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**Battelle Ventures, LP, Announces \$150-million Fund
Will focus on commercializing technologies owned or managed by Battelle
Memorial Institute**

Princeton, N.J., Sept. 19, 2003 – Newly formed Battelle Ventures, LP, today announced a \$150-million fund, the primary purpose of which will be to develop technologies owned, managed or influenced by Columbus, Ohio-based Battelle Memorial Institute (Battelle) into commercial ventures. Managing the fund are early-stage technology-investment veterans Mort Collins, Jim Millar, Kef Kasdin and Ron Hahn.

Collins, who in 1968 founded Data Science Ventures (DSV), a pioneering venture-capital firm, says that Battelle Ventures (www.battelleventures.com) could invest up to \$12 million in a single company over its life. He adds that in meeting the fund's primary goal of commercializing Battelle-related technologies, Battelle Ventures expects that four out of five of its investments will create new or support existing early-stage companies that can materially benefit from such technologies.

"This investment team has hit the ground running," says Collins. "I worked with Millar at DSV in the 1980s and 1990s," he explains, adding that Hahn worked out of DSV's New Jersey office and periodically coinvested with DSV in the past 20 years. He notes that Hahn, Millar and Kasdin are all partners of Early Stage Enterprises, LP (www.esvec.com), a \$44-million venture fund that is now fully invested, and on whose advisory board he sits. "Since we've all worked together and know each other very well," Collins says, "we've got the synergy that others would be fortunate to develop in five years time."

"We recognized that Battelle needed more experienced leadership in the area of commercial ventures, especially in seed and early-stage technology opportunities," says Carl Kohrt, president and CEO of Battelle, which is organized as a nonprofit corporation for charitable, scientific and educational purposes. "In a continually changing marketplace, we need to better understand how we can utilize the substantial technology assets we have. The development of Battelle Ventures bodes well for using science and technology for the benefit of our customers, the communities we operate in, and our society."

Kohrt notes that Collins has previously worked closely with Battelle. "Mort," he explains, "was a member of the Battelle Core Technology Advisory Board and is chairman of the board of BattellePharma, a Battelle spinout company." In addition, he says, Collins has had national recognition, chairing President Reagan's Task Force on Innovation and Entrepreneurship, and

-serving as technology policy advisor to President George H.W. Bush and as member of the Research Roundtable of the National Academy of Sciences.

Battelle Ventures will make investment decisions independent of Battelle. The fund will principally, but not exclusively, focus on seed, start-up and first-stage investments that will commercialize the technologies that emerge from Battelle and the laboratories that Battelle manages or comanages for the U.S. Department of Energy: Brookhaven National Laboratory, National Renewable Energy Laboratory, Oak Ridge National Laboratory and Pacific Northwest National Laboratory.

Battelle has specialized facilities, regional centers and offices in more than 100 locations around the world. Each year, through the 16,000 scientists, engineers and support specialists at Battelle and the National Laboratories, Battelle conducts some \$2.7 billion in research and development for some 1,000 companies and about 800 government agencies. Some 4,500 projects are in progress annually at Battelle's various business operations, typically resulting in 50-100 patented inventions per year.

"Battelle Ventures' key areas of investment will be homeland security, life sciences, information technology, materials and energy," says Collins, an investor with demonstrated success in the fields of life sciences, electronic materials, communications and software for the past 35 years. "Our mission," he explains, "is to convert innovations in science and technology into highly profitable products and services, not only to enhance the economy, but also to improve the quality of life."

"Battelle Ventures brings together the right people and the right organization, at the right time," adds Kasdin, who has been involved in developing and executing strategy for high-technology companies for more than 15 years. "The climate is right to be establishing such a fund," she continues. "Start-ups today understand cost-efficiency and how to focus their businesses much better than they did just a few years ago, and the unprecedented access to the technology cornucopia that is Battelle will afford us the opportunity to create many companies that will be successful."

Kasdin notes that while she and her Early Stage Enterprises partners will be spending a great deal of time executing on the Battelle Ventures mission, they also will continue to support Early Stage Enterprises' active portfolio companies. She says they will continue to provide them with follow-on investment, as appropriate, and the operations support and counsel that they have received in the past. "Early Stage Enterprises will not make any new investments," she says. "But we will be there for our active businesses, just as we will be there for the new companies that are backed by Battelle Ventures."

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