



TO: A123 Customers, Partners, Investors and all other Stakeholders  
FROM: David Vieau, CEO  
RE: Fisker Karma Battery Pack Issue—Hose Clamp Misalignment  
DATE: December 23, 2011

---

A123 Systems is committed to designing, developing and manufacturing batteries and energy storage systems that deliver both high performance as well as exceptional safety.

We have determined that some of the battery packs we produce for Fisker Automotive could have a potential safety issue relating to the battery cooling system.

Specifically, certain hose clamps that are part of the battery pack's internal cooling system were misaligned, positioned in such a way that could potentially cause a coolant leak. Over time, it is possible that in certain rare circumstances, this coolant leak could potentially lead to an electrical short circuit.

There have been no related battery performance or safety incidents with cars in the field. However, A123 and Fisker are committed to safety and are taking immediate, proactive steps to prevent any issue from occurring.

We have developed a confirmed repair for this situation. In the short time since recognizing this potential safety issue, the root cause was quickly identified, a fix has been developed and corrective action is well underway.

In total, fewer than 50 customer cars are involved in this action. We expect this situation to have minimal financial impact on A123, and our relationship with Fisker remains strong.

We remain vigilant in our quality assurance efforts and confident in our ability to deliver safe, reliable products to our customers.

Thank you for your continued support of A123 Systems.

David Vieau  
CEO, A123 Systems