



## **PRESS RELEASE**

### **Nanogate reports leap in sales of over 190 % and a clearly positive result the first half-year**

**Preliminary figures for the first half of 2011: sales up by over 190 % to more than EUR 16.6 million, EBITDA reaches about EUR 1.6 million and a margin of nearly 10 %, EBIT clearly positive – company planning and sales forecast for 2011 will be considerably exceeded**

**Göttelborn, Germany, 29 August 2011. Nanogate AG (ISIN DE000A0JKHC9), the leading international integrated systems provider for nanosurfaces, has exceeded own plans and is profiting substantially from its expansion strategy: according to preliminary figures the company increased its sales in the first half of 2011 by more than 190 % to over EUR 16.6 million (previous year: EUR 5.7 million). Adjusted organic growth was also considerable, amounting to 48 %. In this regard, the new equity holding GfO AG also expanded its business significantly in the reporting period. At the same time Nanogate marked a return to operating profitability. EBITDA improved to around EUR 1.6 million (previous year: EUR -1.2 million), equivalent to an EBITDA margin of nearly 10 %. EBIT came to around EUR 0.5 million (previous year: EUR -1.7 million). Adjusted EBIT was more than EUR 0.7 million (previous year: EUR -1.0 million). As of the reporting date of 30 June 2011 the company held over EUR 3.5 million in cash and cash equivalents. In a subsequent capital increase Nanogate received gross issue proceeds of about EUR 8 million.**

Ralf Zastrau, CEO of Nanogate AG, comments: "In the first half-year Nanogate performed outstandingly, generating record sales. The growth activities are paying off in full. With the equity holdings Eurogard B.V. and GfO AG we are



excellently positioned as the leading international integrated systems provider for nanosurfaces to benefit from the growing and lucrative market for high-performance surfaces. Given the continued strong course of business it seems very likely that we will be able to substantially exceed the sales forecast for 2011 of more than EUR 30 million. The EBITDA margin will reach at least 10 %, as expected."

Back in April 2011 in the course of the acquisition of Netherlands-based Eurogard B.V. Nanogate had raised its sales forecast from EUR 25 million to over EUR 30 million. In the medium term the company intends to increase sales to more than EUR 50 million and achieve an EBITDA margin of at least 20 %.

Business in the first half of the year was dominated primarily by furious demand, for example in the Automotive/Mechanical Engineering division, and the effects of consolidation. The order base was strengthened with new projects for Audi and BMW for instance. The cooperation with GEA Air Treatment got off to a successful start with the first orders. The collaboration with a leading US company for bathroom fixtures was also extended for a further three years with a follow-on order worth millions. The considerable earnings improvement stemmed both from the much higher capacity utilisation and the planned reductions in expenses for opening up new markets and developing applications.

NB:

The recently acquired equity holding Eurogard B.V. will only be consolidated from 1 July 2011 and is therefore not included in the figures for the first half of 2011. The complete interim report for Nanogate AG will be published in late September. Adjusted organic growth has been determined taking GfO AG into account. Adjusted EBIT is obtained by eliminating transaction costs and other advisory costs for the two investments in GfO AG and Eurogard B.V. as well as non-recurring expenses for Holmenkol AG (only in 2010).



**Nanogate on Twitter: [http://twitter.com/nanogate\\_ag](http://twitter.com/nanogate_ag)**

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**Nanogate AG:**

Nanogate is the leading international integrated systems provider for nanosurfaces, concentrating primarily on enhancing high-performance surfaces. The firm, which is based in Göttingen (Lower Saxony), enables the programming and integration of additional properties – such as non-stick, antibacterial, anti-corrosive and ultra-low friction – into materials and surfaces. As an enabler, Nanogate gains a competitive edge for its customers by means of product refinement using chemical nanotechnology. Nanogate covers a wide range of industries, functions and substrates. The company thus provides a decisive interface for the commercial use of chemical nanotechnology and bridges the gap between the suppliers of raw materials and industrial conversion into products. In doing so, Nanogate concentrates as an enabler on one of the most attractive segments in the industry. Nanogate has a unique combination of extensive materials expertise paired with comprehensive, first-class process and production know-how. As a systems provider, Nanogate covers the entire value chain, from the purchase of raw materials, to the synthesis and formulation of the material systems, right through to the enhancement and production of the finished surfaces. Nanogate focuses primarily on plastic and metal coatings for all surface types (two and three-dimensional components).

The Nanogate Group currently has approximately 250 employees in all and since commencing operations in 1999 has been a trailblazer in nanotechnology. The company has first-class customer references (e.g. Audi, BMW, Bosch-Siemens Haushaltsgeräte, Junkers, Kärcher, Hörmann Group, Opel and REWE International AG) and many years' experience of different industries and applications. Several hundred projects have already gone into mass production. Nanogate has also entered into strategic cooperations with international companies such as the GEA Group and Dow Corning. Nanogate consists of Nanogate Industrial Solutions GmbH, Eurogard B.V., FNP GmbH for products in the sport/leisure sector, majority stakes in Holmenkol AG and GfO Gesellschaft für Oberflächentechnik AG, and an equity holding in sarastro GmbH.

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