



News for Immediate Release

ELECTROVAYA ANNOUNCES SECOND QUARTER FISCAL YEAR 2011 FINANCIAL RESULTS

*Quarterly Revenue Up 154% to \$2.7 Million,
Third Consecutive Quarter of Profit from Operations (Non-GAAP)*

Toronto, Ontario – May 12, 2011 – Electrovaya Inc. (TSX: EFL) today announced financial results for the second quarter of fiscal year 2011 ended March 31, 2011. All figures are in US dollars.

Financial Highlights

- Total revenue increased 154% year over year and 22% sequentially to \$2.7 million
- Non-GAAP income from operations equalled \$64,000 and marked the third consecutive quarter of profitability
- Cash and cash equivalents totaled \$6.6 million as of March 31, 2011 and receivables increased by \$1.3 million.

Results for the three months ended March 31, 2011

Total revenue rose to \$2.7 million in the second quarter of fiscal 2011, an increase of 154% compared to \$1.1 million in the second quarter of fiscal 2010.

Net loss for the second quarter of fiscal 2011 was \$1.2 million, or \$(0.02) per basic and diluted common share, unchanged from the second quarter of fiscal 2010. GAAP results for the second quarter of fiscal 2011 included non-cash items such as stock-based compensation expense, financing costs, amortization expense and foreign exchange losses.

On a non-GAAP basis, net income in the second quarter of fiscal 2011 was \$64,000, compared to a non-GAAP net loss of \$(666,000) in the second quarter of fiscal 2010. Non-GAAP net income from operations for these periods excluded the impact of non-cash stock-based compensation expense, non-cash financing costs and the interest expense incurred on long-term debt.

Current assets, primarily accounts receivable related to our PHEV battery packs, increased by approximately \$1.5 million.

“During the quarter, we produced more battery packs for the Ram PHEV and the second PHEV for an iconic large automotive North American platform, as well as our large-scale energy storage market customer.” commented Dr. Sankar Das Gupta, Chief Executive Officer. “We believe that the demand for our clean non-NMP manufacturing process technology will grow, and as a result of the re-purchase of our

manufacturing license to the Nordic countries, we have now positioned ourselves to sell unfettered licensing rights to all of Europe.”

Business Highlights:

- Plug-in Hybrid Electric Vehicles (“PHEV’s”): As North America moves toward a target of one million PHEV’s, Electrovaya continues to deliver on the Ram platform as well as another iconic large OEM platform.
- Energy Storage for a Large US Utility: Good progress continues on the design and build, with delivery slated for late summer of 2011. Energy storage opportunities with several other utilities for similar MWh scale energy storage systems are now under discussion.
- Joint venture opportunities: Discussions continue concerning joint venture opportunities globally. There is increasing interest in building low-cost, nimble, green manufacturing facilities.

The Company’s complete Fiscal 2011 Second Quarter Financial Statements and Management Discussion and Analysis are available at www.sedar.com or on the Company’s website at www.electrovaya.com.

A conference call to discuss the results will be held at 5:00 p.m. Eastern Time today to discuss the Company’s financial results and provide a business update. Conference call details are as follows:

Canadian toll-free: (866) 228-9189
U.S. toll-free: (877) 941-2069
International: +1 (480) 629-9713
Conference ID: 4439940

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.

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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.