



News for Immediate Release

ELECTROVAYA REPORTS THIRD QUARTER FY 2013 RESULTS

Next Generation 2.0 Technology Ready; Cash Position Bolstered; Market Demand Increasing

Toronto, Ontario – August 12, 2013 – Electrovaya Inc. (TSX: EFL) today announced financial results for the third quarter of Fiscal 2013 ending June 30, 2013.

Financial Outlook:

For the last several quarters, Electrovaya has been completing the development of the next generation 2.0 technology. While this has temporarily impacted its quarterly revenue, the development of the next generation 2.0 technology continued during the current quarter and shipments are now expected to ramp up this month. Based on current orders, the sales pipeline, general business conditions in the Lithium Ion energy storage markets and anticipated delivery schedules:

- Electrovaya expects to generate revenues in the range of \$700K to \$1.0 million in the remaining weeks of the quarter ending September 30th.
- Revenues exceeding \$15 million are expected in calendar year 2014 and the growth and momentum should continue in calendar year 2015.

Financial Highlights:

- During this transition period, the revenue for the quarter ending June 30, 2013 was \$139K.
- Cash and cash equivalents increased to \$3.4 million from \$2.9 million as at March 31, 2013.

Business Highlights:

Electrovaya's business initiatives and revenue growth have awaited the introduction of its next generation 2.0 technology for the following emerging markets:

- Automotive
- Electric Marine transportation
- Replacement of diesel generators by Clean Electric Power
- Strategic Portable Power
- Smart Grid enabled distributed energy storage systems
- Grid scale energy storage systems

In the automotive and clean transportation market, Electrovaya's battery has been integrated into the previously announced electric vehicle project in China. Road trials have commenced. Additional systems are expected to be shipped in the next 10-12 weeks. Electrovaya is discussing other opportunities in the electric vehicle market with a number of global automotive companies.

In the marine transportation sector, Electrovaya had earlier announced that its Lithium Ion battery energy system will be replacing a diesel powered motor for an electric ferry application in Norway. Electrovaya's system is expected to be delivered this quarter and the electric ferry is expected to undergo sea trials by September 2013. The demand for clean marine transportation is particularly strong in Scandinavia and this will be one of the first electric ferries in the world.

Electrovaya expects a substantial market in replacing diesel generators with clean non-polluting batteries. Diesel powered generators are expensive and produce air pollution, carcinogens, harmful particulate matter and noise. Market demand in India alone is about 370,000 Telecom Towers and the replacement of diesel generators could be a major market for Electrovaya's 2.0 technology.

Strategic Portable Power is a high value application for Electrovaya's high energy density Lithium Ion batteries. Discussions are underway with a number of important users and the Company expects to announce details shortly with an OEM in the Middle East.

Electrovaya has continued the development of its grid scale and smart grid energy storage systems. A smart grid enabled energy storage device for distributed applications is an interesting and important concept. A launch order with a major European Utility is expected soon.

Electrovaya's project for a MWh scale grid-tied energy storage system with Hydro One, Toronto Hydro and others, is expected to complete factory acceptance testing later this calendar year. Electrovaya is expecting that the demonstrated and tested system will serve as a template for all MWh scale applications and positions the company as one of the few capable of manufacturing such systems. The market for MWh scale storage systems is expected to grow rapidly over the near term and Electrovaya has a large pipeline of projects with similar performance requirements.

In August, Electrovaya Inc. (TSX: EFL) announced a \$3.2 million (CDN) additional contribution from Sustainable Development Technology Canada (SDTC) in support of further automation of its manufacturing processes and development of its the next generation battery management system for Electrovaya's proprietary Lithium Ion SuperPolymer®2.0 batteries. This work is to be completed by 2014.

Electrovaya's Clean Production Process resonates with emerging global interests in Climate Change, Clean Technology and Corporate Social Responsibility. Canada's Minister for Natural Resources, the Honourable Joe Oliver, highlighted Electrovaya's technology during his June press conference.

In June, Electrovaya Inc. (TSX: EFL) announced additions to its senior management team to meet the growing demand in the emerging markets of energy storage and mobile energy. These included Rakesh Bholra as Vice President, Technology, Dr. Rajshekar Das Gupta, as Vice President of Business Development and Dr. Ravi Gopal as Vice President, Engineering.

The Company's complete Fiscal 2013 Third Quarter Financial Statements and Management Discussion and Analysis are available at www.sedar.com or on the Company's website at www.electrovaya.com.

Electrovaya will hold a conference call on August 12, 2013 at 8:00 a.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 10 a.m. (ET) on August 12, 2013 through 11:59 p.m. (ET) on August 26, 2013. 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 conference ID is 419465#.

About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) designs, develops and manufactures proprietary Lithium Ion SuperPolymer® 2.0 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.*

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Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, revenue forecasts, technology development progress, plans for shipment using the Company's next generation 2.0 technology, production plans, the Company's markets, objectives, goals, strategies, intentions, 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", including in particular from pages 37 to 38, 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.