



NEWS FOR IMMEDIATE RELEASE

ELECTROVAYA REPORTS THIRD QUARTER FY2014 RESULTS

Gross Margin of 35.4%, Revenue growth 1400% and Balance Sheet Bolstered by Cdn\$2.9 million Equity Raise

TORONTO, August 14, 2014 - Electrovaya Inc. (TSX: EFL) today announced financial results for the third quarter of Fiscal 2014 ending June 30, 2014. All amounts are in US dollars unless otherwise stated.

Financial Highlights: Quarter ending June 30, 2014

- Total revenue increased by approximately 1,400% to \$2,131 (Cdn \$2.3M) from \$139 for the quarter ended June 30, 2013
- Gross Profit was \$754 or 35.4% of revenue compared to \$77 or 55.4% for the three months ended June 30, 2013.
- Cash and cash equivalents were approximately \$2.7 million at June 30, 2014.
- On June 13, 2014, Electrovaya raised Cdn \$2.9 million through the private placement of 3,237,601 units, with each units consisting of 1 common share at Cdn \$0.90 and one-half share purchase warrant. Each share warrant is exercisable into one common share of the Company within a period of 18 months at a price of Cdn \$1.25 per share.

Business Highlights:

Electrovaya's next generation 2.0 technology, with its unique non-toxic manufacturing process should have an excellent competitive advantage over manufacturers using toxic NMP solvents.

Good progress is being made in a number of important verticals including:

- **Automotive:** Electrovaya delivered additional battery systems to Dongfeng Motors, one of China's largest automotive companies, for their electric vehicle program.
- **Smart Grid Vertical:** Scottish Southern Energy Power Distribution: this project allows the development of distributed power for a Smart City program and this application could be of interest to numerous utilities.
- **Retail & Distribution Industry:** Electrovaya expects good growth in this vertical and is following up on additional opportunities. Electrovaya is now a registered vendor to a Fortune 10 Company.

- **Mining:** Replacement or reduction of diesel usage is of great interest to the mining sector and Electrovaya expects to deliver its first system to a Fortune 20 Company by the end of December 2014.
- **Solar Energy and Wind:** Energy Storage should grow and discussions are ongoing with a number of potential customers.
- **Marine:** World's first all-electric ferry has successfully completed over 10 months of daily operations. In June, Electrovaya was a speaker and exhibitor at a large marine exposition in Europe. We expect this vertical to grow substantially.

Competition: Conventional Lithium Ion manufacturers are struggling with high operating, capital and regulatory costs driven by their large usage and disposal of toxic chemicals (NMP). In contrast, Electrovaya, we believe, is the only major producer of Lithium Ion batteries that does not use NMP toxic chemicals. This is a key disruptive technology in this space.

During June, 2014, Electrovaya attended the following conferences and trade shows:

- 11th Annual Ardour Capital Investments Energy Technology & Sustainability Conference New York City: Speaker at the Investor Conference
- Energy Storage Association's Annual Conference 2014; Washington D.C.: Exposition booth largest Energy Storage Conference and Trade Show in North America
- GMP Conference on Industrial Minerals: London, UK: Keynote Speaker at the Investor Conference
- Grid Scale Energy Storage Conference; San Diego: Speaker and exposition booth at a west coast conference
- 2014 IEEE Transportation Electrification Conference and Expo (ITEC), Dearborn, Michigan; Speaker
- Electric & Hybrid Marine World Expo, Amsterdam: Speaker and exposition booth

The Company's complete Fiscal 2014 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 15, 2014 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 15, 2014 through 11:59 p.m. (ET) on August 29, 2014. 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 conference ID is 13589269.

About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) designs and manufactures proprietary Lithium Ion SuperPolymer® batteries, battery systems and energy storage related products for the clean electric transportation, portable energy, utility scale energy storage, smart grid power, consumer and healthcare markets. The Company's unique & proprietary technology includes a manufacturing process which does not use any toxic chemicals. Founded in 1996 and headquartered in Mississauga, Canada, Electrovaya has production facilities in Canada and customers around the globe. *To learn more about how Electrovaya is powering mobility and storing energetic electrons, 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 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 on page 36 and 37, 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.