



PRESS RELEASE

Nanogate back in profit zone and improving its market position in the automotive industry

Break-even achieved in September – Sales for 2009 set to exceed the EUR 10 million mark – Operative cash flow significantly improved – High-margin orders received from automotive industry for innovative seat coating and exhaust gas recirculation valves

Göttelborn, Germany, 18 November 2009. Nanogate (ISIN DE000A0JKHC9), a leading international nanotechnology enabler, returned to profit in September in its monthly figures. The company intends to significantly improve earnings in the second half of 2009 and is aiming for an almost balanced EBIT. In addition, Nanogate is considerably expanding its market position in the automotive industry: As well as the Opel Insignia, a serial production model in the family car segment will in future also be equipped with Nanogate's innovative seat coating. Furthermore, from 2010 a leading German premium range manufacturer will be using the innovative process developed by Nanogate to enhance exhaust gas recirculation valves. Both of these contracts together should achieve earnings in the middle six-figure euro range within the next few years.

Ralf Zastrau, CEO of Nanogate AG commented, "Our innovation offensive and our focus on strategic growth are paying off: we are winning high-margin orders that prove our innovative strength. We have been profitable again since September in our monthly figures and based on this we want to achieve almost balanced earnings for the second half of the year. Our objective continues to be a return to profit on an annual basis too as soon as possible after 2009."



Return to profit zone achieved in monthly figures

For 2009 as a whole, Nanogate hopes to record sales in excess of EUR 10 million. As laid out in the half-year report, demand is rising visibly. At the same time, EBIT and operative cash flow are improving greatly in the second half of the year compared with the first few months of 2009. The goal is to achieve almost balanced earnings (EBIT) in the second half. The Group already recorded a profit in its monthly figures for September and October. This shows that the innovation offensive underway is already paying off after only a few months. Nanogate is continuing unabated with its planned growth strategy: Alongside the innovation offensive, the company also wants to tap international markets. In addition to this, new applications and technology platforms within the fields of expertise of energy efficiency, air filtration and light guiding are being developed or launched on the market. These three levers for growth and any external growth should open up considerable potential for medium and long-term sales and earnings.

Another car model to be equipped with innovative seat coating

After the Opel Insignia, "Car of the year 2009", a serial production model in the family car segment will in future also be equipped with a new upholstery coating from Nanogate. The treatment, known as "Top Tec", prevents dirt and liquids from entering into the seating fabric and staining the material. This application was developed in 2008 in the Functional Textiles division.

Another manufacturer to benefit from efficient exhaust gas recirculation valves

In addition to the above, Nanogate has received an important contract from a leading German premium range manufacturer. This Nanogate innovation, which is already being used by several car manufacturers, improves the efficiency of the car's exhaust system. The coating on the exhaust gas recirculation valves enables engines to run in a more reliable and environmentally friendly way.



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Innovation-driven competitive advantage:

This is the guiding motto Nanogate AG is using as it confronts the current economic challenges and opens up new growth prospects for its clients. To achieve this, Nanogate AG has stepped up its efforts and increased its funding significantly and will be presenting a multitude of innovations in the current financial year. Since going public the company has invested millions in developing new technology platforms and has transformed these into marketable products. Nanogate has successfully illustrated its expertise in more than 150 cases, using innovation to offer its clients added value and a competitive advantage.

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 84 employees in all (as of September 2009) 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 almost 17 % to around EUR 12.2 million. The earnings before taxes (EBT, according to IFRS) amounted to around EUR 1.1 million. The company has first-class customer references (e.g. ABB, BSH Bosch-Siemens Haushaltsgeräte, Kärcher and Koenig & Bauer AG) 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, FNP GmbH in the area of sport/leisure and a majority shareholding in Holmenkol AG.



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