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**NANOCLARITY**

A MONTHLY NEWSLETTER AND COMMENTARY  
NANOTECHNOLOGY'S CURRENT STATE, MEANING AND WORTH

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## Press Release

# “Nanotechnology Industry Approaches Massive Growth Phase.” Says NanoClarity Newsletter publisher.

**Jersey City, August 2, 2004:** Alan Shalleck, publisher of NanoClarity, ([www.nanoclarity.com](http://www.nanoclarity.com)) the monthly newsletter and commentary on nanotechnology's current state, value and worth, said in a speech today before private investors that, **“because of the huge government and private investment worldwide during the last 18 months, nanotechnology was not only healthy but was entering a massive growth phase and that next year, 2005, should be a good year for nanotechnology IPO's.”** Mr. Shalleck's speech is below:

“As we approach the fall of 2004, let's stop for a moment to assess the health and momentum of the nanotech industry and its state of maturity. As an emerging business arena, nanotechnology seems very healthy. Every day, new application possibilities are surfacing, more people are entering nanotechnology as a profession and discoveries are building on previously unique work. All momentum is positive and commercialization is accelerating. If this year is any model, next year should be amazingly productive and exciting. Many surprising developments will occur and progress in solving key application issues will be dramatic. Nanotechnology certainly is not mature ... but it is entering its teenage years ... those years characterized by ungainly and massive growth, increasing productivity and the beginnings of wisdom.

The pulling of the Nanosys, Inc. IPO this summer was, both short term and long term, a good thing for nanotechnology. The marketplace (not only Wall Street) showed that in our industry, having only prospects and intellectual property without current products and sales (god forbid profits) is not going to be accepted and highly valued. It also showed that a few early VC's and investment funds could not foist their folly on the public, prematurely, at mystical multiples. Prematurely is the operative word because, eventually, a growing and solid nanotech company should enter the public market and be highly valued. There is time for that. A second lesson from the Nanosys non-IPO is that low multiple, early investors in germinal nanotech ventures will need to stay with their investments much longer and to add more funding until these “ventures” develop “real value,” i.e. a modicum of maturity and presence in their markets, to justify those higher “public” multiples. These are good lessons to learn.

Nanotechnology is not the second coming of the dot.com era. My sense is that reality will dominate in nanotechnology assessment ... at least in the short term. The nanotech industry has real technology creating real products with real sales in real markets, with a high cost of entry and true intellectual property protection. These are wonderfully positive assets. “Vaporware” may not be able to crystallize in nanotech and that bodes well for the non-Nanosys companies that aren't so hyped, giving them opportunity to prove through actual products and sales that they too should be highly valued ... but we are still early in the industry's growth and Wall Street's acceptance cycle.

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