News for Immediate Release

ELECTROVAYA ANNOUNCES FIRST QUARTER FISCAL 2004 FINANCIAL RESULTS

Revenue up 79% and cash burn rate reduced by 77% from the same quarter in Fiscal 2003

Toronto, Ontario – **February 19, 2004** – Electrovaya Inc. (TSX: EFL) today announced financial results for the first quarter ended December 31, 2003. All figures are in US dollars.

First Quarter Highlights

- First quarter revenue for 2004 was up 79% from the first quarter of 2003 and up 22% from the fourth quarter of 2003
- Gross profit improved to $ 144,000 or 9% of revenue, the highest amount in the history of the Company, up from a loss of $38,000 in the same quarter of the prior year and a loss of $601,000 in the quarter ending September 30, 2003
- Cash burn declined to $623,000 from $2,756,000 in the same quarter in Fiscal 2003
- The Company announced the launch of the Scribbler™ SC2000 series, a laptop/tablet PC with the winning combination of computing power provided by the Intel® Centrino processor and up to 9 hours of runtime provided by Electrovaya's 75 Wh thin Li Ion SuperPolymer® battery
- The Company announced the award of a $3.0 million contract by NASA (National Aeronautics and Space Administration - Johnson Space Center) to provide high-energy lithium ion SuperPolymer® power systems as a power source for Extra-Vehicular Mobility Units (EMUs).

Summary of Financial Results

In thousands of US$ except per share amounts	**3 months ended December 31**		**3 months ended September 30**
	2003	**2002**	**2003**
Revenue	$ 1,581	$ 883	$ 1,298
Expenses	3,048*	3,297	2,196*
Loss from operations before interest, taxes and amortization	$ (1,467)	$ (2,414)	$ (898)
Loss for the period	$ (2,402)	$ (2,901)	$ (1,475)
Loss per share	$0.03	$0.04	$0.02
Cash & investments	$ 16,970	$ 17,862	$ 17,593

**** Net of Government assistance of $244 and $1,140 for the quarters ending December 31, 2003 and September 30, 2003, respectively.***

"We are extremely pleased with our many accomplishments this quarter because it demonstrates that our technology has application not only to the consumer electronics marketplace but also to the aerospace industry" said Sankar Das Gupta, President and CEO of Electrovaya. "Demand for our new Scribbler 2000 series is strong and we have received many excellent reviews from leading technology publications about our new Scribbler 2000 products" reported Dr. Das Gupta. "In addition, the NASA contract positions us for other opportunities in the aerospace and defence industries."

First Quarter

For the first quarter of fiscal 2004, Electrovaya reported revenue of $1.6 million compared with $0.9 million in the same quarter of 2003 and $1.3 million in the fourth quarter of 2003. Excluding the impact of government assistance, the loss from operations before amortization, interest income and foreign exchange losses decreased to $1.7 million from $2.4 million in the same quarter last year and from $2.0 million in the quarter ending September 30, 2003. The loss per share for the quarter was $0.03 compared with $0.04 in the quarter ending December 31, 2002 and $0.02 in the quarter ending September 30, 2003.

Excluding the impact of government assistance, the cash burn rate was reduced in the quarter to $0.9 million from $2.8 million in the first quarter of 2002 and compared to $1.7 million in the fourth quarter of 2003.

Expenses

Cost of goods sold is comprised of the material, labor and manufacturing overhead associated with the production of SuperPolymer® batteries, the Scribbler tablet PC and machine building for third parties, as well as direct labour costs related to research service revenues. For the quarter ending December 31, 2003 cost of goods sold increased by 56.0% to $1.4 million from $0.9 million for the quarter ending December 31, 2002.

The Company improved from a negative gross profit of $0.04 million for the quarter ending December 31, 2002 to a $0.1 million positive gross profit for the quarter ending December 31, 2003 due to increased sales of products and services with higher profit margins and increased labor and material efficiencies.

Research and development expenses, net of investment tax credits, decreased by approximately $0.2 million or 25.7% to $0.6 million for the quarter ended December 31, 2003 from $0.8 million in the quarter ending December 31, 2002. During the first quarter of 2004, the company received funding of $0.2 million from Technology Partnerships Canada.

Sales and marketing expenses decreased to $0.6 million for the first quarter of fiscal 2004 from $1.0 million in first quarter of fiscal 2003. Compared to the quarter ending December 31, 2002, the Company enhanced its provision for warranty expenses by $0.2 million, decreased advertising expense by $0.3 million, decreased salary and benefits expenses by $0.1 million and decreased travel and other expenses by $0.2 million.

General and administrative expenses increased by approximately $0.1 million compared to the same quarter in 2002 primarily due to an increase in salaries and benefits.

Interest income decreased by 52.2% to $0.09 million for the quarter ended December 31, 2003 from $0.2 million for the quarter ended December 31, 2002. The Company derived interest in both periods from cash and short-term investments. The decrease in interest income resulted from the lower interest rates earned on its Canadian and U.S. dollar-denominated investments as well as the lower level of investments held during the first quarter of fiscal 2004.

Liquidity and Capital Resources

Cash used in operating activities was $1.5 million for the quarter ended December 31, 2003 versus $2.9 million for the quarter ended December 31, 2002. Net cash used in operating activities for the current quarter reflects the operating loss of $2.4 million offset by amortization of $0.8 million and an increase in non-cash operating working capital of $0.1 million.

"As we grow, we continue to review all aspects of the business for opportunities to improve profitability and cash-flow. We have capacity to grow sales without adding further overheads, and we look forward to increasing revenues and profitability to achieve cash-flow breakeven" concludes Dr. Das Gupta.

Conference Call Notice
Electrovaya will host a conference call on Thursday, February 19, 2004 at 4:00 PM EST. The call can be accessed by dialling **(416) 640-4127** or **(800) 814-4941** or through a replay available at **(416) 640-1917** (call #**21039587**). The call will be web cast live on the Internet at ***www.electrovaya.com*** and ***www.newswire.ca/webcast/***.

About Electrovaya Inc.

Electrovaya's goal is to become the leading provider of tablet PC's, portable power for the notebook computer, aerospace and wireless sectors, and to apply its technology to a broad spectrum of alternative energy applications including UPS, stand-by power and zero-emission vehicles. It develops, manufactures and sells high value products globally using award winning patented proprietary lithium ion SuperPolymer® rechargeable battery technology, which delivers the highest energy density of any battery technology on the market today. Electrovaya has designed, developed and markets the Scribbler™ Tablet PC which offers longer run time than any other Tablet PC currently available. The Company's shares trade on the Toronto Stock Exchange under the symbol EFL

For more information about the Company and its products, please visit our website at www.electrovaya.com.

For more information, please contact:

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Forward-Looking Statements

This news release may contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Company's business and results of operations. Risks are outlined in the Company's Annual Report for the year ending September 30, 2003 and are set forth in public disclosure documents filed with Canadian regulatory authorities. By nature, these risks and uncertainties could cause actual results to differ materially from those indicated. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ELECTROVAYA INC.

Consolidated Balance Sheets
(Expressed in thousands of U.S. dollars)

	December 31, 2003 (Unaudited)	September 30, 2003 (Audited)
Assets		
Current assets		
Cash and cash equivalents	$ 5,968	$ 6,178
Short-term investments	11,002	11,415
Accounts receivable	1,459	1,047
Investment tax credits recoverable	418	427
Goods and Services Tax receivable	67	55
Inventories (note 2)	2,997	2,852
Prepaid expenses and other	317	138
	22,228	22,112
Capital assets	11,323	12,024
	$ 33,551	$ 34,136
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 2,630	$ 1,760
Income taxes payable	-	6
	2,630	1,766
Shareholders' equity		
Share capital (note 3)	63,729	63,729
Cumulative translation adjustment	1,907	954
Deficit	(34,715)	(32,313)
	30,921	32,370
	$ 33,551	$ 34,136

See accompanying notes to unaudited consolidated financial statements.

These unaudited interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended September 30, 2003.

ELECTROVAYA INC.

Unaudited Consolidated Statements of Operations and Deficit
(Expressed in thousands of U.S. dollars except share and per share amounts)

	Three months ended December 31, 2003	Three months ended December 31, 2002
Revenue	$ 1,581	$ 883
Cost of goods sold	1,437	921
Gross margin	144	(38)
Expenses		
Research and development	589	793
Government assistance	(244)	-
Sales and marketing	556	969
General and administrative	710	614
	1,611	2,376
Loss before the undernoted	(1,467)	(2,414)
Amortization	769	629
Loss from operations	(2,236)	(3,043)
Interest income	89	186
Loss from foreign exchange	(255)	(44)
	(166)	142
Loss before income taxes	(2,402)	(2,901)
Income tax expense	--	--
Net loss for the period	(2,402)	(2,901)
Deficit, beginning of period	(32,313)	(22,437)
Deficit, end of period	$ (34,715)	$ (25,338)
Loss per common share, basic and diluted	$ (0.03)	$ (0.04)
Weighted average number of shares outstanding, basic and diluted	69,539,109	69,539,109

See accompanying notes to unaudited consolidated financial statements.

These unaudited interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended September 30, 2003.

ELECTROVAYA INC.

Unaudited Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)

	Three months ended December 31, 2003	Three months ended December 31, 2002
Cash provided by (used in)		
Operating activities		
Loss for the period	$ (2,402)	$ (2,901)
Amortization which does not involve cash	769	629
Change in non-cash operating working capital	123	(615)
	(1,510)	(2,887)
Investing activities		
Additions to capital assets	(68)	(44)
Increase in short-term investments	413	13,949
	345	13,905
Increase in cash and cash equivalents	(1,165)	11,018
Effect of currency translation adjustments on cash and cash equivalents	955	175
Cash and cash equivalents, beginning of period	6,178	2,529
Cash and cash equivalents, end of period	$ 5,968	$ 13,722
Supplemental disclosure of cash flow information		
Income taxes paid	$ -	$ -
Interest received	88	224

See accompanying notes to unaudited consolidated financial statements.

These interim unaudited financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended September 30, 2003.

Electrovaya Inc. (the "Company"), incorporated in 1996 under the Business Corporations Act (Ontario), develops, manufactures and markets portable power technology products using its patented lithium ion SuperPolymer® technology.

1. Significant accounting policies

(a) Basis of presentation

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All inter-company balances and transactions have been eliminated upon consolidation.

The disclosures contained in these unaudited interim consolidated financial statements do not include all disclosures required under Canadian generally accepted accounting principles (GAAP) for annual financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended September 30, 2003.

The unaudited interim consolidated financial statements are based upon accounting policies consistent with those used and described in the annual consolidated financial statements, except as herein noted.

Management believes these unaudited interim consolidated financial statements include all adjustments, including normal recurring adjustments, necessary to present fairly the financial position of the Company as at December 31, 2003 and the results of its operations and its cash flows for the three months ended December 31, 2003. Results for the three months ended December 31, 2003 are not necessarily indicative of the results to be expected for the entire year.

(b) Change in Accounting policy

Prior to January 1, 2004, the Company applied the fair value based method of accounting prescribed by CICA Handbook Section 3870, *Stock-based Compensation and Other Stock-based Payments,* only to employee stock appreciation rights, and applied the settlement method of accounting to employee stock options. Under the settlement method, any consideration paid by employees on the exercise of stock options or purchase of stock is credited to share capital and no compensation expense was recognized.

The CICA Accounting Standards Board has amended CICA Handbook Section 3870-*Stock-based Compensation and Other Stock-based Payments* – to require entities to account for employee stock options using the fair value based method, beginning January 1, 2004. Under the fair value based method, compensation cost is measured at fair value at the date of grant and is expensed over the award's vesting period. In accordance with one of the transitional options permitted under amended

ELECTROVAYA INC.

Notes to Consolidated Financial Statements
(Expressed in thousands of U.S. dollars)

(b) Change in Accounting policy (continued)

Section 3870, the Company has prospectively applied the fair value based method to all employee stock options granted on or after October 1, 2003, There is no effect of prospectively adopting the fair value based method on net income and loss per share for the period.

The Company has no distinct operating segments and has no operating assets located outside of Canada.

2. Inventories

	December 31 2003	September 30 2003
Raw materials	$ 1,216	$ 1,095
Work in progress	1,557	1,703
Finished goods	224	54
	$ 2,997	$ 2,852

3. Share capital

As at December 31, 2003, the Company had 69.539,109 common shares (69,539,109 as at September 30, 2003) outstanding and 1,594,933 options (1,599,000 as at September 30, 2003) to acquire common shares under the Company's employee incentive plan.

4. Research and Development

The Company has been approved for funding under the Technology Partnerships Canada initiative of Industry Canada. The funding is to support the Company's research and development efforts in fast batteries and electric vehicles. The Company will receive contributions of up to 29.7% of the specified costs of the development project, to a maximum amount of $6.7 million. Under the terms of the agreement, an amount up to a maximum of $31,075,000 is to be repaid by royalties, commencing in 2007 through to 2013, with payment to be deferred or reduced if certain revenue thresholds are not achieved. The Company received $1,140,000 during fiscal 2003 and $244,000 during the first quarter of fiscal 2004. The Company has submitted a further claim for $130,500 during the first quarter of fiscal 2004.

5. Guarantees

Effective January 1, 2003, the Company adopted the new CICA Accounting Guideline AcG-14, which requires certain disclosures of obligations under guarantees. As at December 31, 2003 the Company has not issued any guarantees.

ELECTROVAYA INC.

Notes to Consolidated Financial Statements
(Expressed in thousands of U.S. dollars)

6. Related Party Transactions

The Company leased its Hanna Avenue premises in Toronto, Ontario, from a company owned by its controlling shareholders for $209,000 per year plus GST and business tax. The lease was renewed from January 1, 2003 to December 31, 2003 under the same terms and conditions as the previous lease. In June, 2003, an additional 11,800 square feet at $ 80,000 per year plus GST and business tax was secured by the Company until December, 2003 with one rent-free month. This lease is under the same terms and conditions as the pre-existing lease. Upon expiry of these leases, the Company will continue to occupy these premises on a monthly basis. During the quarter, the Company owned by the controlling shareholders hold the leased premises.

7. Stock Compensation

The Company granted 25,000 stock options to its Directors in December, 2002 at $0.68/share which vest over a three year period. The fair value of the options issued was determined using the Black-Scholes option pricing model with the following assumptions: risk free rate 5.198%; dividend yield of 0%; a volatility factor of the expected market price of the Company's shares of 107%; and a weighted-average expected option life of 9 years.

The shares of the Company were $0.30 per share at the grant date and the proforma impact of the stock option expense is $14,000 with no impact on loss per share for the period.