



*News for Immediate Release*

## **ELECTROVAYA ANNOUNCES Q2 2010 FINANCIAL RESULTS**

*Revenue up 60% versus Year Ago Quarter*

*Announced Major Clients and Projects in Electric Vehicles and Utility Scale Energy Storage*

**Toronto, Ontario – May 17, 2010** – Electrovaya Inc. (TSX: EFL) today announced financial results for the second quarter of fiscal 2010 ended March 31, 2010. All figures are in US dollars.

### **Second Quarter Fiscal 2010 Financial Highlights**

- Revenue totaled \$1,071,000, and increased by nearly 60% compared to \$675,000 in the same quarter of the prior year.
- Net operating loss from operations, before interest, taxes, foreign exchange and amortization, totaled \$946,000 in the second quarter compared to \$249,000 in the same quarter of the prior year, with the three months ending March 31, 2010. \$0.4 million of this operating loss is due to: non-cash stock option expense of \$0.3 million and \$0.1 million of one-time legal and software expenses.
- Cash and cash equivalents were \$3.4 million at March 31, 2010, down from \$5.2 million at December 31, 2009, due primarily to \$1.3 million owing from the Chrysler RAM PHEV and other programs and capital expenditures of approximately \$0.22 million. The Company has no debt and it owns its 15-acre land and its 156,000 square feet building, free and clear.

### **Business Highlights**

- In February 2010, Electrovaya was named as the energy storage partner for a major \$7.5 million initiative, addressing the rapidly growing and evolving utility scale energy market. The project is led by CEATI and will include multiple utilities.
- In March 2010, former Chrysler CEO, Thomas W. LaSorda, joined Electrovaya's Board of Directors and was appointed as Special Advisor to Electrovaya's CEO, Dr. Sankar DasGupta.
- In March 2010, Electrovaya announced that it was chosen by Chrysler Group LLC as the battery supplier for its Ram truck plug-in hybrid electric vehicle (PHEV) program. The RAM truck is one of Chrysler's best selling vehicles and is the 2010 Truck of the Year. Electrovaya has begun supplying complete battery packs for the RAM, which includes Electrovaya's proprietary Lithium Ion SuperPolymer® cells manufactured uniquely with its award winning clean manufacturing (NMP-free) process. The battery packs are complete with cells, battery management system, power electronics, thermal management, and mechanical packaging.
- Also in March, it was announced that the U.S. Department of Energy is supporting Chrysler with a grant of up to \$48 million for its RAM PHEV program with Electrovaya as its Lithium Ion Battery supplier.

“We achieved a number of significant milestones during the second quarter, capped by our announcement of Chrysler Group’s decision to choose Electrovaya as its battery supplier for their Ram PHEV program, an important validation of our technology and our unique and zero-emission, NMP-free manufacturing process,” commented Dr. Sankar DasGupta, Electrovaya CEO. “In addition, we are pleased to welcome Tom LaSorda to our team and look forward to benefiting from his industry knowledge and experience to help us capitalize on the tremendous opportunities in front of us in the electric vehicle market.”

“In the very important and fast growing area of Utility Scale Energy Storage, we have been selected as the energy storage partner for large battery systems, where our large format Lithium Ion SuperPolymer® battery is ideally suited for mega watt hour level electricity storage applications,” continued Dr. DasGupta. “This initiative increases our addressable market beyond the electric vehicle market, and illustrates how our technology and zero-emission manufacturing process is uniquely beneficial to the large scale utility and energy storage customers. Across the globe there is an urgent need to move electricity from off-peak to peak hours. Twinning a large battery with wind and solar renewable energy generation enables delivery of reliable green energy to users at peak times,” concluded Dr. DasGupta.

### Summary of Financial Results

In thousands of US \$ except per share amounts	3 months ended March 31	
	2010	2009
Revenue	\$ 1,071	\$ 675
Loss from operations before interest, taxes, foreign exchange and amortization. \$0.4 million of this operating loss for Q2, 2010, is due to: non-cash stock option expense of \$0.3 million, a \$0.1 million of one-time legal and software expenses.	\$ 946	\$ 249
Loss for the period	\$ 1,243	\$ 237
Loss per share	\$ 0.02	\$ 0.01
Cash & investments	\$ 3,434	\$ 3,447

The Company’s complete Fiscal 2010 Second 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 electric transportation, Utility Scale Energy Storage and 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. The Company’s other mission is to deliver Utility Scale Energy

Storage Systems for the highest efficiency in electricity storage, whether the electricity is generated from intermittent wind and solar power or from other sources. 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).

*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.

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