

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation.

Controlled group members (sections 1561 and 1563) check here [x] See instructions and:

a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):

(1) \$ 0 (2) \$ 0 (3) \$ 0

b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ 0

(2) Additional 3% tax (not more than \$100,000) \$ 0

c Income tax on the amount on line 34 35c 0

36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from:

[] Tax rate schedule or [] Schedule D (Form 1041)

37 Proxy tax. See instructions 37

38 Alternative minimum tax 38

39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 0

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)

b Other credits (see instructions)

c General business credit. Attach Form 3800

d Credit for prior year minimum tax (attach Form 8801 or 8827)

e Total credits. Add lines 40a through 40d 40e

41 Subtract line 40e from line 39 41 0

42 Other taxes. Check if from: [] Form 4255 [] Form 8611 [] Form 8697 [] Form 8866 [] Other (attach schedule) 42

43 Total tax. Add lines 41 and 42 43 0

44a Payments: A 2007 overpayment credited to 2008 44a 31,695

b 2008 estimated tax payments 44b

c Tax deposited with Form 8868 44c

d Foreign organizations: Tax paid or withheld at source (see instructions) 44d

e Backup withholding (see instructions) 44e

f Other credits and payments: [] Form 2439 [] Form 4136 [] Other Total 44f

45 Total payments. Add lines 44a through 44f 45 31,695

46 Estimated tax penalty (see instructions). Check if Form 2220 is attached [] 46

47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47

48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 31,695

49 Enter the amount of line 48 you want: Credited to 2009 estimated tax 31,695 Refunded 49 0

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

- 1 At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here IT, JA, KS, MX, SZ, UP, UK, MY
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

Table with 8 rows and 4 columns. Row 1: Inventory at beginning of year (1) 0. Row 2: Purchases (2). Row 3: Cost of labor (3). Row 4a: Additional section 263A costs (4a). Row 4b: Other costs (attach schedule) (4b) 1,270,301. Row 5: Total. Add lines 1 through 4b (5) 1,270,301. Row 6: Inventory at end of year (6) 0. Row 7: Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 (7) 1,270,301. Row 8: Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? (8) Yes [x] No []

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer [Signature] Date 8/5/10

Title ASST. TREASURER

May the IRS discuss this return with the preparer shown below (see instructions)? [] Yes [x] No

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed []

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no.

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instr. on pg 19)

1 Description of property

(1)	
(2)	
(3)	
(4)	

2 Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0	Total 0

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0**

(b) Total deductions. Enter here and on page 1, Part I, line 8, column (B) **0**

Schedule E - Unrelated Debt-Financed Income (See instructions on page 19)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1) ACQUISITION INDEBTEDNESS	2,481.		
(2)			
(3)			
(4)			

4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
STATEMENT 6B				
(1) 42,262,000.	15,476,000.	100.00%	2,481.	
(2)		%		
(3)		%		
(4)		%		

Totals **2,481.** **0.**

Total dividends-received deductions included in column 8 **0.**

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 20)

1 Name of controlled organization	2 Employer identification number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4) SEE STATEMENT 5					

Nonexempt Controlled Organizations

7 Taxable income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
				SEE STATEMENT 6
(1)				
(2)				
(3)				
(4)				

Totals **445,404.** **440,351.**

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions on page 21)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals		0		0

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions on page 21)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals		0	0			0

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0	0			0

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0	0				0
Totals, Part II (lines 1-5)		0	0			0

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 22)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
			%
			%
			%
			%
Total Enter here and on page 1, Part II, line 14			0

**SCHEDULE O
(Form 1120)**

(Rev. December 2008)
Department of the Treasury
Internal Revenue Service

**Consent Plan and Apportionment Schedule
for a Controlled Group**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ See separate instructions.

OMB No. 1545-0123

Name <u>BATTELLE MEMORIAL INSTITUTE</u>	Employer identification number <u>31-4379427</u>
--	---

Part I Apportionment Plan Information

1 Type of controlled group:

- a Parent-subsidiary group
- b Brother-sister group
- c Combined group
- d Life insurance companies only

2 This corporation has been a member of this group:

- a For the entire year.
- b From _____, until _____.

3 This corporation consents and represents to:

- a Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
- b Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending DECEMBER 31, 2008, and for all succeeding tax years.
- c Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- d Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.

4 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).

- a No apportionment plan is in effect and none is being adopted.
- b An apportionment plan is already in effect. It was adopted for the tax year ending _____, and for all succeeding tax years.

5 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.

- a Yes.
 - (i) The statute of limitations for this year will expire on _____.
 - (ii) On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.
- b No. The members may not adopt or amend an apportionment plan.

6 Elections under section 1561. See instructions.

- a The corporation will determine its tax liability by applying the maximum tax rate under section 11 to the entire amount of its taxable income.
- b The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the group's section 11(b)(1) additional tax.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions for Form 1120.

Schedule O (Form 1120) (Rev. 12-2008)

Part II Taxable Income Apportionment (See instructions)**Caution:** Each total in Part II, column (g) for each component member must agree with Form 1120, page 1, line 30 or the comparable line of such member's tax return.

	(a) Group member's name and employer identification number	(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket					
			(c) 15%	(d) 25%	(e) 34%	(f) 35%	(g) Total (add columns (c) through (f))	
1								
2	BATTELLE MEMORIAL INSTITUTE	31-4379427 09-09	0.	0.	0.		0.	
3	BATTELLE SERVICES COMPANY, INC.	31-1792334 09-09	35,969.	25,000.	1,297,363.		1,358,332.	
4	BATTELLE OKLAHOMA, LLC	20-0292062 09-09	14,031.	0.	0.		14,031.	
5	BLUEFIN ROBOTIC CORPORATION	20-2576696 08-12	0.	0.	0.		0.	
6	GROSAFE CORPORATION	91-1404268 09-09	0.	0.	0.		0.	
7	SCIENTIFIC ADVANCES, INC.	31-6024333 09-09	0.	0.	0.		0.	
8	VELOCYS, INC.	31-1728288 09-09	0.	0.	0.		0.	
9	ZIVENA, INC	75-3090227 09-09	0.	0.	0.		0.	
10								
11								
12								
Total			50,000.	25,000.	1,297,363.		1,372,363.	

Schedule O (Form 1120) (Rev. 12-2008)

Part III Income Tax Apportionment (See instructions)

(a) Group member's name	Income Tax Apportionment							(h) Total income tax (combine lines (b) through (g))
	(b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%		
1 BATTELLE MEMORIAL INSTITUTE	0.	0.	0.		0.			
2 BATTELLE SERVICES COMPANY, INC.	5,395.	6,250.	441,103.		0.		452,748.	
3 BATTELLE OKLAHOMA, LLC	2,105.	0.	0.		0.		2,105.	
4 BLUEFIN ROBOTIC CORPORATION	0.	0.	0.		0.			
5 GEOSAFE CORPORATION	0.	0.	0.		0.			
6 SCIENTIFIC ADVANCES, INC.	0.	0.	0.		0.			
7 VELOCYS, INC.	0.	0.	0.		0.			
8 ZIVENA, INC	0.	0.	0.		0.			
9								
10								
11								
12								
Total	7,500.	6,250.	441,103.				454,853.	

Schedule O (Form 1120) (Rev. 12-2008)

Part IV Other Apportionments (See instructions)

(a) Group member's name	Other Apportionments				
	(b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 BATTELLE MEMORIAL INSTITUTE					
2 BATTELLE SERVICES COMPANY, INC.					
3 BATTELLE OKLAHOMA, LLC					
4 BLUEFIN ROBOTIC CORPORATION					
5 GEOSAFE CORPORATION					
6 SCIENTIFIC ADVANCES, INC.		40,000.	150,000.		
7 VELOCYS, INC.					
8 ZIVENA, INC.					
9					
10					
11					
12					
Total		40,000.	150,000.		

Schedule O (Form 1120) (Rev. 12-2008)

FORM 990-T INCOME (LOSS) FROM PARTNERSHIPS STATEMENT 1

DESCRIPTION	AMOUNT
BATTELLECRO BUSINESS TRUST-ORDINARY LOSS	-941,722.
ENERTECH CAPITAL PARTNERS II-GROSS INCOME	2,008.
ENERTECH CAPITAL PARTNERS II-DEDUCTIONS	-945.
GS CAPITAL PARTNERS VI PARALLEL-GROSS INCOME	912.
GS CAPITAL PARTNERS VI PARALLEL-DEDUCTIONS	-318.
TOTAL TO FORM 990-T, PAGE 1, LINE 5	-940,065.

FORM 990-T OTHER INCOME STATEMENT 2

DESCRIPTION	AMOUNT
INSURANCE PREMIUMS FROM TAXABLE SUBSIDIARIES	39,216.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	39,216.

FORM 990-T OTHER DEDUCTIONS STATEMENT 3

DESCRIPTION	AMOUNT
CORPORATE AND DIVISIONAL OVERHEAD	99,196.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	99,196.

FORM 990-T COST OF GOODS SOLD - OTHER COSTS STATEMENT 4

DESCRIPTION	AMOUNT
COST OF SALES FOR COMMERCIAL/UNRELATED SERVICES	1,270,301.
TOTAL TO FORM 990-T, SCHEDULE A, LINE 4B	1,270,301.

FORM 990-T SCHEDULE F - INTEREST, ANNUITIES, ROYALTIES AND RENTS FROM CONTROLLED ORGANIZATIONS STATEMENT 5

1.		2.	
NAME OF CONTROLLED ORGANIZATION		EMPLOYER ID NO.	
ZIVENA, INC.		31-1792148	
EXEMPT CONTROLLED ORGANIZATIONS			
3.	4.	5.	6.
NET UNRELATED INCOME (LOSS)	TOTAL OF SPECIFIED PAYMENTS MADE	PART OF COL (4) INCLUDED IN GROSS INCOME	DEDUCTIONS DIRECTLY CONNECTED WITH COL (5) INCOME

NONEXEMPT CONTROLLED ORGANIZATIONS

7.	8.	9.	10.	11.
TAXABLE INCOME	NET UNRELATED INCOME (LOSS)	TOTAL OF SPECIFIED PMTS	PART OF COL (9) INCLUDED IN GROSS INCOME	DEDUCTIONS DIRECTLY CONNECTED
-136,741.	12,295.	12,295.	12,295.	10,729.

1.	ACTIVITY NUMBER	2. EMPLOYER ID NO.
NAME OF CONTROLLED ORGANIZATION		
BLUEFIN ROBOTICS CORPORATION	8	20-2576696

EXEMPT CONTROLLED ORGANIZATIONS

3.	4.	5.	6.
NET UNRELATED INCOME (LOSS)	TOTAL OF SPECIFIED PAYMENTS MADE	PART OF COL (4) INCLUDED IN GROSS INCOME	DEDUCTIONS DIRECTLY CONNECTED WITH COL (5) INCOME

NONEXEMPT CONTROLLED ORGANIZATIONS

7.	8.	9.	10.	11.
TAXABLE INCOME	NET UNRELATED INCOME (LOSS)	TOTAL OF SPECIFIED PMTS	PART OF COL (9) INCLUDED IN GROSS INCOME	DEDUCTIONS DIRECTLY CONNECTED
-4,107,937.	275,220.	275,220.	275,220.	275,220.

1.	ACTIVITY NUMBER	2. EMPLOYER ID NO.
NAME OF CONTROLLED ORGANIZATION		
BATTELLE MEXICO, S.A. DE C.V.	9	47-0924456

EXEMPT CONTROLLED ORGANIZATIONS

3.	4.	5.	6.
NET UNRELATED INCOME (LOSS)	TOTAL OF SPECIFIED PAYMENTS MADE	PART OF COL (4) INCLUDED IN GROSS INCOME	DEDUCTIONS DIRECTLY CONNECTED WITH COL (5) INCOME

NONEXEMPT CONTROLLED ORGANIZATIONS

7.	8.	9.	10.	11.
TAXABLE INCOME	NET UNRELATED INCOME (LOSS)	TOTAL OF SPECIFIED PMTS	PART OF COL (9) INCLUDED IN GROSS INCOME	DEDUCTIONS DIRECTLY CONNECTED
-278,449.	5,354.	5,354.	5,354.	5,354.

1.	2.
NAME OF CONTROLLED ORGANIZATION	EMPLOYER ID NO.
GEOSAFE CORPORATION	91-1404268

EXEMPT CONTROLLED ORGANIZATIONS

3.	4.	5.	6.
NET UNRELATED INCOME (LOSS)	TOTAL OF SPECIFIED PAYMENTS MADE	PART OF COL (4) INCLUDED IN GROSS INCOME	DEDUCTIONS DIRECTLY CONNECTED WITH COL (5) INCOME

NONEXEMPT CONTROLLED ORGANIZATIONS

7.	8.	9.	10.	11.
TAXABLE INCOME	NET UNRELATED INCOME (LOSS)	TOTAL OF SPECIFIED PMTS	PART OF COL (9) INCLUDED IN GROSS INCOME	DEDUCTIONS DIRECTLY CONNECTED
531,058.	144,914.	144,914.	144,914.	144,914.

1.	2.
NAME OF CONTROLLED ORGANIZATION	EMPLOYER ID NO.
360IP PTE LTD	47-0924456

EXEMPT CONTROLLED ORGANIZATIONS

3.	4.	5.	6.
NET UNRELATED INCOME (LOSS)	TOTAL OF SPECIFIED PAYMENTS MADE	PART OF COL (4) INCLUDED IN GROSS INCOME	DEDUCTIONS DIRECTLY CONNECTED WITH COL (5) INCOME

NONEXEMPT CONTROLLED ORGANIZATIONS

7.	8.	9.	10.	11.
TAXABLE INCOME	NET UNRELATED INCOME (LOSS)	TOTAL OF SPECIFIED PMTS	PART OF COL (9) INCLUDED IN GROSS INCOME	DEDUCTIONS DIRECTLY CONNECTED
4,815,670.	7,621.	7,621.	7,621.	4,144.

TOTALS TO FORM 990-T, SCHEDULE F	ADD COLUMNS 5 AND 10	ADD COLUMNS 6 AND 11
	445,404.	440,361.

FORM 990-T SCHEDULE F - DEDUCTIONS OF CONTROLLED ORGANIZATIONS STATEMENT 6
 DIRECTLY CONNECTED WITH COLUMN 10 INCOME

DESCRIPTION		ACTIVITY NUMBER	AMOUNT	TOTAL
RENT EXPENSE			10,729.	
	- SUBTOTAL -	4		10,729.
INTEREST EXPENSE			275,220.	
	- SUBTOTAL -	8		275,220.
INTEREST EXPENSE			5,354.	
	- SUBTOTAL -	9		5,354.
INTEREST EXPENSE			144,914.	
	- SUBTOTAL -	10		144,914.
RENT EXPENSE			4,144.	
	- SUBTOTAL -	11		4,144.
TOTAL OF FORM 990-T, SCHEDULE F, COLUMN 11				440,361.

Battelle Memorial Institute

EIN: 31-4379427

Tax Year 2008 (October 1, 2008 to September 30, 2009)

Form 990-T, Part I, Line 3 - Gross Profit

	<u>UBI Research Project Revenue</u>	<u>Cost of Goods Sold/Direct Expenses</u>	<u>UBI Gross Profit</u>
Battelle Columbus Division	1,063,195	(1,007,902)	55,293
Pacific Northwest Division	202,958	(200,871)	2,087
Battelle Geneva Division	9,910	(8,638)	1,272
UT-Battelle, LLC	52,890	(52,890)	0
Brookhaven Science Associates, LLC	0	0	0
Battelle Energy Alliance, LLC	0	0	0
Battelle Ventures, LP	0	0	0
Battelle Asia, LLC	0	0	0
BattelleCRO Business Trust	0	0	0
Battelle Energy UK, LLC	0	0	0
Battelle National Biodefense Institute, LLC	0	0	0
Total - Battelle Memorial Institute	<u>1,328,953</u>	<u>(1,270,301)</u>	<u>58,652</u>

Battelle Memorial Institute
EIN: 31-4379427
Tax Year 2008 (October 1, 2008 to September 30, 2009)

Form 990-T, Schedule E Unrelated Debt-Financed Income

Line 2 Gross Income from or allocable to debt-financed property
2,481

Line 4 Average acquisition debt on or allocable to debt financed property
05-Aug 09/22/09 Total # months Average
50,000,000 34,524,000 84,524,000 /2 42,262,000

Line 5 Average adjusted basis of or allocable to debt-financed property
09/22/09 09/30/09 Total # months Average
15,476,000 15,476,000 30,952,000 2 15,476,000

Line 6 2.730809
Percentage cannot be more than 100%

Line 7 2,481