A123 Systems has filed for bankruptcy protection...
let's see what the reporting history shows!

A123 Systems, Inc.

Arsenal on the Charles
200 West Street
Phone: (617) 778-5700 WALTHAM, MA 02451 United States Ticker: AONE

Filed for Bankruptcy on 10/16/2012
Case #12-12859, filed in the U.S. Bankruptcy Court for the District of Delaware

Latest Financial Statements as of 6/30/2012

Business Summary

A123 Systems, Inc., designs, develops, manufactures and sells rechargeable lithium-ion and energy storage systems. In the transportation industry market, the Company works with global automotive manufacturers and tier 1 suppliers to develop batteries and battery systems for hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs) and electric vehicles, (EVs). Its transportation business is divided into two categories: heavy-duty and passenger. As of December 31, 2011, the Company's product offerings included batteries in various sizes and forms, as well as packaged modules and fully-tested battery systems. The platform for battery and battery system development is its Nanophosphate material. The Company designs and develops batteries and battery systems for ALTe, Axeon, BAE Systems, BMW, Daimler, Delphi, Fisker Automotive, Inc. (Fisker), General Motors (GM) Magna Steyr, Navistar, Shanghai Automotive Industry Corp and other customers, for multiple vehicle models.

(Source: 10-K)

Employees: 1,983 (as of 12/31/2011) Federal Tax Id: 043583876

Credit Scores

FRISK® Score	4		10/16/2012
Probability of bankruptcy range:	1.74% - 3.15%		
Z" Score	-9.09	(Fiscal danger)	6/30/2012

Auditor Information

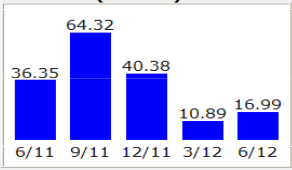
Last Audit: 12/31/2011
Auditors: Deloitte & Touche LLP
Opinion: Unqualified

DBT Index

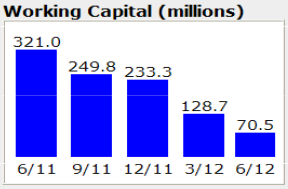
7/2012	8/2012	9/2012
8	8	7

(Includes DBT Indexes from Subsidiaries)

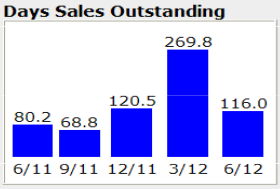
Net Sales (millions)



Working Capital (millions)



Days Sales Outstanding



Second Quarter and Year-to-Date Results

Sales for the 3 months ended 6/30/2012 decreased 53.28% to $16.99 million from last year's comparable period amount of $36.35 million. Sales for the 6 months ended 6/30/2012 decreased 48.81% to $27.87 million from $54.45 million for the same period last year.

Gross profit margin decreased 66.39% for the period to ($29.17) million (-171.74% of revenues) from ($17.53) million (-48.22% of revenues) for the same period last year. Gross profit margin decreased 263.51% for the year-to-date period to ($119.99) million (-430.47% of revenues) from ($33.01) million (-60.62% of revenues) for the comparable 6 month period last year.

Selling, general and administrative expenses for the period decreased 13.17% to $15.60 million compared with $17.97 million for the same period last year. Selling, general and administrative expenses for the 6 months ended 6/30/2012 decreased 10.89% to $31.88 million from $35.78 million for the same period last year.

Operating income for the period decreased 30.52% to ($69.08) million compared with operating income of ($52.93) million for the same period last year. Operating income for the year-to-date period decreased 87.43% to ($199.77) million compared with operating income of ($106.58) million for the equivalent 6 months last year.

Net loss for the period increased 49.65% to ($82.89) million compared with net loss of ($55.39) million for the same period last year. Net loss for the year-to-date period increased 90.70% to ($207.93) million compared with net loss of ($109.04) million for the equivalent 6 months last year.

Net cash from operating activities was ($111.33) million for the 6 month period, compared to net cash from operating activities of ($113.37) million for last year's comparable period.

Working capital at 6/30/2012 of $70.50 million decreased 69.78% from the prior year end's balance of $233.30 million, and decreased 78.04% from $320.98 million at the end of last year's same period.

Inventories decreased by $7.09 million for the year-to-date period, compared to a $38.22 million increase in the prior year's comparable period.

Accounts payable decreased by $3.80 million for the year-to-date period, compared to a $12.60 million increase in the prior year's comparable period.

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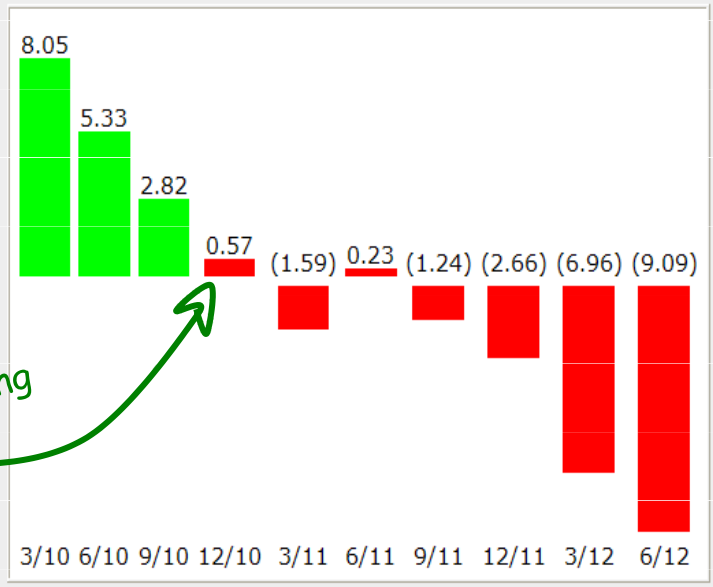
Z" Score

LEGEND:
Financially sound: 2.60 or higher
Neutral: 1.10 to 2.60
Fiscal danger: less than 1.10



The Altman Z" started signaling trouble in late 2010...

Stock Performance

Detailed Quote

Last: **0.05** Change: **-0.01 (-17.39%)** Volume: **21,985,050**

Open:	0.05
Close:	0.06
High:	0.06
Low:	0.05
Bid:	0.05
Ask:	0.05
Yield:	0.00
P/E Ratio:	N/
EPS:	-2.60
Dividend:	0.00
Shares Out:	180.3 M
Market Cap:	9.2 M
52wk High:	3.91
52wk Low:	0.05

Falls below $1 per share

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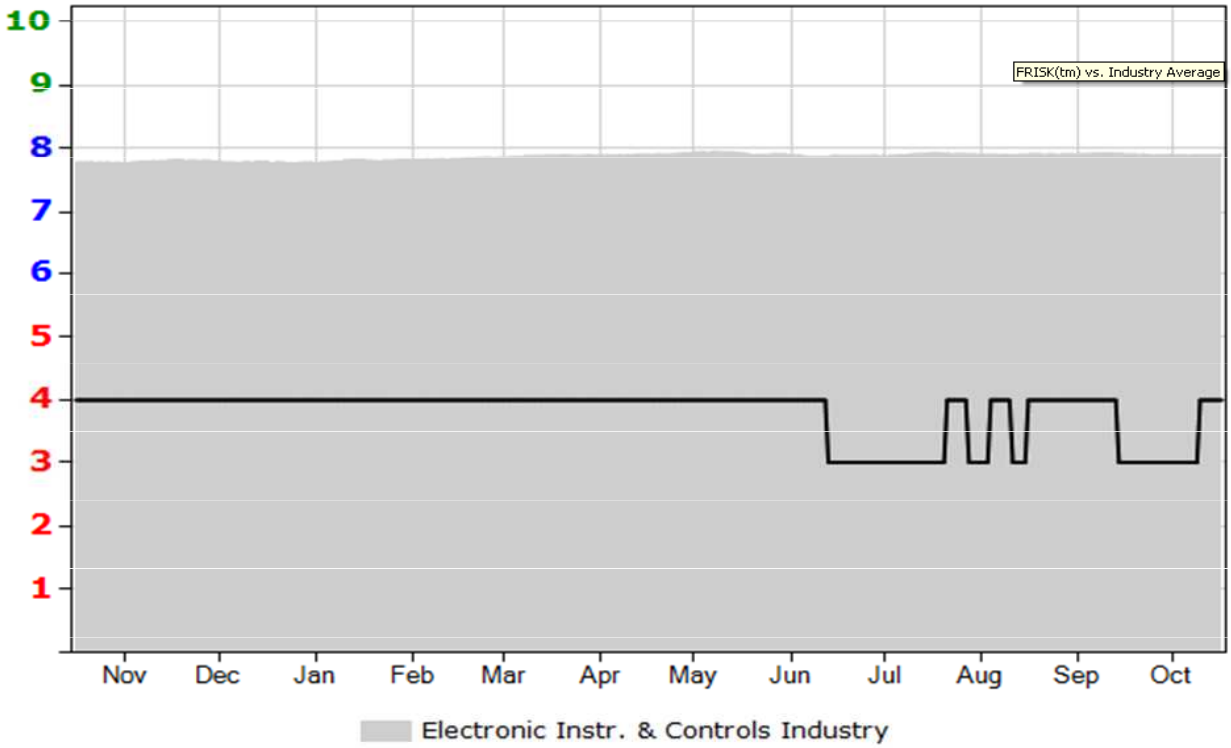
The FRISK® has been in the Red Zone for an extended period of time…

The current FRISK® score is 4 (probability of bankruptcy* 1.74% - 3.15%), near its 13-month average but below its industry average.



	FRISK®	Probability of bankruptcy within 12 months	
		From	To
Best	10	0.00%	0.11%
	9	0.11%	0.23%
	8	0.23%	0.38%
	7	0.38%	0.54%
	6	0.54%	1.05%
	5	1.05%	1.74%
	4	1.74%	3.15%
	3	3.15%	5.05%
	2	5.05%	10.34%
Worst	1	10.34%	50.00%

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...plus, looking at our News Alerts you would have seen...

News Summary (CRMZ selected Moody's Fitch All) Next Page

#	Date	Source	Headline
1	10/17/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Termination of a Material Definitive Agreement, Bankruptcy or Receivership, Triggering Events That Accelerate or I
2	10/16/2012	PR Newswire	Electric Drive Transportation Association Responds to Johnson Controls Purchasing A123 Assets
3	10/16/2012	SourceMedia	Today's Transactions A123 Files for Ch. 11, Plans $125M Sale [Mergers & Acquisitions, The Dealmaker's Journal (]
4	10/16/2012	Aii Data Processing Ltd	A123 Systems files for Chapter 11
5	10/16/2012	PR Newswire	A123 Systems Reaches Agreement To Sell Automotive Business Assets To Johnson Controls
6	10/16/2012	CRMZ News Service	A123 May Seek Bankruptcy as Company Sees Cash Shortage
7	10/15/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Material Impairments, Other Events
8	8/22/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing
9	8/22/2012	CQ Transcriptions LLC	Q2 2012 A123 SYS INC Earnings Conference Call - Final
10	8/16/2012	GlobeNewswire	A123 Systems and Wanxiang Group Corporation Execute Definitive Agreements for Wanxiang's Strategic Investment in A123
11	8/16/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant,
12	8/16/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits
13	8/10/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits
14	8/10/2012	Sinomedia Holdings	China company to acquire stake in US battery maker
15	8/9/2012	CRMZ News Service	A123 SYSTEMS, INC.: a Form 10-Q has been Filed with the SEC
16	8/9/2012	CRMZ News Service	A123 Systems, Inc. -- updated financials available
17	8/9/2012	Sinomedia Holdings	China's Wanxiang to purchase 80% stake in A123
18	8/8/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits
19	8/8/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Regulation FD Disclosure, Other Events, Financial Statements and Exhibits
20	8/8/2012	GlobeNewswire	A123 Systems Announces Non-Binding Memorandum of Understanding With Wanxiang Group Corporation for Strategic Investment
21	8/8/2012	GlobeNewswire	A123 Systems Announces Second Quarter 2012 Financial Results
22	8/6/2012	GlobeNewswire	A123 Systems Announces Date for Second Quarter 2012 Results
23	7/27/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Change in Directors or Principal Officers
24	7/27/2012	GlobeNewswire	A123 Systems Announces Resignation of Dr. Paul E. Jacobs From Board of Directors
25	7/19/2012	GlobeNewswire	A123 Systems to Supply Lithium Ion Battery Packs to BAE Systems for HybriDrive(R) Series Hybrid Electric Propulsion System
26	7/10/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Other Events, Financial Statements and Exhibits
27	7/6/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Other Events, Financial Statements and Exhibits
28	7/5/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Amendments to Articles of Inc. or Bylaws; Change in Fiscal Year, Submission of Matters to a Vote of Security Holders, Financial Statements and Exhibits
29	5/30/2012	CRMZ News Service	A123 SYSTEMS, INC. FILES (8-K) Disclosing Other Events, Financial Statements and Exhibits
30	5/30/2012	CRMZ News Service	A123 SYSTEMS, INC.: a Form 8-K has been Filed with the SEC

Asset sale agreement with Johnson Controls, pending court approval

Debt agreement with Wanxiang Group falls through

Non-Binding MOU with Wanxiang Group in which the Group could invest up to $450 MM

53% decrease in revenue, Net Loss of $82.9 mm

Files Chapter 11

May seek bankruptcy due to Cash shortage...

No longer satisfies listing standards for NASDAQ

Management issues going concern opinion

Resignations

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...need more depth? Look at the Performance Ratios

Unprofitable...

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2012	3 mos 3/31/2012	3 mos 12/31/2011	3 mos 9/30/2011	3 mos 6/30/2011
Net Sales $	**$16,985**	**$10,889**	**$40,378**	**$64,319**	**$36,353**
% change	*55.98%*	*-73.03%*	*-37.22%*	*76.93%*	*100.88%*
Gross Margin $	**($29,170)**	**($90,818)**	**($37,467)**	**($19,573)**	**($17,531)**
% change	*67.88%*	*-142.39%*	*-91.42%*	*-11.65%*	*-13.27%*
% of sales	*-171.74%*	*-834.03%*	*-92.79%*	*-30.43%*	*-48.22%*
change as % of incremental sales	*1,011.29%*	*n/m*	*n/m*	*-7.30%*	*-11.25%*
SG&A $	**$15,600**	**$16,284**	**$13,480**	**$21,901**	**$17,966**
% change	*-4.20%*	*20.80%*	*-38.45%*	*21.90%*	*0.85%*
% of sales	*91.85%*	*149.55%*	*33.38%*	*34.05%*	*49.42%*
change as % of incremental sales	*11.22%*	*n/m*	*n/m*	*14.07%*	*0.03%*
Operating margin $	**($69,083)**	**($130,683)**	**($82,510)**	**($60,655)**	**($52,931)**
% change	*47.14%*	*-58.38%*	*-36.03%*	*-14.59%*	*1.34%*
% of sales	*-406.73%*	*-1,200.14%*	*-204.34%*	*-94.30%*	*-145.6[illegible]%*
change as % of incremental sales	*1,010.50%*	*n/m*	*n/m*	*-27.62%*	*3.[illegible]*
EBITDA $	**($62,361)**	**($124,141)**	**($75,384)**	**($53,265)**	**($47,510)**
% change	*49.77%*	*-64.68%*	*-41.53%*	*-12.11%*	*0.40%*
% of sales	*-367.15%*	*-1,140.06%*	*-186.70%*	*-82.81%*	*-130.69%*
change as % of incremental sales	*1,013.45%*	*n/m*	*n/m*	*-20.58%*	*1.05%*
Pre-tax income $	**($82,702)**	**($124,676)**	**($84,692)**	**($63,123)**	**($55,312)**
% change	*33.67%*	*-47.21%*	*-34.17%*	*-14.12%*	*-3.85%*
% of sales	*-486.91%*	*-1,144.97%*	*-209.75%*	*-98.14%*	*-152.15[illegible]*
change as % of incremental sales	*688.55%*	*n/m*	*n/m*	*-27.93%*	*-11.22[illegible]*
Net income (loss) $	**($82,890)**	**($125,038)**	**($84,977)**	**($63,717)**	**($55,390)**
% change	*33.71%*	*-47.14%*	*-33.37%*	*-15.03%*	*-3.25%*
% of sales	*-488.02%*	*-1,148.30%*	*-210.45%*	*-99.06%*	*-152.37%*
change as % of incremental sales	*691.40%*	*n/m*	*n/m*	*-29.78%*	*-9.55%*
Tax expense $	**$188**	**$362**	**$285**	**$594**	**$78**
Effective tax rate	*-0.23%*	*-0.29%*	*-0.34%*	*-0.94%*	*-0.14%*
Depreciation expense $	**$7,060**	**$6,999**	**$6,900**	**$7,500**	**$5,700**
% of sales	*41.57%*	*64.28%*	*17.09%*	*11.66%*	*15.68%*
% of capital expenses	*126.59%*	*70.16%*	*72.26%*	*27.32%*	*13.09%*
% of PP&E, net (annualized)	*20.09%*	*19.46%*	*18.02%*	*19.15%*	*14.10%*
Capital expenditures $	**$5,577**	**$9,976**	**$9,549**	**$27,450**	**$43,536**
% change	*-44.10%*	*4.47%*	*-65.21%*	*-36.95%*	*1.86%*
% of PP&E, net (annualized)	*15.87%*	*27.73%*	*24.94%*	*70.11%*	*107.70%*
% of working capital (annualized)	*22.40%*	*22.05%*	*15.81%*	*38.48%*	*80.67%*
Interest coverage ratio	**(4.70)**	**(56.66)**	**(31.82)**	**(22.91)**	**(22.57)**
% change	*91.71%*	*-78.06%*	*-38.90%*	*-1.50%*	*69.67%*
Free cash flow $	**($70,399)**	**($56,483)**	**($63,161)**	**($112,061)**	**($108,425)**
% change	*-[illegible]%*	*10.57%*	*43.64%*	*-3.35%*	*-18.86%*
Source:	10-Q 8/9/2012	10-Q 5/15/2012	10-K 3/12/2012	10-Q 11/9/2011	10-Q 8/5/2011

Negative cash flow...

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...need more depth? Look at the Leverage Ratios

Declining stockholders' equity and tangible net worth...

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	6/30/2012	3/31/2012	12/31/2011	9/30/2011	6/30/2011
Total debt $	**$203,340**	**$162,649**	**$201,994**	**$203,547**	**$175,129**
% change	*25.02%*	*-19.48%*	*-0.76%*	*16.23%*	*37.68%*
Stockholders' equity $	**$106,965**	**$186,513**	**$296,365**	**$352,662**	**$412,664**
% change	*-42.65%*	*-37.07%*	*-15.96%*	*-14.54%*	*18.13%*
Total debt to equity ratio	**1.90**	**0.87**	**0.68**	**0.58**	**0.42**
% change	*117.98%*	*27.95%*	*18.09%*	*36.00%*	*300.00%*
Tangible net worth $	**$97,384**	**$176,932**	**$286,784**	**$342,829**	**$402,777**
% change	*-44.96%*	*-38.30%*	*-16.35%*	*-14.88%*	*18.68%*
Total debt to tangible net worth	**2.09**	**0.92**	**0.70**	**0.59**	**0.43**
% change	*127.13%*	*30.53%*	*18.63%*	*36.55%*	*298.17%*
Total assets $	**$494,965**	**$513,661**	**$625,902**	**$711,022**	**$729,492**
% change	*-3.64%*	*-17.93%*	*-11.97%*	*-2.53%*	*34.08%*
Total debt to assets ratio	**0.41**	**0.32**	**0.32**	**0.29**	**0.24**
% change	*29.75%*	*-1.89%*	*12.71%*	*19.24%*	*252.57%*
Net tangible assets $	**$485,384**	**$504,080**	**$616,321**	**$701,189**	**$719,605**
% change	*-3.71%*	*-18.21%*	*-12.10%*	*-2.56%*	*34.73%*
Short-term debt $	**$40,027**	**$2,674**	**$41,903**	**$43,307**	**$14,345**
% change	*1,396.90%*	*-93.62%*	*-3.24%*	*201.90%*	*-3.96%*
Short-term debt % of total debt	**19.68%**	**1.64%**	**20.74%**	**21.28%**	**8.19%**
% change	*1,097.37%*	*-92.08%*	*-2.50%*	*159.75%*	*-79.68%*
Short-term debt % of working capital	**56.78%**	**2.08%**	**17.96%**	**17.34%**	**4.47%**
% change	*2,632.33%*	*-88.43%*	*3.59%*	*287.96%*	*-66.86%*
Total liabilities $	**$388,000**	**$327,148**	**$329,537**	**$358,360**	**$316,828**
% change	*18.60%*	*-0.73%*	*-8.04%*	*13.11%*	*62.69%*
Total liabilities to equity ratio	**3.63**	**1.75**	**1.11**	**1.02**	**0.77**
% change	*106.81%*	*57.75%*	*9.42%*	*32.35%*	*37.72%*
Total liabilities to tangible net worth ratio	**3.98**	**1.85**	**1.15**	**1.05**	**0.79**
% change	*115.48%*	*60.91%*	*9.93%*	*32.89%*	*37.09%*
Source:	10-Q 8/9/2012	10-Q 5/15/2012	10-K 3/12/2012	10-Q 11/9/2011	10-Q 8/5/2011

...need more depth? Look at the Liquidity and Return Ratios

Long term trend of decreasing Working Capital

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	6/30/2012	3/31/2012	12/31/2011	9/30/2011	6/30/2011
Current assets $	**$228,379**	**$242,907**	**$352,422**	**$408,087**	**$440,376**
% change	*-5.99%*	*-31.09%*	*-13.64%*	*-7.33%*	*77.75%*
% of short-term debt	*570.56%*	*9,084.03%*	*841.04%*	*942.31%*	*3,069.89%*
Current liabilities $	**$157,878**	**$114,219**	**$119,120**	**$158,311**	**$119,393**
% change	*38.22%*	*-4.11%*	*-24.76%*	*32.60%*	*-12.84%*
Working capital $	**$70,501**	**$128,688**	**$233,302**	**$249,776**	**$320,98**
% change	*-45.22%*	*-44.84%*	*-6.60%*	*-22.18%*	*189.77%*
% of sales (annualized)	*103.77%*	*295.45%*	*144.45%*	*97.08%*	*220.74%*
Cash $	**$47,670**	**$113,082**	**$186,893**	**$225,818**	**$294,874**
% change	*-57.84%*	*-39.49%*	*-17.24%*	*-23.42%*	*115.54%*
% of short-term debt	*119.09%*	*4,228.95%*	*446.01%*	*521.44%*	*2,055.59%*
Cash ratio	**0.30**	**0.99**	**1.57**	**1.43**	**2.47**
% change	*-69.51%*	*-36.90%*	*9.99%*	*-42.25%*	*147.30%*
Quick assets $	**$73,668**	**$130,268**	**$234,093**	**$285,261**	**$332,399**
% change	*-43.45%*	*-44.35%*	*-17.94%*	*-14.18%*	*103.69%*
% of short-term debt	*184.05%*	*4,871.65%*	*558.65%*	*658.69%*	*2,317.18%*
Quick ratio	**0.47**	**1.14**	**1.97**	**1.80**	**2.78**
% change	*-59.09%*	*-41.97%*	*9.06%*	*-35.28%*	*133.70%*
Current ratio	**1.45**	**2.13**	**2.96**	**2.58**	**3.69**
% change	*-31.98%*	*-28.12%*	*14.77%*	*-30.11%*	*103.93%*
Source:	10-Q 8/9/2012	10-Q 5/15/2012	10-K 3/12/2012	10-Q 11/9/2011	10-Q 8/5/2011

Running out of cash...

Not enough cash compared to previous cash outflows...

Negative rates of return...

Rates of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2012	3 mos 3/31/2012	3 mos 12/31/2011	3 mos 9/30/2011	3 mos 6/30/2011
Return on equity	**-44.44%**	**-42.19%**	**-24.10%**	**-15.44%**	**-15.86%**
% change	*-5.34%*	*-75.09%*	*-56.06%*	*2.62%*	*-17.70%*
Return on net tangible equity	**-46.85%**	**-43.60%**	**-24.79%**	**-15.82%**	**-16.32%**
% change	*-7.45%*	*-75.90%*	*-56.69%*	*3.07%*	*-18.11%*
Return on total assets	**-16.44%**	**-21.94%**	**-12.71%**	**-8.85%**	**-8.70%**
% change	*25.10%*	*-72.63%*	*-43.70%*	*-1.70%*	*9.18%*
Return on net tangible assets	**-16.75%**	**-22.32%**	**-12.90%**	**-8.97%**	**-8.84%**
% change	*24.94%*	*-73.03%*	*-43.82%*	*-1.51%*	*9.39%*
Source:	10-Q 8/9/2012	10-Q 5/15/2012	10-K 3/12/2012	10-Q 11/9/2011	10-Q 8/5/2011

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...need more depth? Look at the Peer Analysis

Peer Analysis

Calendar Year/Quarter: 2012.2

Peer Group: Sector: Technology, Industry: Electronic Instr. & Controls

Refresh

[Sector: Technology] [Industry: Electronic Instr. & Controls] [Calendar Year/Quarter: 2012.2]

Businesses in Peer Group: 2,275	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings:						
ZScore -- Current Quarter	1,101	1,174	(9.09)	(25,119.31)	3.61	2,711.45
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	95	174	16,985.00	0.00	25,209.50	9,663,000.00
Gross Margin % of Sales -- Current Quarter	1,201	1,204	(171.74)	(866.71)	20.94	118.04
Gross margin % of Sales -- TTM	1,209	1,214	(133.53)	(866.71)	20.85	100.00
SG&A % of Sales -- Current Quarter	1,143	1,192	91.85	0.13	14.95	31,700.00
SG&A % of Sales -- TTM	1,114	1,202	50.74	0.15	14.83	19,206.19
Operating Margin % of Sales -- Current Quarter	1,200	1,223	(406.73)	(66,200.00)	3.72	1,630.72
Operating Margin % of Sales -- TTM	1,202	1,231	(258.68)	(9,824.39)	3.57	661.38
EBITDA Margin % of Sales -- Current Quarter	988	1,008	(367.15)	(65,200.00)	6.12	1,625.52
EBITDA Margin % of Sales -- TTM	1,200	1,231	(237.72)	(9,179.14)	6.00	662.01
Net Profit Margin % of Sales -- Current Quarter	1,200	1,223	(488.02)	(68,100.00)	2.38	1,254.50
Net Profit Margin % of Sales -- TTM	1,205	1,231	(269.00)	(9,815.15)	2.51	1,153.81
Pre-tax Income % of Sales -- Current Quarter	1,199	1,223	(486.91)	(68,100.00)	3.67	1,591.16
Effective Tax Rate	198	1,246	(0.23)	(1,265.23)	15.96	5,602.23
Depreciation % Of Prop/Plant/Equipment	753	1,003	20.09	(68.16)	13.32	372.64
CapitalExpense % Of Prop/Plant/Equipment	403	882	15.87	0.03	17.76	4,548.13
Interest Coverage -- Current Quarter	772	890	(4.70)	(2,137.97)	4.86	24,578.00
Interest Coverage -- TTM	1,064	1,137	(15.63)	(1,431.50)	4.82	7,601.75
Liquidity ratios:						
Cash Ratio	708	1,186	0.30	0.00	0.40	446.85
Quick Ratio	1,025	1,159	0.47	0.00	1.12	60.48
Current Ratio	783	1,191	1.45	0.00	1.79	564.83
Efficiency ratios:						
Accounts Receivable Turnover	893	1,202	3.15	(12,439.29)	4.41	205.18
Days Sales Outstanding	926	1,225	116.00	(0.29)	80.57	98,960.63
% Inventory Financed by Vendors -- Current Quarter	1,009	1,116	24.32	0.14	80.98	75,225.74
% Inventory Financed by Vendors -- TTM	1,053	1,159	23.00	0.37	79.86	44,563.33
Inventory Turnover (annualized) -- Current Quarter	1,050	1,195	1.88	(0.53)	4.34	296.41
Inventory Turnover -- TTM	852	1,208	3.19	0.00	4.37	204.64
Days Sales in Inventory	1,053	1,178	193.64	(2,848.11)	82.22	4,784.81
Inventory to Working Capital	856	1,156	1.37	(180.65)	0.63	560.57
Accounts Payable Turnover (annualized) -- Current Quarter	322	1,184	8.20	(0.14)	5.64	1,709.88
Accounts Payable Turnover -- TTM	317	1,186	7.97	(8.98)	5.56	3,467.81
Leverage & debt coverage:						
Total Debt to Equity Ratio	992	1,048	1.90	0.00	0.34	29.72
Debt to Tangible Equity Ratio	943	1,019	2.09	0.00	0.36	152.43
Total Debt to Assets Ratio	927	1,088	0.41	0.00	0.19	771.59
Short-Term Debt % of Total Debt	107	1,051	19.68	0.00	79.85	100.00
Short-Term Debt % of Working Capital	590	1,065	56.78	(65,071.37)	42.27	58,671.43
Liabilities to Net Worth Ratio	1,037	1,119	3.98	0.00	0.88	234.41
Total Liabilities to Equity Ratio	1,097	1,149	3.63	0.00	0.82	112.78

Green - Ranked in Upper Quartile of Peer Group

White - Ranked in the Middle Two Quartiles of Peer Group

Red - Ranked in Lower Quartile of Peer Group

Grey - Data is Not Available

Bottom quartile in almost ALL ratios vs. Electronic Instr. & Controls Industry Peers...

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...need more depth? Look at the Statement of Cash Flow

Statement of Cash Flows - Annual - Detailed
(Thousands of U.S. Dollars)

Period Ended	12 mos 12/31/2011	12 mos 12/31/2010	12 mos 12/31/2009	12 mos 12/31/2008	12 mos 12/31/2007
Cash Flows from Operating Activities:					
Net Income	($257,757)	($152,937)	($86,589)	($80,431)	($30,966)
Depreciation	25,195	17,036	13,230	8,156	3,942
Impairment of long-term investment	11,612	n/a	n/a	n/a	n/a
Impairment of long lived and intangible	4,354	758	931	3,097	0
Noncash loss on equity investments	791	849	0	0	n/a
Noncash foreign exchange loss on interco	0	(424)	(883)	1,232	0
Noncash rent	(200)	896	506	(127)	(59)
Gain on asset transfer and subsequent de	(1,255)	n/a	n/a	n/a	n/a
Unrealized loss on preferred stock	0	0	515	286	57
(Gain) loss on disposal of property	42	250	49	20	24
Amortization of debt issuance costs	2,629	306	65	142	193
Stock based compensation	14,085	11,762	8,553	4,508	1,566
In process research and development	n/a	n/a	0	0	430
Minority interest in net loss	n/a	n/a	n/a	n/a	(27)
Accrued interest on notes receivable	n/a	n/a	0	0	(128)
Accounts receivable	(19,844)	(9,401)	17	(6,582)	(6,114)
Deferred cost	(5,234)	n/a	n/a	n/a	n/a
Inventory	(55,948)	(11,220)	(1,646)	(15,805)	(1,544)
Prepaid expenses and other assets	(2,132)	(2,598)	1,975	(1,740)	(2,969)
Accounts payable	2,020	9,199	(4,339)	11,168	900
Accrued expenses	10,361	2,568	(474)	8,029	4,406
Deferred revenue	10,956	6,283	(5,487)	32,899	1,376
Other liabilities	8,735	(1,162)	18	203	16
Cash from Operating Activities	**(251,590)**	**(127,835)**	**(73,559)**	**(34,945)**	**(28,897)**
Cash Flows from Investing Activities:					
Restricted Cash	10,692	(8,635)	(1,762)	(175)	1,219
Capital Expenditures	(123,278)	(177,233)	(39,430)	(41,397)	(14,964)
Purchase of investments	(3,287)	(14,862)	0	0	n/a
Proceeds from government grant	33,665	78,187	0	0	n/a
Proceeds from sale of property and equip	0	0	19	476	46
Cash paid for acquisition of Enerland	n/a	n/a	0	0	(13,420)
Cash paid for purchase Hymotion assets	n/a	n/a	0	0	(125)
Repayment on notes receivable	n/a	0	0	0	0
Cash from Investing Activities	**(82,208)**	**(122,543)**	**(41,173)**	**(41,088)**	**(27,244)**
Cash Flows from Financing Activities:					
Proceeds from government grant	900	9,750	3,900	0	0
Proceeds from issuance of common stock	n/a	0	0	5,001	906
Proceeds from exercise of stock options	2,007	4,301	369	137	124
Proceeds from revolving credit lines, ne	37,753	0	0	4,300	2,720
Proceeds from issuance of common stock,	140,187	0	395,812	(3,817)	n/a
Principal payments on revolving credit l	(8,000)	0	0	n/a	n/a
Proceeds from issuance of long term debt	138,824	2,500	8,584	9,144	0
Payments on long term debt	(5,379)	(6,484)	(6,166)	(3,994)	(3,453)
Contributions from noncontrolling intere	600	532	0	0	n/a
Payments on capital lease obligations	(3,027)	(706)	(653)	(1,251)	(176)
Net proceeds from issuance of redeemable	n/a	0	0	11,500	0
Net proceeds from issuance of redeemable	0	0	99,590	101,998	69,913
Cash from Financing Activities	**303,865**	**9,893**	**501,436**	**123,018**	**70,034**
Foreign Exchange Effects	**(15)**	**204**	**(92)**	**166**	**(18)**
Net Change in Cash	**(29,948)**	**(240,281)**	**386,612**	**47,151**	**13,875**
Cash & Equivalent - Begining Balance	**216,841**	**457,122**	**70,510**	**23,359**	**9,484**
Cash & Equivalent - Ending Balance	**$186,893**	**$216,841**	**$457,122**	**$70,510**	**$23,359**
Auditor/Opinion:	Deloitte & Touche LLP **Unqualified**	Deloitte & Touche LLP **Unqualified**	Deloitte & Touche LLP **Unqualified**	Deloitte & Touche LLP **Unqualified**	Deloitte & Touche LLP **Unqualified**
Source:	10-K 3/12/2012	10-K 3/11/2011	10-K 3/15/2010	PROSPECTUS 8/19/2009	PROSPECTUS 8/8/2008

In a poor long-term trend...

"Just in Time" financing to continue operations...

CreditRiskMonitor

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In the MD&A issued in May, the CEO and CFO tell us that they have incurred significant losses and that they will continue to experience negative cash outflows in the process of rebuilding their inventory and replacing defective products.

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A123 Systems, Inc.

Arsenal on the Charles
200 West Street
Phone: (617) 778-5700 WALTHAM, MA 02451 United States Ticker: AONE

Filed for Bankruptcy on 10/16/2012
Case #12-12859, filed in the U.S. Bankruptcy Court for the District of Delaware

Management Discussion and Analysis

For the period ended 3/31/2012

Liquidity, Going Concern and Management Plans

We have incurred significant net losses and negative operating cash flows since inception. At March 31, 2012, we had an accumulated deficit of $774.0 million, including a $125.0 million net loss incurred for the quarter ended March 31, 2012. We had $113.1 million in cash and cash equivalents at March 31, 2012, down from $186.9 million at December 31, 2011.

On March 26, 2012, we launched a field campaign to replace battery modules and packs that may contain defective prismatic cells produced at our Livonia, Michigan manufacturing facility. The cost of this field campaign is estimated at $51.6 million. In addition, we recorded an inventory charge of approximately $15.2 million related to inventory produced at our Michigan facilities that may be defective. As a result of this field campaign and the charge for our existing prismatic cell inventory, we must begin to rebuild our inventory and balance our backlog for existing customer orders while simultaneously replacing the defective customer modules and packs. Therefore, we expect to continue to incur significant net losses and negative operating cash flows over the next several quarters.

Finally, in the MD&A issued in August the CEO and CFO tell us that they will fall below the required cash minimum stated in the covenants of the revolving credit facility by the end of August.
…and then in October, they file for bankruptcy.

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Management Discussion and Analysis

For the period ended 6/30/2012

Liquidity, Going Concern and Management Plans

We have incurred significant net losses and negative operating cash flows since inception. At June 30, 2012, we had an accumulated deficit of $856.9 million, including a $207.9 million net loss incurred for the six months ended June 30, 2012. We had $47.7 million in cash and cash equivalents at June 30, 2012, down from $186.9 million at December 31, 2011.

On March 26, 2012, we launched a field campaign to replace battery modules and packs that may contain defective prismatic cells produced at our Livonia, Michigan manufacturing facility. The cost of this field campaign is estimated at $51.6 million. In addition, we recorded an inventory charge of approximately $15.2 million related to inventory produced at our Michigan facilities that may be defective. As a result of this field campaign and the charge for existing prismatic cell inventory, we have begun to rebuild our inventory and manage our backlog for existing customer orders while simultaneously replacing the defective customer modules and packs. As a result of this field campaign, we expect to continue to incur significant net losses and negative operating cash flows over the next several quarters...

At June 30, 2012, we had $47.7 million of cash and cash equivalents. Additionally, $30.0 million of cash was released from restricted cash on July 6, 2012 as discussed below. Our credit facility and the 2013 Senior Notes (discussed below) contain a covenant requiring us to maintain an unrestricted cash balance of at least $40.0 million. During the six months ended June 30, 2012, we used on average $18.0 million to $25.0 million per month in net operating and investing cash flows. Based on our historical use of cash, we expect our cash balance to fall below this required minimum by the end of August 2012.