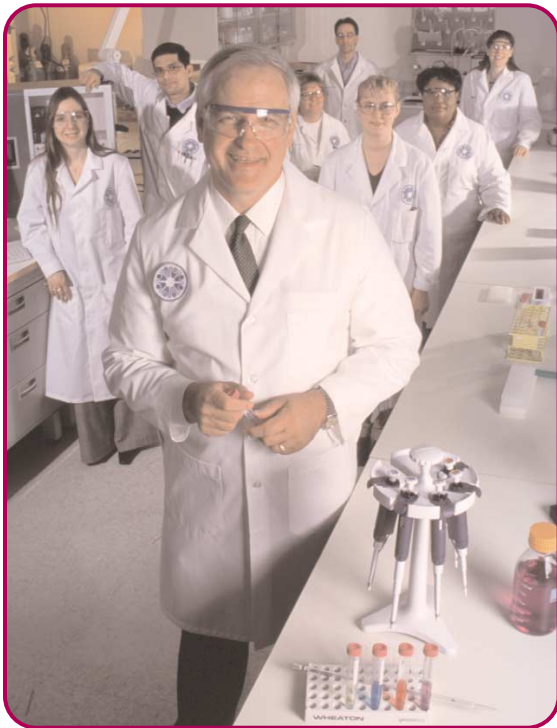


Battelle: Creating **SOLUTIONS** and **MARKETPLACE IMPACT** through **Strengths in Science and Technology**

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Today's business of science and technology is more dynamic, exhilarating and filled with challenges than perhaps any time in memory. Businesses are aggressive in their pursuit of leading-edge advancements for product breakthroughs. Government agen-



A group of Battelle scientists give Carl Kohrt a tour of one of the state-of-the-art labs in Battelle's new \$38 million Biotechnology and Chemistry Facility in Columbus.

cies seek technology solutions to help complete missions and reduce costs. And, in the wake of the September 11th world-changing tragedy, science and technology are expected—with a renewed sense of urgency—to enhance personal and business security, homeland defense, infrastructure, healthcare and transportation.

As Battelle responds to these diverse and critical needs, our energies are focused firmly on three key areas:

Technology Development, National Laboratory Management and Technology Commercialization.

Technology development—or what is often called “contract R&D”—has been the backbone of our business for 72 years. Whatever the scale of your challenges, whether specifically technical, national or even global, Battelle’s technology developers

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provide solutions in markets from national security to the environment to transportation to energy to healthcare. For government agencies, Battelle offers new technologies to satisfy the increasingly stringent demands for effectiveness, efficiency and cost-control.

Management of U.S. national laboratories presents us with the privilege of supporting the U.S. Department of Energy in working on some of the toughest national and global problems—for example, global climate change and energy fuel cell development. The national laboratories are great assets for our country and we are proud to be associated with the Pacific Northwest, Brookhaven, Oak Ridge and the National Renewable Energy laboratories.

Our emphasis on technology commercialization continues to expand as we bring breakthrough technologies and value to commercial customers as well as a more entrepreneurial perspective to all we do. We devote our commercial energies and

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work with our customers to create new, free-standing busi-

nesses that generate high-impact products and services and help grow our economy; co-invest with our customers to bring their products to market; and license intellectual property to deliver market value.

During recent years, the new companies Battelle has spawned include BattellePharma, Inc. (medical/pharmaceutical); Optimer Photonics, Inc. (telecommunications technology); OmniViz, Inc. (software solutions for life sciences, healthcare, and chemical businesses); Vitex Systems, Inc. (flat panel displays); Inergia, Inc. (energy products); and

Velocys, Inc. (microtechnology). And with innovative technologies

“Our greatest strength is generating critical intellectual property, integrating skills and knowledge from each area, and offering our customers access to the full range of our capabilities.”

in the “pipeline,” you can be sure Battelle will spin off additional companies as the months and years unfold.

We will continue to sharpen our focus on the three key areas of Technology Development, National Laboratory Management and Technology Commercialization.

We will also continue to cultivate our greatest strength, which is our ability to generate critical

“With more than 30 commercial ventures in the ‘pipeline,’ you will see more spin-off companies from Battelle.”

intellectual property, integrate skills and knowledge from each area, and offer our customers access to the full range of our capabilities. And increasingly, we will take selected technology to the marketplace through independent spin-off companies.

Our expertise in technology development and technology commercialization enables us to bring industry-wide “best practices” to the national laboratories we manage or co-manage. Likewise, our experience in managing national laboratories gives us insight into cutting-edge science and technology that may have applications in the commercial marketplace. In addition, the integration of our services among the national laboratories we manage or co-manage helps them operate successfully.

Continuing to integrate our strengths—that is, bringing science and technology value to our customers as they succeed through the business of innovation—is what excites us the most about the future.

Carl F. Kohrt, Battelle President and CEO