



FREQUENTLY ASKED QUESTIONS FOR A123 INVESTORS

1) What did A123 announce?

- A123 Systems, Inc. has entered into an asset purchase agreement to sell its automotive business assets to Johnson Controls, Inc.
- The assets being sold include the Company's automotive technology, products and customer contracts, its facilities in Livonia and Romulus, Michigan, its cathode powder manufacturing facilities in China, and A123's equity interest in Shanghai Advanced Traction Battery Systems Co., A123's joint venture with Shanghai Automotive.
- The asset purchase agreement also includes provisions through which Johnson Controls intends to license back to A123 certain technology for its grid, commercial and government businesses.
- A123 also continues to engage in active discussions regarding strategic alternatives for its grid, commercial, government and other operations, and has received several indications of interest for these businesses.
- To facilitate the transaction process, A123 and all of its U.S. subsidiaries have filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware.
- A123's non-U.S. subsidiaries were not included in the filing.
- This action is expected to allow the Company to provide for an orderly sale of the automotive businesses assets and all other assets and business units under Section 363 of the Bankruptcy Code and enable the Company to maximize the value of all of its assets for its stakeholders in a controlled, court-supervised environment.

2) How will this process affect day-to-day operations of the business?

- A123 intends to continue operating its automotive businesses during the sale process.
- A123 also continues to engage in active discussions regarding strategic alternatives for its grid, commercial, government and other operations, and has received several indications of interest for these businesses, all of which are continuing regular operations.

3) Will A123 stock continue to trade on the NASDAQ exchange?

- We expect NASDAQ to suspend A123's common stock from trading and initiate proceedings to delist the stock.
- A123 common stock may be traded over the counter, but there is no assurance that it will be, or will continue to be, traded. Trading on the OTC market may result in significantly lower trading volumes and liquidity for investors seeking to buy or sell shares of the common stock.

4) What will happen to the Company's stock?

- At this time, we do not know what will happen to A123's common stock as a result of the transaction process.
- Typically, the common stock of a company in Chapter 11 is cancelled upon its emergence from the reorganization process and stockholders usually receive no value for any common stock they still hold at that time.

5) Will you report quarterly earnings and host investor conference calls during the restructuring process?

- We will not issue earnings press releases or hold quarterly conference calls as this process moves forward.
- We plan to file Monthly Operating Reports with the Bankruptcy Court, which include information regarding the Company's operational and financial performance.