# A123 says new battery technology to make EVs cheaper

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(Reuters) - A123 Systems Inc said it has developed a lithium ion battery technology that could eliminate the need for cooling and heating systems and reduce the cost of electric vehicles.

The technology, called Nanophosphate EXT, is designed to prolong cycle life at extremely high temperatures and deliver high power even at low temperatures, the company said on Tuesday.

"We believe Nanophosphate EXT is a game-changing breakthrough that overcomes one of the key limitations of lead acid, standard lithium ion and other advanced batteries," said David Vieau, Chief Executive of A123 Systems.

It will lower the costs and the weight of electric vehicles and can also be used in the telecommunications industry to cut costs at cell tower installations.

The announcement comes just days after the company said there was "substantial doubt" about its viability as a business and warned of steep losses over the next several quarters.

The losses stem from A123's recall of defective batteries built at its Livonia, Michigan plant.

A123 stock is down about 96 percent from the $28 range it used to trade at in 2009. That year, A123 was given a $249 million grant by the Obama administration, and it went public.

A123, which developed as a start-up at the Massachusetts Institute of Technology, makes battery for the Fisker Karma, the BMW hybrid 3- and 5-Series cars and GM's all-electric Chevy Spark due in 2013.

The company said production of batteries based on the new technology will begin in the first of half of 2013.

It will initially make 20 ampere-hour prismatic cells with Nanophosphate EXT. It is also evaluating plans to offer the technology across all its cell products.

A123 shares were trading at $1.23, up 18 percent, on Tuesday morning on the Nasdaq.

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