



Contact: Rick Sacks
973.467.8728
rick@smartpr.net

FOR IMMEDIATE RELEASE

Battelle Ventures Makes First Life Sciences Investment; Leads Series C Financing of Genospectra, Provider of Dynamic Cellular Analysis Tools

Princeton, N.J., Sept. 14, 2004 – Battelle Ventures, L.P., a \$150-million venture fund, has made its first life sciences investment, leading the \$16.4-million Series C financing of Genospectra, Inc., a life-sciences tools provider based in Fremont, Calif. The independent fund primarily, but not exclusively, focuses on commercializing Battelle Memorial Institute-related technologies.

“More integrative and functional approaches are needed to advance our understanding of living systems and biological pathways,” says Battelle Ventures Partner Ron Hahn. “Through its new strategy in Parallel Quantitative Biology, Genospectra is developing novel classes of reagents to improve our understanding of molecular and cell biology and to drive better decision-making in drug discovery.

“As research shifts from static, semi-quantitative methods to dynamic, quantitative approaches, there are unmet market needs that Genospectra is fulfilling,” Hahn continues, noting that the company’s two core technologies deliver quantitative and dynamic measurements of important cellular activities to the life-sciences research community.

Hahn, who has joined the Genospectra board as a result of the financing, adds that in its first year of commercialization, Genospectra has cultivated a remarkably high-profile biotechnology, pharmaceutical, and academic customer base, as well as forged important strategic partnerships, such as with Dharmacon. The company also is collaborating with such world-class institutions as the National Cancer Institute, the Cleveland Clinic and the University of Michigan.

“We said a year ago that one of our key areas of investment would be life sciences,” says Hahn, explaining that in July Battelle Ventures announced its first deal, related to homeland security, another key area the fund has targeted. That deal involved an investment in SafeView, Inc., which is developing a nonintrusive security screening system. SafeView is a licensee of Pacific Northwest National Laboratory, one of the four national laboratories managed by Battelle for the U.S. Department of Energy. “We’re now similarly exploring the synergies that Genospectra might have with one or more of the National Labs,” explains Hahn.

(more)

Battelle Ventures has a four-pronged investment strategy, according to Hahn: 1) to create companies based on technology developed at Battelle, 2) to invest in existing Battelle licensees, 3) to fund existing companies that can benefit from Battelle-related technology, and 4) to invest in companies completely unrelated to Battelle. The latter, he says, is expected to comprise about 20 percent of the fund's activities. "While we have a primary mission," he says, "we are open to reviewing the business plans of companies that fit our key areas of investment interest, which include information technology, materials and energy, in addition to life sciences and homeland security." Most of those plans will be brought to the fund's attention on a referral basis, he says.

Battelle Ventures was a new investor in Genospectra, notes Hahn, who says that the round also included additional new investors Agilent Ventures, 5AM Ventures, Aravis Ventures, Allen & Co., and other private investors. Many of Genospectra's earlier-round investors also participated in the financing, he notes, including Dr. Alex Zaffaroni, Frazier Healthcare, HBM Bioventures, Novartis Bioventures, Bio*One Capital (the dedicated biomedical investment arm of the Singapore Economic Development Board), Bay City Capital and Affymetrix. The round was completed on Sept. 1, 2004.

Genospectra introduced its first product, the QuantiGene Reagent System, in July 2003. Dr. Frank Witney, Genospectra's CEO, noted that the new funding round will enable the company to expand product development, accelerate product introduction, and extend its sales and marketing efforts.

About Battelle Ventures

Established in August 2003, Battelle Ventures makes investment decisions independent of Battelle Memorial Institute. The fund principally, but not exclusively, focuses 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 Ventures Partner Ron Hahn, a 20-year venture capitalist with a focus on health care and life sciences, comanages the fund with partners Jim Millar, Kef Kasdin and Mort Collins. For more information, go to www.battelleventures.com.

About Genospectra's products and technologies

Genospectra's Parallel Quantitative Biology (PQB) initiative provides reagents to characterize dynamic cellular pathway function. PQB focuses on two key areas: (a) cell-based assays for multiplexed gene expression and (b) live cell biosensors for analysis of protein or nucleic acid function in a native cellular context. Both areas target new and growing fields of investigation with products that overcome limitations of existing technologies. The company has development and distribution agreements with Bayer HealthCare, LLC, and Dharmacon, Inc. For more information, go to www.genospectra.com.

###