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**Nano-Tex Secures \$35 Million Series-A Round
To Drive Development, Marketing, Global Expansion of Fabric Innovations**

Emeryville, Calif., (March 7, 2005) – Nano-Tex, a leading fabric innovation company providing textile enhancements to the apparel and interior furnishing markets, announced today it has raised \$35 million from current and new investors. Nano-Tex will use the new funding to drive product development, geographic expansion and marketing.

New investors include leading venture firm Norwest Venture Partners, and renowned scientific research organization Howard Hughes Medical Institute. Previous investors participating in the Series-A round include WL Ross & Co. LLC, who also led the new round, Masters Capital and Firelake Capital Management.

Nano-Tex, the first company to bring nanotechnology to the textile industry, has licensed more than 80 textile mills worldwide to use its treatments in products sold by more than 100 leading apparel and interior furnishing brands. The company's patented technology delivers superior durability and performance without compromising the look, feel or comfort of fabric, a unique benefit which has driven brand and consumer adoption of Nano-Tex products.

"Today, Nano-Tex is making dramatic improvements in everyday apparel and textiles," said Donn Tice, Nano-Tex CEO. "With new resources from our investors, we will continue to aggressively build upon the value we bring to the industry, setting the standard in product development, consumer-focused marketing and global service."

Tice added, "We feel very fortunate that market demand for investment in the company was well above what we felt appropriate to raise, resulting in a substantially oversubscribed offering. We view this as market feedback on our strategy, growth plans, and success to date."

Financier Wilbur L. Ross noted, "Nano-Tex is playing a significant role in performance-enhanced garments, the fastest growing segment of the apparel market. We believe that with further research, development and global expansion, Nano-Tex will be the catalyst for innovation in the textile industry at large, providing a valuable ingredient for differentiation and market growth."

Norwest Venture Partners was particularly attracted to Nano-Tex because of its current success in the marketplace.

"The excitement surrounding the potential of nanotechnology is almost deafening," said Jeff Crowe, venture partner, Norwest Venture Partners. "Nano-Tex is one of the few nanotechnology companies with real products, real customers and real revenue today. We believe that the company's potential is very large, and that Nano-Tex will bring its real-world,

practical approach to many more applications and markets. We are witnessing the tip of the iceberg for the company.”

Nano-Tex offers a family of textile enhancements that become inherent to the fabric to deliver superior performance characteristics without compromising the comfort, look or feel of the fabric. The company’s products include Resists Spills (liquid-repellent), Coolest Comfort (moisture wicking for synthetics and wrinkle-free cotton), Resists Static (first permanent anti-static treatment for synthetics) and Repels and Releases Stains (market’s best-performing anti-stain treatment).

Since the beginning R&D collaboration between Nano-Tex and Burlington in 1998, Nano-Tex introduced its first product in 2000 and has continued to be a leader in textile innovations. Nano-Tex has expanded its market presence into apparel for men, women and children, with products ranging from activewear and uniforms to business attire and casual clothing. The company also has established a foothold in the interior furnishings market, with products used in home and commercial fabric applications, including bedding, drapery and upholstery.

About Nano-Tex

Nano-Tex is headquartered in Emeryville, Calif., with operations in Greensboro, NC; Milan; Istanbul; New Delhi; Hong Kong; and Osaka and Seoul. Nano-Tex develops and markets a family of nanotechnology-based textile treatments that dramatically improve the performance of everyday fabrics. To date, more than 80 textile mills worldwide are utilizing Nano-Tex treatments in products sold by more than 100 leading apparel and interior furnishings brands, including Gap, Old Navy, Lee, Nike, Champion, Levi and Simmons. Products with Nano-Tex enhancements are sold throughout North America, Asia and Europe. Nano-Tex is privately-held, with venture backing from WL Ross & Co., Norwest Venture Partners, Howard Hughes Medical Institute, Masters Capital, and Firelake Capital Management. www.nano-tex.com

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