



PRESS RELEASE

Nanogate AG gains Authentix as new licence partner

Saarbrücken, 29 November 2006. Nanogate AG (ISIN DE 000A0JKHC9) has signed a licence agreement in the growing product and brand protection market with Authentix Inc., the global leader in authentication, to provide products with forgery-proof comprehensive brand protection. Nanogate anticipates in 2007 the first licence payments and a positive effect on results of at least €100,000. Nanogate is extending its network by intensifying its partnership with the Centre for Applied Nanotechnology (CAN) in Hamburg.

As part of the licence agreement, Authentix is entitled to use selected Nanogate technology components for product and brand protection. These are special, nano-scale security markers that cannot be copied and can only be recognised through special identification technologies. The advantage of Nanogate technology is that the system can be used easily with inkjet printers and adapted flexibly to customers' requirements. Pharmaceuticals, consumer goods and original spare parts can all be protected in this way. Nanogate will benefit from Authentix sales successes in the form of a license royalty payment. The contract also provides for a minimum annual payment. Demand for solutions that provide safe product and brand protection is increasing all over the world. According to WTO estimates, pirated goods now account for around 13% of world trade.

Ralf Zastrau, CEO of Nanogate AG, noted that "in Authentix, Nanogate has gained another strong selling partner for worldwide marketing of applications in the growing authentication industry. The signing of the agreement confirms the strategy of opening up increasingly complex, higher-margin segments of nanotechnology on a licence basis and extending internationalisation by means of partnerships."



Ian Eastwood, Chief Technology Officer, Authentix, said, "Nanogate has excellent technologies and extensive implementation expertise. Authentix is expanding its portfolio further by means of Nanogate technology and opening up new applications in the product and brand protection segment."

Nanogate is extending its technology network by intensifying its partnership with the Centre for Applied Nanotechnology (CAN) in Hamburg. New projects are to be initiated as part of the partnership. "In Nanogate", said Dr Frank Schröder-Oeynhausen, Managing Director of CAN GmbH, "we have gained another important industry partner. Our aim is to convert nanotechnology research results into commercial innovations. In the field of marker substance applications for safety engineering, the centre has already carried out important preliminary work that is now to be implemented in the market in cooperation between Nanogate and Authentix."

Queries? Please feel free to contact:

Christian Dose

equinet Communications AG
Tel. +49 (0)69 5899 7313
Fax +49 (0)69 5899 7349
communications@equinet-ag.de

Marita Leykauf/Klaus Reuning

MPW Finance Public & Investor Relations GmbH
nanogate@mpwfinance.com

Nanogate AG

Gewerbepark Eschbergerweg
D-66121 Saarbrücken
Tel. +49 (0)681 980 52-0
Fax +49 (0)681 980 52-52
www.nanogate.com

Authentix Inc.

Cari Weinberg
Tel: +1-469-737-4400
Cari.weinberg@authentix.com

About Nanogate AG:

Nanogate is a leading international enabler in the nanotechnology growth market and so opens the gate to nanotechnology for its customers. The Saarbrücken-based firm enables the programming and integration of additional properties such as non-stick, anti-bacterial, anti-corrosive, 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 45 employees in all and since commencing operations in 1999 has



been a pioneer in nanotechnology. The company has first-class customer references, such as ABB, BSH, Giesecke & Devrient, Kärcher and Koenig & Bauer, and many years' experience of different industries and applications. It has also entered into strategic cooperation with US companies Dow Corning and ESK Ceramics. Nanogate is a high-growth company and has been profitable since financial year 2004. For the first half of 2006, the Nanogate Group reported about €3.7 million in sales and about €0.7 million in earnings before interest and taxes (EBIT margin: 19.1%). The Group's consolidation entity includes Nanogate Advanced Materials GmbH, which specialises in safety engineering and optics and is a joint venture with Air Products and Chemicals, Inc. Nanogate also holds a stake in HOLMENKOL Sport-Technologies GmbH & Co. KG.

About Authentix Inc.

Authentix® Inc, is the Global Leader in authentication solutions for brand protection and fiscal recovery. As the inventor and developer of many of the leading nano-scale authentication solutions in use today, we have a world-class technology portfolio. Moreover, our skills in applying those technologies to solve counterfeit, adulteration and smuggling issues for clients, ensures that we are a trusted partner of many of the world's leading brand owners and governments. In the last three years we have recovered over \$3 billion in lost revenues in the oil and gas, pharmaceutical and consumer goods industries alone. In addition, our expertise in the fields of security documents, currency and homeland security applications helps protect the very fabric of our society.

About CAN GmbH:

CAN GmbH offers companies and research institutions contract research and development services in the area of nanotechnology and participates in national and international research programs. The focus of our activities is the utilization of new findings in chemical nanotechnology and nanoanalysis especially in the areas of consumables, specialty polymers and health care. Our main areas of expertise apart from the characterization of nanostructures are the production of many nanoparticulate and nanocomposite materials, encapsulation of active ingredients as well as development of nanoparticle-based biological and medical markers.

Through our close association with Hamburg's universities and research institutions CAN GmbH has access to a large regional network of internationally outstanding scientists in the nanosciences, nanotechnology and life sciences as well as to an excellent array of instruments that is state-of-the art internationally. CAN GmbH is not interested merely in working with partners in Hamburg but rather gives priority to national and global economic and scientific aspects of current and future collaborations. Establishment of CAN GmbH as a Public Private Partnership created the organization needed to allow professional processing of R & D orders in close cooperation with universities. Started with a core team that now numbers 13, CAN GmbH will increase its staff to about 50 in the next few years.

CAN GmbH was founded in November 2005 as a joint venture by the Free and Hansestadt Hamburg, the University of Hamburg and well-known industrial enterprises which have combined to form a sponsor association. Among the members of the association, which is open to other companies, are Beiersdorf AG, Eppendorf AG, Olympus Winter & Ibe GmbH, Evotec Technologies GmbH and Nanogate AG as well as the Hamburg Chamber of Commerce and the Hamburger Sparkasse.

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