



A123 Systems, Inc.
200 West Street
Waltham, MA 02451
(617) 778-5700
www.a123systems.com

April 5, 2012

Associate Administrator for Enforcement
National Highway Traffic Safety Administration
400 7th street, SW.
Washington D.C. 20590

To Whom It May Concern:

A123 has determined that a limited number of lithium ion battery packs manufactured and assembled by it between August 30, 2011 and March 22, 2012 at its Livonia, Michigan manufacturing facility may have a deviation from an A123 specification. As a result of this, A123 has sent the attached letter(s) to certain of its customers that have received and placed the subject battery packs into production level motor vehicles. The customers receiving the attached letter(s) are identified on the letters. This letter is being submitted in accordance with 49 CFR sect. 579.5. If you have questions, please contact Meg Broderick, Assistant General Counsel, A123 Systems, Inc., (617) 393-4197, mbroderick@a123systems.com

Regards,

A handwritten signature in black ink that reads "Meg Broderick".

Meg Broderick, Assistant General Counsel



A123 Systems, Inc.
39000 Seven Mile Rd
Livonia, MI 48152
(617) 778-5700
www.a123systems.com

March 27, 2012

Mr. Fran Striker
VP, Operations
Smith Electric Vehicles
12200 N.W. Ambassador Drive, Suite 326
Kansas City, MO 64163

Dear Mr. Striker,

Per phone conversations between our companies earlier this week, this letter is to notify you of a deviation from specification for some portion of the 20Ah prismatic battery cells previously shipped to Smith Electric Vehicles within battery modules for your application.

A123 has discovered a latent mechanical defect in some of the prismatic cells that were produced in our Livonia, Michigan manufacturing facility. This defect can result in a loss of performance in the battery pack and shortened life. We do not believe that this is a safety issue, based on the analysis done thus far.

A small number of battery packs in the field experienced a malfunction, and when we inspected these packs to determine the cause, we discovered the existence of this defect.

We are currently evaluating our capability to produce and deliver replacement product in accordance with the warranty provisions of our supply agreement with Smith Electric Vehicles. At this time we are not yet able to make any specific commitments in this regard. Our team will be following up with more detailed information shortly and we will discuss the plan going forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Forcier", with a long, horizontal, wavy line extending to the right.

Jason Forcier
VP, Automotive Solutions Group
A123 Systems



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39000 Seven Mile Rd
Livonia, MI 48152
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March 27, 2012

Mr. Chris Schneider
General Manager, eStar
Navistar Inc.
4201 Winfield Drive
Warrenville, IL 60555

Dear Mr. Schneider,

Per phone conversations between our companies earlier this week, this letter is to notify you of a deviation from specification for some portion of the 20Ah prismatic battery cells previously shipped to Navistar within battery packs for your application.

A123 has discovered a latent mechanical defect in some of the prismatic cells that were produced in our Livonia, Michigan manufacturing facility. This defect can result in a loss of performance in the battery pack and shortened life. We do not believe that this is a safety issue, based on the analysis done thus far.

A small number of battery packs in the field experienced a malfunction, and when we inspected these packs to determine the cause, we discovered the existence of this defect.

We are currently evaluating our capability to produce and deliver replacement product in accordance with the warranty provisions of our supply agreement with Navistar. At this time we are not yet able to make any specific commitments in this regard. Our team will be following up with more detailed information shortly and we will discuss the plan going forward.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Forcier", written over a horizontal line.

Jason Forcier
VP, Automotive Solutions Group
A123 Systems



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Livonia, MI 48152
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March 28, 2012

Ms. Karla Wirsing
Buyer Electrical Systems
McLaren Automotive Limited
McLaren Technology Centre
Chertsey Road, Woking, Surrey GU21 4YH, UK

Dear Ms. Wirsing,

Per phone conversations between our companies earlier this week, this letter is to notify you of a deviation from specification for some portion of the 20Ah prismatic battery cells previously shipped to McLaren within battery systems for your application.

A123 has discovered a latent mechanical defect in some of the prismatic cells that were produced in our Livonia, Michigan manufacturing facility. This defect can result in a loss of performance in the battery pack and shortened life. We do not believe that this is a safety issue, based on the analysis done thus far.

A small number of battery packs in the field experienced a malfunction, and when we inspected these packs to determine the cause, we discovered the existence of this defect.

We are currently evaluating our capability to produce and deliver replacement product in accordance with the warranty provisions of our supply agreement with McLaren. At this time we are not yet able to make any specific commitments in this regard. Our team will be following up with more detailed information shortly and we will discuss the plan going forward.

Sincerely,

A handwritten signature in black ink, appearing to read "J Forcier", with a long, horizontal, wavy line extending to the right.

Jason Forcier
VP, Automotive Solutions Group
A123 Systems



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March 27, 2012

Mr. Bernhard Koehler
Chief Operating Officer
Fisker Automotive
19 Corporate Park
Irvine, CA 92606

Dear Mr. Koehler,

Per phone conversations between our companies earlier this week, this letter is to notify you of a deviation from specification for some portion of the 20Ah prismatic battery cells previously shipped to Fisker within battery packs for the Karma program.

A123 has discovered a latent mechanical defect in some of the prismatic cells that were produced in our Livonia, Michigan manufacturing facility. This defect can result in a loss of performance in the battery pack and shortened life. We do not believe that this is a safety issue, based on the analysis done thus far.

A small number of battery packs in the field experienced a malfunction, and when we inspected these packs to determine the cause, we discovered the existence of this defect.

We are currently evaluating our capability to produce and deliver replacement product in consideration of the warranty provisions in our supply agreement with Fisker. While we have provided some early indications of our readiness to execute a service campaign, we are not yet able to make specific commitments in this regard. Our team will be following up with more detailed information shortly and we will discuss the plan going forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Forcier", with a long, horizontal, wavy line extending to the right.

Jason Forcier
VP, Automotive Solutions Group
A123 Systems



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March 28, 2012

Torsten Pollach
Purchasing Department
EvoBus GmbH
68301 Mannheim
Germany

Dear Mr. Pollach,

Per phone conversations between our companies earlier this week, this letter is to notify you of a deviation from specification for some portion of the 20Ah prismatic battery cells previously shipped to EvoBus within battery packs for your application.

A123 has discovered a latent mechanical defect in some of the prismatic cells that were produced in our Livonia, Michigan manufacturing facility. This defect can result in a loss of performance in the battery pack and shortened life. We do not believe that this is a safety issue, based on the analysis done thus far.

A small number of battery packs in the field experienced a malfunction, and when we inspected these packs to determine the cause, we discovered the existence of this defect.

We are currently evaluating our capability to produce and deliver replacement product in accordance with the warranty provisions of our supply agreement with EvoBus. At this time we are not yet able to make any specific commitments in this regard. Our team will be following up with more detailed information shortly and we will discuss the plan going forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Forcier", with a long, horizontal, slightly wavy line extending to the right.

Jason Forcier
VP, Automotive Solutions Group
A123 Systems