



# CEO'S MESSAGE



**Focused Discovery:** Meeting customer needs through the combined resources of a global science and technology powerhouse.

Never before have science and technology been more crucial in addressing pivotal issues faced by government and industry. I can't imagine a more exciting time to pursue the business of innovation and lead an organization of Battelle's breadth and depth.

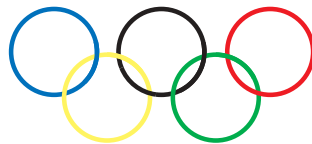
## JANUARY

Pacific Northwest National Laboratory earns its fourth straight "Outstanding" rating from U.S. DOE.

## FEBRUARY



Battelle and The Ohio State University announce a major alliance in the life sciences area.



Battelle provides technology and security support for the Salt Lake City Olympics.

Philip Schofield is named to lead Battelle's newest technology spinoff, Optimer Photonics, Inc.

## MARCH



The world's largest nuclear magnetic resonance spectrometer—a powerful super-conducting magnet for research—arrives at Pacific Northwest National Laboratory.

Battelle wins a \$22 million project to support U.S. EPA pollution prevention efforts.

Today, Battelle's science and technology reach includes overseeing 16,000 staff members and \$2.7 billion in annual research and development activity at more than 100 locations. From our laboratories and world headquarters in Columbus to our regional offices around the world and the four national laboratories we manage or co-manage for the U.S. Department of Energy, we offer customers the full spectrum of innovation. This includes fundamental science at the national laboratories, new technology development, and commercial products and ventures for the marketplace.

Our customers access every segment of Battelle's spectrum of innovation. Government agencies must meet more ambitious goals for effectiveness and efficiency and simultaneously respond to the enormous challenges of the post 9/11 era. Academic institutions increasingly seek our assistance to help move "concepts to solutions." And in a fiercely competitive global economic climate, businesses aggressively seek breakthrough technologies to increase market share and search the entire spectrum of innovation for potential technology-based products.

To best serve our customers, Battelle is focusing on four major strengths—Science, Technology Development and Application, Laboratory Management, and Technology Commercialization.

APRIL



Battelle receives the Columbus Corporate Caring Award for Community Service.

Steve Miller of Pacific Northwest National Laboratory is named Battelle Inventor of the Year.

MAY



Brookhaven National Laboratory scientist Joanna Fowler wins the Glenn T. Seaborg Award for Nuclear Chemistry.

Battelle is recognized by Columbus Mayor Michael B. Coleman for its "Neighborhood Pride" contributions.

JUNE

*aR&D Magazine* selects Oak Ridge National Laboratory as the winner of three R&D 100 Awards, given annually for the 100 most significant innovations of the year. ORNL has the national lab-leading total of 112 since the awards began in 1963 and is second only to General Electric.

Our scientific investments and pursuits include important areas such as the fusion of biological and physical sciences, proteomics, nanoscience and new energy systems (such as carbon sequestration).

Technology development and application have been the foundation of our business since we first opened our doors nearly three-quarters of a century ago. We provide solutions on a contract basis in markets like National Security, NASA, Environment, Health and Human Services, Transportation, AgriFood, Energy and Healthcare Products.

In terms of laboratory management, our ability to manage large, complex organizations and projects for public and private customers continues to grow. Managing or co-managing four of the U.S. national laboratories presents us with the privilege of supporting DOE in solving some of the nation's and the world's most pressing technical challenges.

As global competition intensifies, our customers look to us for assistance with developing breakthrough products, creating new businesses, and delivering market value. And, as we help bring new technologies and ventures to the marketplace, we are combining our efforts with those of other companies and sharing in their success.

The most enduring long-term impact of our four major strengths may be what we refer to as reciprocal value. Our goal is to have customers benefit from the combined

JULY



Battelle Healthcare Products is featured in *Business Week's* Annual Design Awards competition.

The National Renewable Energy Laboratory celebrates its 25th anniversary.

AUGUST



Battelle and the Ohio Soybean Council make progress in identifying commercial technology uses for soybeans.

SEPTEMBER



Battelle commemorates 60 years of service to the U.S. Department of Energy.

strengths of our expertise in science, technology development and application, laboratory management, and technology commercialization. For example, our continual quest for scientific knowledge and discovery fuels the process of innovation. Our knowledge of technology development and application (or “contract R&D”) and technology commercialization is extremely valuable to the national laboratories that we manage or co-manage. In addition, our knowledge of industrial processes is invaluable to our technology development and application customers in both the government and commercial sectors.

In the final analysis, our global and national impact would not be possible without world-class people. The competitive differentiator for us is the high-quality staff we have at more than 100 worldwide locations.

The Battelle team is working hard to meet the challenges and opportunities of a dynamic marketplace by combining the resources of this global science and technology powerhouse. Simply put, through our science and technology reach we are focused on making our world a better place to live and work.



**Carl F. Kohrt, Battelle President and CEO**

**OCTOBER**



Battelle and the national laboratories it manages or co-manages are showcased in *R&D Magazine* for earning nine R&D 100 Awards for innovation.

**NOVEMBER**



American Electric Power and Battelle begin collaboration on novel technology to handle power plant emissions, which has potential impacts on global climate change.

**DECEMBER**



Brookhaven National Laboratory's Raymond Davis Jr. receives the Nobel Prize in Physics.

Oak Ridge National Laboratory receives an “Outstanding” rating from U.S. DOE for FY '02.