

# *NEWS RELEASE*

## **COMPANY CONTACT**

Doug Baker  
Applied Nanotech Holdings, Inc.  
248.391.0612  
dbaker@appliednanotech.net

## **Applied Nanotech Holdings, Inc. Announces R&D and License Agreement with Prominent Sporting Goods Manufacturer**

**Austin, TX, January 4, 2009** – Applied Nanotech Holdings, Inc. (OTC BB: APNT) announced that it has entered into a License and Research and Development agreement related to its carbon nanotube composite technology (epoxy/CNT) with a prominent sporting goods manufacturer. This agreement follows the successful research & development project, which resulted in a license agreement for tennis and badminton racquets in October 2008, with the same manufacturer.

This purpose of this research agreement is to extend the previous license agreement by tailoring Applied Nanotech's patented epoxy/CNT nanocomposite technology for use in a specific new sporting goods application in order to further improve the product performance. Applied Nanotech has received \$250,000 for the research portion of this agreement.

Upon successful completion of the project, the sporting goods manufacturer has an option to license the technology for certain predefined terms, including an initial license fee and ongoing royalty payments, on an exclusive basis in specific territories and on a nonexclusive basis worldwide. The project is expected to be concluded, and the initial license payment received, no later than November 30, 2010.

“Our aim is to provide our partner with fiber reinforced plastics (FRP) technology with mechanical improvements that will allow them to design and introduce new products, which are lighter and more attractive,” said Dr. Zvi Yaniv, CEO of Applied Nanotech, Inc. “Currently we achieved over 30% improvement in flexural strength of FRPs, which is equivalent to the realization of between 10% and 20% lighter products while preserving their mechanical strength.”

“Composites are becoming an increasingly important area of our business,” said Doug Baker, CEO of Applied Nanotech Holdings, Inc. “We are pleased that our partner is continuing its high level of interest in our technology. Expansion of our agreement from tennis and badminton racquets to other sporting good applications dramatically increases the revenue potential for us.”

## **ABOUT APPLIED NANOTECH HOLDINGS, INC.**

Applied Nanotech Holdings, Inc. is a premier research and commercialization organization focused on solving problems at the molecular level. Its team of PhD level scientists and engineers work with companies and other organizations to solve technical impasses and create innovations that will create a competitive advantage. The business model is to license patents and technology to partners that will manufacture and distribute products using the technology. Applied Nanotech has over 250 patents or patents pending. Applied Nanotech's website is [www.appliednanotech.net](http://www.appliednanotech.net).

## **SAFE HARBOR STATEMENT**

This press release contains forward-looking statements that involve risks and uncertainties concerning our business, products, and financial results. Actual results may differ materially from the results predicted. More information about potential risk factors that could affect our business, products, and financial results are included in our annual report on Form 10-K for the fiscal year ended December 31, 2008, and in reports subsequently filed by us with the Securities and Exchange Commission ("SEC"). All documents are available through the SEC's Electronic Data Gathering Analysis and Retrieval System (EDGAR) at [www.sec.gov](http://www.sec.gov) or from our website listed above. We hereby disclaim any obligation to publicly update the information provided above, including forward-looking statements, to reflect subsequent events or circumstances.

###