



*News for Immediate Release*

## **ELECTROVAYA ANNOUNCES OPERATIONS UPDATE, FOURTH QUARTER AND FISCAL YEAR 2009 FINANCIAL RESULTS**

- *Fiscal 2009 Revenue of \$3.8 Million, up 49% vs. Fiscal 2008*
- *Fourth Quarter Fiscal 2009 Net Operating Profit of \$0.9 Million, compared to a \$1.1 million loss for Q4, 2008.*
- *Fiscal 2009, losses narrow to \$0.3 Million compared to a loss of \$3.9 Million in Fiscal 2008.*

**Toronto, Ontario – December 23, 2009** – Electrovaya Inc. (TSX: EFL) today announced financial results for the fourth quarter and fiscal year 2009 ended September 30, 2009. All figures are in US dollars.

### **Fourth Quarter Fiscal 2009 Financial Highlights**

- Revenue totaled \$1,435,000, a 119% increase over the \$654,000 reported for the year ago quarter.
- Net Operating profit before interest, taxes, foreign exchange and amortization, totaled \$942,000 compared to a loss of \$1,100,000 reported for the year ago quarter.

### **Fiscal 2009 Financial Highlights**

- Revenue totaled \$3,782,000, a 49% increase over the \$2,541,000 reported for the previous fiscal year.
- Loss from operations, before interest, taxes, foreign exchange, amortization, capital assets write-down and the gain on sale of investments narrows to \$305,000, compared to \$3.9 million in the prior fiscal year.

The Company had \$5.6 Million in cash and cash equivalents at 30<sup>th</sup> September 2009, as compared to the \$4.9 Million reported at 30<sup>th</sup> September 2008, an increase of \$0.7 Million.

### **Fiscal 2009 Business Highlights**

- In December, Electrovaya and HEROElectric signed a Memorandum of Understanding (“MOU”) that sets out the general principals of a joint venture for the development and sale of zero-emission battery electric scooters and motorcycles. HEROElectric is a wholly-owned subsidiary of HEROGROUP, which ranks amongst the Top 10 Indian Business Houses with an estimated turnover of over US\$3.2-billion during the fiscal year 2005-2006. Its subsidiary Hero Honda is the world’s largest two-wheeler manufacturer and controls nearly half of the market for two-wheelers in India with over 3.7 million units sold in 2008-9.
- In November, Electrovaya and Nippon Kouatsu Electric Co. Ltd. (NKE) signed a MOU for the development and sale of Electrovaya's integrated advanced battery storage systems for both stationary power and smart grid systems applications. Japan’s peak and off-peak electricity pricing differential is sufficiently wide to create an excellent market for grid energy storage solutions. NKE is the only company in Japan that provides distribution equipment to all of the major 10 electric power utilities in Japan.
- In October, Electrovaya announced that it is accelerating the set-up of its joint-venture production facility in Norway with its joint-venture partner Miljøbil Grenland. The Miljøbil Grenland joint venture, of which Electrovaya is a shareholder, is establishing a Lithium Ion SuperPolymer® cell manufacturing facility in Norway.

- In August, Electrovaya was awarded an investment of up to Cdn \$16.7 million to support battery research and pre-commercialization activities through the support of the Province of Ontario's Next Generation Job Fund. Ontario's Premier Dalton McGuinty, along with members of his caucus, made the announcement at Electrovaya's headquarters.
- In June, Electrovaya announced that it is powering the fleet of Maya-300 zero-emission electric vehicles in a unique demonstration program at the Maryland Science Center supported by ExxonMobil.
- In April, Electrovaya announced that it is powering the plug-in hybrid electric Hummer H3 showcased at the 2009 SAE World Congress. Later in August, this vehicle completed a test drive demonstrating a 50-mile all electric range.
- In November 2008, Electrovaya announced the signing of a MOU with Chana International Corp. (Chana) for zero-emission electric vehicles. Chana is China's third largest automaker with joint ventures with Ford, Mazda and Suzuki. China, along with the USA, is the world's largest automotive marketplace.

Over the calendar year, Electrovaya participated in several battery, electric vehicle and finance conferences. Most notably it was the only battery industry speaker at the OECD Conference on "Potential Environmental Benefits of Nanotechnology: Fostering Safe Innovation-Led Growth" in Paris. In addition, Electrovaya was an invited speaker at the 24<sup>th</sup> International Electric Vehicle Symposium, the IEEE Vehicle Power and Propulsion Conference, the inaugural Wedbush Morgan Securities' Clean Technology & Industrial Growth Conference, and many others.

"Fiscal 2009 marked a turning point for Electrovaya," commented Dr. Sankar Das Gupta, Chief Executive Officer of Electrovaya. "Over the course of the past fiscal year we have increased our presence in the global market for lithium ion batteries used for the electrification of vehicles and for smart grid applications. In addition to accomplishing these important business development milestones, in the fourth fiscal quarter we reached profitability, a significant achievement".

"As we look ahead to fiscal 2010, we are optimistic about our opportunities for continued growth as the macro-environment for our business improves and interest in our unique zero-emission, toxin-free manufacturing process is higher than it has ever been. We are seeing growing opportunities to add new customers and expand our presence in markets across the globe. In conjunction with these opportunities, we intend to continue our disciplined approach to managing our business, prudently investing to take advantage of emerging opportunities," concluded Dr. Das Gupta.

### Summary of Financial Results

In thousands of US\$ except per share amounts	3 months ended Sept 30		12 months ended Sept 30	
	2009	2008	2009	2008
Revenue	\$ 1,435	\$ 654	\$ 3,782	\$ 2,541
Profit (Loss) from operations before interest, taxes, foreign exchange and amortization	\$ 942	\$ (1,129)	\$ (305)	\$ (3,935)
Profit (Loss) for the period	549	(\$799)	\$ (577)	\$ (4,055)
Gain (Loss) per share	\$ 0.01	\$(0.01)	\$ (0.01)	\$ (0.06)
Cash & cash equivalents	\$ 5,614	\$ 4,934	\$ 5,614	\$ 4,934

The Company's complete Fiscal 2009 Fourth Quarter and Annual Financial Statements and Management Discussion and Analysis are available at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.electrovaya.com](http://www.electrovaya.com).

**About Electrovaya Inc.**

Electrovaya Inc. (TSX:EFL) designs, develops and manufactures proprietary Lithium Ion SuperPolymer® batteries, battery systems, and battery-related products for the clean transportation, smart grid power, consumer and healthcare markets. The Company's mission is to accelerate clean transportation as a commercial reality with its advanced power system for all classes of zero-emission electric vehicles and plug-in hybrid electric vehicles. Founded in 1996 and headquartered in Ontario, Canada, Electrovaya has production facilities in Canada as well as in the US, and customers around the globe. *To learn more about how Electrovaya is powering mobility, please explore [www.electrovaya.com](http://www.electrovaya.com)*

For more information, please contact:

Paul L. Hart  
Chief Financial Officer  
Electrovaya Inc.  
Telephone: 905.855.4636  
Email: [ir@electrovaya.com](mailto:ir@electrovaya.com)

Suzanne Craig  
The Blueshirt Group  
Investor Relations for Electrovaya Inc.  
Telephone: 415-217-4962  
Email: [suzanne@blueshirtgroup.com](mailto:suzanne@blueshirtgroup.com)

*Forward-Looking Statements*

This press release contains forward-looking statements that involve a number of risks and uncertainties, including statements that relate to, among other things, the Company's objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective" and "continue" (or the negative thereof) and words and expressions of similar import. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: general business and economic conditions (including but not limited to currency rates and creditworthiness of customers); Company liquidity and capital resources, including the availability of additional capital resources to fund its activities; level of competition; changes in laws and regulations; legal and regulatory proceedings; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; and the ability to execute strategic plans. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the Company's most recent annual and interim Management's Discussion and Analysis under "Risk and Uncertainties", as well as in other public disclosure documents filed with Canadian securities regulatory authorities. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.