

# GM Ventures Makes Strategic Investment in Envia Systems

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- *Leads an equity investment round of \$17 million*
- *Early testing of Envia's composite cathode material shows improvement in energy density of lithium-ion cells by up to one-third for more capable and affordable electrically driven vehicles of the future*

DETROIT -- General Motors Ventures LLC invested \$7 million in Newark, Calif.-based Envia Systems to provide GM's battery engineering team with access to advanced lithium-ion cathode technology that delivers higher cell energy density and lower cost. In a separate agreement, GM has secured the right to use Envia's advanced cathode material for future GM electrically driven vehicles.

"Skeptics have suggested it would probably be many years before lithium-ion batteries with significantly lower cost and higher capability are available, potentially limiting sales of electric vehicles for the foreseeable future," said Jon Lauckner, president of GM Ventures. "In fact, our announcement today demonstrates that major improvements are already on the horizon."

Other participating investors in Envia are Asahi Kasei and Asahi Glass; as well as current investors Bay Partners, Redpoint and Panagea Ventures. The funding of the investor group totaled \$17 million.

"With our high-capacity manganese rich cathode material, Envia is addressing two key issues in the next-generation battery cells – higher capability and lower cost," said Atul Kapadia, founding investor, chairman and CEO of Envia Systems. "The investments announced today from GM and the two new strategic investors, demonstrate the excitement around our technology, as well as the importance of the challenge.

"We believe our battery materials have taken the technology lead that will help lower price points and unlock the market potential for our customers," Kapadia said. "With our technology and products, we believe that Envia is best-positioned to win a significant portion of this very large battery materials market."

Envia's advanced cathode technology uses inexpensive materials that store more energy per unit of mass than current cathode materials. Since the cathode is a key driver for the overall battery cost, the more energy the cathode delivers, the lower the battery cost because fewer cells are needed.

"Our test results on small-format cells show that Envia's high-capacity composite cathode material can increase the energy density of lithium-ion cells by up to one-third, at an equivalent level of reliability, safety and durability," said Micky Bly, GM executive director for Electrical and Battery Systems. "We estimate this improvement in cell energy density and less expensive material will drive a substantial reduction in cell cost, leading to lower cost battery packs like the one in the Chevy Volt." Envia's cathode technology also will offer benefits for other devices and applications where low-cost, high-energy density storage solutions are needed."

Said U.S. Energy Secretary Steven Chu: "Today we are once again seeing the benefits for the American people that come with federal investments in science and innovation. With this new agreement, a battery technology, originally developed at the Department of Energy's Argonne National Laboratory, is making its way into the market. By supporting American innovation, commercialization and manufacturing, this partnership is helping to boost U.S. competitiveness and create the jobs of the future."

**About General Motors** – General Motors Company (NYSE: GM, TSX: GMM), one of the world's largest automakers, traces its roots back to 1908. With its global headquarters in Detroit, GM employs 209,000

people in every major region of the world and does business in more than 120 countries. GM and its strategic partners produce cars and trucks in 31 countries, and sell and service these vehicles through the following brands: Baojun, Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, Isuzu, Jiefang, Opel, Vauxhall, and Wuling. GM's largest national market is China, followed by the United States, Brazil, the United Kingdom, Germany, Canada, Italy, Russia, Mexico, and Uzbekistan. GM's OnStar subsidiary is the industry leader in vehicle safety, security and information services. General Motors acquired operations from General Motors Corporation on July 10, 2009, and references to prior periods in this and other press materials refer to operations of the old General Motors Corporation. More information on the new General Motors can be found at [www.gm.com](http://www.gm.com).

**About Envia Systems:** Envia Systems is a technology leader in high performance, low cost Lithium Ion energy storage solutions. Based in Newark, California, Envia's patented cathode technology enables its batteries to deliver previously unattainable levels of energy capacity, safety and life. These systems will be used by manufacturers developing Electric Vehicles and Plug-in Hybrid Electric Vehicles. For more information, please visit [www.enviasystems.com](http://www.enviasystems.com).