



## **A123 Systems Signs Battery System Development Agreement With Navistar**

### **A123 Battery System to Power Navistar's EV - Class 2c-3 Truck**

WATERTOWN, Mass., March 9, 2010 (GLOBE NEWSWIRE) -- A123 Systems (Nasdaq:AONE), a developer and manufacturer of advanced Nanophosphate™ lithium ion batteries and systems, today announced an agreement with Navistar, Inc. (NYSE:NAV), a proven leader in worldwide commercial transportation, to develop lithium ion battery systems for electric vehicles (EVs) for the Navistar Modec Electric Vehicle Alliance, a joint venture between Navistar and Modec.

According to the agreement, A123 will develop battery systems for Navistar's EV and it is expected that these A123 battery systems will be manufactured in A123's Livonia, Mich. facility, slated to open in March 2010. Rather than converting an existing, conventional fossil fuel powered truck, Navistar's EV is a commercial electric vehicle that is purpose-built to be electric as it balances the needs of business and the environment. With zero tailpipe emissions, the Navistar EV can potentially reduce greenhouse gas emissions by as much as 10 tons annually, when compared to an equivalent diesel-powered vehicle.

The Navistar EV has a Gross Vehicle Weight (GVW) rating of 12,100 pounds and a payload capacity of two tons. The vehicle will be assembled in Wakarusa, Indiana, and is scheduled for launch in mid-2010.

"A123 is proud to partner with Navistar on an electric vehicle that will reduce operating emissions in urban areas," said Jason Forcier, Vice President, A123 Systems Automotive Solutions Group. "Our ability to achieve impressive range with a battery that is safe, durable and reliable is a natural fit for Navistar's electric vehicle program, and we are thrilled to showcase the U.S. advancements in the electrification of commercial transportation in Navistar's vehicles."

A123's battery pack will enable the Navistar EV to travel a distance of approximately 100 miles on pure electricity before needing to be recharged. The battery pack will be capable of a rapid charge rate and will have a charge time dependent on the power of the charging system applied.

"Navistar is a proven leader in worldwide commercial transportation and by introducing an electric vehicle into our offering, we are proud to offer our customers an alternative that will have a positive impact on the environment and reduce our nation's dependence on foreign oil," said Shane Terblanche, Navistar general manager, electric vehicles.

### **About A123 Systems**

A123 Systems, Inc. (Nasdaq:AONE) develops and manufactures advanced lithium ion batteries and battery systems for the transportation, electric grid services and consumer markets. Headquartered in Massachusetts and founded in 2001, A123 Systems' proprietary nanoscale electrode technology is built on initial developments from the Massachusetts Institute of Technology. Among the companies selecting A123 batteries, battery systems and technology in the fields of transportation, grid energy storage and consumer products are AES Energy Storage, LLC, BAE Systems, The Black & Decker Corporation, BMW, Daimler, Delphi, Fisker Automotive, and Shanghai Automotive Industry Corporation. For additional information please visit [www.a123systems.com](http://www.a123systems.com).

The A123 Systems, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=6600>

### **About Navistar**

Navistar International Corporation (NYSE:NAV) is a holding company whose subsidiaries and affiliates produce International® brand commercial and military trucks, MaxxFace® brand diesel engines, IC Bus™ brand school and commercial buses, Monaco RV brands of recreational vehicles, and Workhorse® brand chassis for motor homes and step vans. It also is a private-label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. The company also provides truck and diesel engine service parts. Another affiliate offers financing services. Additional information is available at [www.Navistar.com/newsroom](http://www.Navistar.com/newsroom).

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks, uncertainties and other factors, including statements with respect to the expected launch date of

the Navistar EV and its anticipated benefits and features. Among the factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: delays in customer and market demand for Navistar's products, delays in the development of the Company's products, adverse economic conditions in general and adverse economic conditions specifically affecting the markets in which A123 and Navistar operate and other risks detailed in A123 Systems' annual report on Form 10-K for the year ended December 31, 2009 and other publicly available filings with the Securities and Exchange Commission. All forward-looking statements reflect A123's expectations only as of the date of this release and should not be relied upon as reflecting A123's views, expectations or beliefs at any date subsequent to the date of this release.

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