



*News for Immediate Release*

## **ELECTROVAYA REPORTS SECOND QUARTER FY 2012 RESULTS**

**Toronto, Ontario – May 14, 2012** – Electrovaya Inc. (TSX: EFL) today announced financial results for the second quarter of Fiscal 2012 ending March 31, 2012. All figures are in US dollars. This quarter is Electrovaya's second quarter of reporting under International Financial Reporting Standards ("IFRS").

### **Financial Highlights:**

- Working capital remains stable at \$6.4 million.
- Revenue was \$2.4 million in Q2, FY 2012 compared to \$2.7 million during the same quarter in the prior year and \$2.5 million in Q1 FY 2012.
- Gross profit was \$493,000 or 20.6% in Q2 and 24.8% for the six months ending March 31, 2012.
- Operating expenses decreased by \$105,000 to \$851,000 in Q2 from \$956,000 during the same quarter in the prior year, as the Company continued to carefully manage expenses.
- Non-IFRS loss from operations was \$187,000 for the six months ending March 31, 2012.

### **Business Highlights:**

- Electrovaya continues to focus on automotive and large scale energy storage programs. Recently Electrovaya was a featured presenter at the 22<sup>nd</sup> Annual Meeting of the Energy Storage Association in Washington DC, the keynote speaker at the Michigan Hybrid Engineer event as well as exhibited at the 26<sup>th</sup> Electric Vehicle Symposium (EVS26) in Los Angeles.
- In the automotive sector, Electrovaya is leveraging its successful experience with Chrysler and others for plug-in hybrid and electric vehicle systems and is in discussions with major OEMs.
- For utility energy storage applications, Electrovaya has its first large scale system operating in Arizona. Electrovaya is one of few companies to have built and installed MWh scale lithium ion battery systems and is in discussions with several utilities for multiple projects.
- Electrovaya's energy storage projects with Hydro One and Manitoba Hydro are progressing well and Electrovaya expects to be installing a MWh scale device in Ontario later this summer. The demand for such products is increasing and Electrovaya expects to ramp up production to meet growing demand for energy storage capability.
- Electrovaya launched the "Energy Block" line of midsize storage systems. This product line is designed for residential solar, commercial and telecom applications. The first unit, 25kWh (PB25-400V) system, was delivered to a major Japanese Utility.
- Electrovaya has now completed the battery systems for the Chrysler RAM and Minivan plug-in hybrid electric vehicle (PHEV) programs, and both platforms are progressing into the deployment phase. Electrovaya continues to support and work on this project.

“Electrovaya is building its sales pipeline in both the Automotive and Grid Scale Energy Storage markets.” said Dr. Sankar Das Gupta, Chairman and CEO. Electrovaya is fiscally conservative and we believe this along with our ethical manufacturing process, our technology and experience will continue to lead us on a sustainable growth path over the next few years”.

The Company’s complete Fiscal 2012 Second Quarter 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).

Electrovaya will hold a conference call on May 14, 2012 at 5:00 p.m. Eastern Time (ET) to discuss the Company's financial results.

#### Conference Call Details:

U.S and Canada toll free: (877) 407-8291

International: +1 (201) 689-8345

To help ensure that the conference begins in a timely manner, please dial in 10 minutes prior to the start of the call. For those unable to participate in the conference call, a replay will be available for two weeks beginning at 9 p.m. (ET) on May 14, 2012 through 11:59 p.m. (ET) on May 30, 2012. To access the replay, the U.S. dial-in number is (877) 660-6853 and the non-U.S. dial-in number is +1 (201) 612-7415. The replay access account is 393# and the conference ID is 394527#

#### **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)*

#### **For more information, please contact:**

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#### *Non-IFRS Income (loss) from operations.*

*Non-IFRS income (loss) from operations has no standardized meaning and may not be comparable to similar measures presented by other companies. Electrovaya defines non-IFRS income (loss) from operations as the Loss from operations, before patent expenses and non-cash expenses such as (i) amortization and (ii) the fair value of stock compensation and share purchase warrants expensed during the period. Electrovaya considers non-IFRS income (loss) from operations to be a useful metric for management and investors because it excludes the effect of certain non-cash and non-operational expenses so that management and investors can compare Electrovaya’s core business operating results over multiple periods.*

#### *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.*