



FOR RELEASE

South Coast AQMD Awards Hymotion, A123Systems and AeroVironment Contract to Supply the State of California with Plug-In Hybrid Electric Fleet Vehicles

*Contract will Provide First Nanophosphate Lithium-Ion Batteries
to Power +150MPG PHEVs for the State of California*

Watertown, Mass. – March 19, 2007 – Hymotion and A123Systems today announced that the South Coast Air Quality Management District (AQMD) has awarded the companies a contract to provide 10 converted plug-in hybrid electric passenger vehicles (PHEVs). The South Coast AQMD PHEV program will evaluate and help identify a recommended PHEV-conversion method for the state of California.

The AQMD has identified the use of alternative clean fuels as a key air quality attainment strategy, and has sponsored plug-in hybrid electric vehicle (PHEV) demonstrations for over six years because of the potential for this technology to enable zero-tailpipe emissions for portions of a typical driving cycle. Similar to commercially available hybrid-electric vehicles (HEVs), PHEVs utilize a battery pack and an electric motor in concert with an internal combustion engine. PHEVs, however, employ a larger battery pack which can be designed to extend the electric portion of the driving cycle, providing improved fuel economy, lower greenhouse gas emissions and reduced petroleum dependence.

The Hymotion solution incorporates A123Systems' batteries into a highly advanced PHEV module that is lightweight, compact and requires minimal modification to the stock vehicle. All necessary components and safety features are integrated and contained within the module, including: batteries, power electronics, crash sensors, power electronics, charger, battery management system, safety sensors and manual-electric interlock. Due to its plug and play installation, the system does not require removal of the OEM battery pack and can be installed in less than 2 hours.

"This exciting program will not only demonstrate the power of today's technology, but pave the way for larger-scale demonstrations of Plug-In Hybrid technology in Southern California," said Ricardo Bazzarella, Founder and President of Hymotion.

The awarded solution uses A123Systems' Nanophosphate technology that provides unprecedented specific power, safety and life - all critical to the optimization and commercialization of PHEVs. A123Systems' automotive class lithium ion technology renders the solution durable and more safe than other chemistries. The system is expected to get up to 220 miles per gallon in city driving and cut carbon dioxide emissions in half. The solution also includes power processing and rapid chargers provided by AeroVironment, Inc.

"California has traditionally served as a leader to the rest of the country in matters of air quality and renewable energy," said David Vieau, President and CEO of A123Systems. "This award is further validation of our efforts to date as we continue on our path to providing smarter, more fuel-efficient and market-ready options for organizations, agencies and individuals that are concerned about fuel consumption and the environment."

“As a leading developer and supplier of commercial fast charge systems for electric vehicles and power processing equipment, we are pleased to support the South Coast AQMD’s plans for demonstrating the potential of PHEV technology,” said Tim Conner, CEO of AeroVironment.

A123Systems and Hymotion are also working with NYSERDA on a program that could put as many as 600 Plug-In Hybrids on the roads of New York State. Additionally, A123Systems recently announced that it is working with General Motors and Cobasys on the Saturn Green Line Vue Plug-In Hybrid program, and that the company is working with GE to develop systems for the hybrid bus market. A123Systems recently received a \$15 million development contract for next generation HEV batteries from the U.S.

Department of Energy and the United States Advanced Battery Consortium (USABC), an organization composed of DaimlerChrysler Corporation, Ford Motor Company and General Motors Corporation.

About A123Systems

A123Systems is one of the world’s leading suppliers of high-power lithium ion batteries. The company’s patent pending Nanophosphate™ technology enables its batteries to deliver a previously unavailable combination of power, safety and life. Applicable to a wide range of industries, A123 Systems’ products remove many traditional technology constraints to provide OEMs expanded flexibility in system design. With world-class expertise and management, global manufacturing operations and one of the largest automotive lithium ion R&D teams, A123 Systems’ and its Automotive Class Lithium Ion™ products are helping to accelerate platform electrification. Founded in 2001 and headquartered in Massachusetts, A123 Systems’ proprietary nanoscale electrode technology is built on initial developments from the Massachusetts Institute of Technology. A123 Systems’ Advanced Research & Government Solutions Division in Ann Arbor, Michigan is nationally recognized for new materials development and cutting-edge research. For additional information please visit www.a123systems.com.

About Hymotion

Hymotion Inc. is a provider of complete integration for hybrid and fuel cell systems. Hymotion brings over ten years of experience in the alternative fuel industry. It can offer mechanical, electrical, control system and power electronics design for OEM customers. As a green technology company, their mission is to provide new generation hybrid and alternative fuel solutions to customers that value green and innovative technologies. For additional information please visit www.hymotion.com.

About AeroVironment (NASDAQ: AVAV)

Building on a history of technological innovation, AV designs, develops, produces, and supports an advanced portfolio of Unmanned Aircraft Systems (UAS) and efficient electric energy systems. The company’s small UAS are used extensively by agencies of the U.S. Department of Defense and increasingly by allied military forces to deliver real-time reconnaissance, surveillance, and target acquisition to tactical operating units. AV’s PosiCharge® fast charge systems eliminate battery changing for electric industrial vehicles in factories, airports, and distribution centers. For more information about AV, please visit www.avinc.com.

About AQMD

AQMD is the air pollution control agency for Orange County and major portions of Los Angeles, San Bernardino and Riverside counties. The South Coast AQMD is committed to undertaking all necessary steps to protect public health from air pollution, with sensitivity to the impacts of its actions on the community and businesses. This is accomplished through a comprehensive program of planning, regulation, compliance assistance, enforcement, monitoring, technology advancement, and public education.