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Chrysler LLC Facilitates High-tech Jobs in Michigan

\$100 Million Tax Grant Awarded to A123Systems on Heels of Chrysler Partnership Announcement

- Chrysler takes stance in U.S. advanced battery technology capability
- Chrysler/A123Systems partnership to create new jobs in Michigan
- Through partnership with A123Systems, Chrysler helps facilitate production of lithium-ion battery cells, modules and packs at new Michigan manufacturing plant
- Chrysler and A123Systems partnership reinforces companies' commitment to reducing dependency on foreign sources of energy and greenhouse gas emissions
- Combining strengths of key suppliers part of Chrysler's efficient strategy to bring electric vehicles to market quickly

April 13, 2009, Auburn Hills, Mich. - Chrysler LLC today reaffirmed its commitment to helping develop advanced battery technology in the United States through its partnership with American battery supplier A123Systems.

Facilitated by an agreement with Chrysler LLC and its commitment to introduce production electric-drive vehicles starting in 2010, A123Systems has received a \$100 million tax grant from the Michigan Economic Development Corporation (MEDC) to build a full-scale battery manufacturing facility in Michigan. The new plant will bring additional high-tech jobs to Michigan, and will help Chrysler achieve its leadership goals in electric vehicle development and production.

"Today's recognition of this Michigan-based partnership represents tremendous forward thinking by the government, and demonstrates how government can greatly affect the development of – and costs associated with – this type of advanced technology," said John Bozzella, Senior Vice President - External Affairs and Public Policy. "Chrysler is proud to participate in this effort that will bring high-technology jobs to Michigan, and will help solidify American innovation in electric vehicles – ultimately leading to more advanced fuel-efficient vehicles for the American consumer and the environment."

Last week, Chrysler LLC announced A123Systems as the supplier for energy storage systems for Chrysler's first-generation ENVI Range-extended Electric Vehicles and battery only Electric Vehicles.

"We're excited to see such tremendous support from both the government and the industry in growing the nation's electric vehicle and advanced battery sectors," said David Vieau, President and CEO of A123Systems. "This plant furthers our shared commitment with Chrysler to American technology and energy leadership, and we're proud to be a part of bringing automotive jobs back to Michigan soil."

The heart of ENVI's battery system is a scalable battery module, as demonstrated in ENVI's five electric-drive vehicles showcased at the 2009 North American International Auto Show in Detroit. The five vehicles included the Dodge Circuit EV, Jeep® Wrangler EV, Jeep Patriot EV, Chrysler Town & Country EV and the Chrysler 200C EV concept. At the reveal, Chrysler announced its intention to bring the company's first production electric vehicle to market in 2010.

"Partnering with key suppliers and combining the strengths of multiple organizations is the foundation of Chrysler's unique, efficient strategy," said Lou Rhodes, Vice President – Advance Vehicle Engineering and President of ENVI. "This enables Chrysler to create a large multi-disciplinary team focused on bringing ENVI vehicles to market quickly."

Individual lithium ion prismatic cells are integrated with a proprietary battery management safety system to create an efficient and flexible energy storage solution. This strategy is integrated in all of Chrysler's upcoming electric-drive

vehicles, helping increase production volumes of the shared battery cell and shared battery module. Chrysler's approach reduces development time, investment, and overall battery system cost by combining the economics of high-volume component sharing without sacrificing the battery pack flexibility needed to develop a wide range of customer-driven electric-drive vehicles.

A123Systems advanced lithium-ion battery chemistry has the capability of meeting consumer demands for performance, driving range, and durability. A123Systems is currently planning a site in Michigan where it will manufacture Nanophosphate lithium ion prismatic battery cells, modules, and battery packs for Chrysler LLC.

ENVI – letters that represent the first four letters of environment – is Chrysler LLC's entrepreneurial in-house organization focused on electric-drive production vehicles and related advanced technologies. ENVI is a cross-functional, nimble team empowered to move quickly and access vast resources within Chrysler LLC in order to integrate electric- vehicle technology into existing products. ENVI-powered electric vehicles inspire a personal mobility revolution, creating a new generation of responsible, no-compromise Chrysler, Dodge and Jeep vehicles.

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