost from 2010 at the latest when many new products hit the market and high-powered distribution partners have been gained. Nanogate will make use of its ability to develop established companies or brands by means of technology transfer and tap additional sources of revenue. Our new company is expected to reach profitable seven-figure sales as early as next year."

**Overview of Nanogate AG's equity holdings:**

Holmenkol AG (50.01%), sports surfaces

FNP GmbH (100%), leisure and care products

Nanogate Advanced Materials GmbH (100%), complex applications



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**Nanogate AG:**

Nanogate is a leading international enabler in the nanotechnology growth market and so opens the gate to this technology for its customers. The firm, which is based in Göttelborn (Saarland), enables the programming and integration of additional properties such as non-stick, anti-bacterial, anti-corrosive and ultra-low friction. Nanogate thereby gains a competitive edge for its customers by product refinement using chemical nanotechnology. Nanogate covers a wide range of industries, functions and substrates already on the basis of technology platforms. The company thus provides a decisive interface for the commercialisation of chemical nanotechnology, bridges the gap between raw materials and their industrial conversion into products and concentrates as an enabler on one of the most attractive segments in the industry. As a partner in innovation, Nanogate provides many services along the value chain – from development and production of innovative nanocomposites and nanostructured materials to powerful support for innovation and product integration.

The Nanogate Group currently has 72 employees in all (as of 1 September 2007) and since commencing operations in 1999 has been a pioneer in nanotechnology. Nanogate is a high-growth company and has operated profitably since financial year 2004. In financial year 2007 it boosted consolidated sales by about 32.8 % to around EUR 10.4 million. The earnings before taxes (EBT, according to IFRS) increased by about 32.8 % to around EUR 1.5 million. The company has first-class customer references (e.g. ABB, Bosch-Siemens Hausgeräte, Kärcher and Koenig & Bauer) and many years' experience of different industries and applications. It has also entered into strategic cooperation with international companies such as Dow Corning. The Group's consolidation entity includes Nanogate Advanced Materials GmbH, which specialises in complex applications like high-performance optics, and a majority participation in Holmenkol AG.

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