

CEO'S MESSAGE

If the history of Battelle could be captured in a symphony, one singular, consistent theme would resonate time and again: Battelle pursues and applies science and technology to help solve real-world problems. That theme was audible when our founder, Gordon Battelle, first envisioned in the 1920s an organization specializing in “contract research,” and it is recapitulated today in Battelle’s official tagline, “The Business of Innovation.”

Successfully pursuing science and technology solutions through research and development—the very definition of the “business of innovation”—requires an agile, insightful ability to interpret and integrate fresh information in a dynamic and constantly changing process. That’s why we refined our organizational strategy in 2007. We improved the way we manage across the entire Battelle enterprise. This restructuring enabled us to address our growth-related challenges and strengthened our organization, and over time, it will generate even greater income growth to fund our core missions.

- As the preeminent leader in **Global Laboratory Operations**, we added value for two of our key customers—the Department of Energy (DOE) and the Department of Homeland Security (DHS)—by better integrating activities taking place in the labs managed or co-managed by Battelle. In 2007, Lawrence Livermore National Laboratory and the National Biodefense Analysis & Countermeasures Center joined the portfolio of labs we manage or co-manage for DOE and DHS. We’re also partnering with PETRONAS on a renewable energy lab in Kuala Lumpur, Malaysia and exploring lab-related opportunities in Japan and the United Kingdom.
- We’ve increased the funds available to **Battelle Ventures** from \$150 million to \$220 million, and we plan to increase our spin-out activity as well.
- Variations on the contract research and development theme are now gathered under the **Global Businesses** designation as three distinct segments:
 - **Energy Technology.** One example of our work in advancing energy technologies is the “Gen 2 MEPS” (second-generation Multipurpose Electric Power System), which demonstrates Battelle’s leadership in delivering fuel cell technology for both military and commercial applications.
 - **National Security.** Battelle’s impact on technologies that are protecting our nation include the development of advanced composite armor materials capable of stopping Explosively Formed Projectiles.
 - **Health and Life Sciences.** Among the many contributions our researchers are making in the health arena is our role in a collaboration to develop a tiny silicon chip that can be implanted in the brain’s motor cortex and enables paralyzed people to control a wide range of devices, including a wheelchair or a computer cursor—just by thinking about it.

Although we’ll concentrate on these three segments, we’ll reprise our capabilities in areas like advanced materials and computational science to keep our customer base and our revenue sources balanced.

Our impressive medley of disciplines, knowledge, and resources—the acknowledged strength and impetus of Battelle—has been brought into closer harmony with the needs of our customers, the demands of the marketplace, and ultimately, “The Business of Innovation.”



Carl F. Kohrt
President and CEO, Battelle

