



News for Immediate Release

ELECTROVAYA ANNOUNCES FOURTH QUARTER AND FISCAL YEAR 2010 FINANCIAL RESULTS

***Fiscal 2010 Revenue Up 33% to \$5.0 Million vs. Prior Fiscal Year
Q4 Fiscal 2010 Positive Cash Flow of \$933,000 vs. Cash Loss of \$546,000 in Prior Fiscal Year***

Toronto, Ontario – December 28, 2010 – Electrovaya Inc. (TSX: EFL) today announced financial results for the fourth quarter and fiscal year 2010 ended September 30, 2010. All figures are in US dollars.

Financial Highlights

- Fiscal 2010 revenue totaled \$5.0 million, a 33% increase over the previous fiscal year.
- Fourth quarter fiscal 2010 revenue totaled \$1.7 million, a 21% over the fourth quarter of the previous fiscal year.
- Fourth quarter fiscal 2010 positive cash-flow improved to \$0.9 million compared to a cash loss of \$0.5 million in the prior fiscal year.
- Cash and cash equivalents of \$3.0 million as at September 30, 2010 were bolstered by a further \$5.0 million mainly non-dilutive financing in December, 2010. On a proforma non-GAAP basis, cash and cash equivalents were \$8.5 million as at December 23, 2010.

Business Highlights:

- Electrovaya is producing the lithium ion battery pack for the Pick-up Truck PHEV (plug in Hybrid Electric Vehicle) program and has started shipping complete battery packs and road testing has begun. These battery packs include Electrovaya's proprietary Lithium Ion SuperPolymer® Cells, its Battery Management System (iBMS®) including its hardware and software, all thermal and mechanical systems along with power electronics and interface to the vehicle.
- Additional Global Automotive OEMs have begun discussions with Electrovaya regarding its proprietary Lithium Ion SuperPolymer® technology.
- Electrovaya expanded its product offering to address two new fast growing end markets - utility scale grid storage systems and data centers. Wind and solar energy production are typically not in sync with electricity demand; hence the increasing need for large scale storage of electricity for utilities. Additionally, with the tremendous growth in cloud computing applications, data centers are becoming large energy users with criticality on power availability.
- The Sustainable Development Technologies Canada awarded \$5 million (CDN) to Electrovaya in support of battery development for plug-in hybrid electric vehicle applications.

- Electrovaya strengthened its board of directors with the addition of Thomas W. LaSorda and Clarence Chandran. Tom LaSorda, formerly CEO of Chrysler, joined Electrovaya as Special Advisor to the CEO and member of the board of directors in March, 2010. Clarence J. Chandran, formerly COO of Nortel Networks, joined Electrovaya's board of directors in August, 2010. Additionally, an Office of the Chairman was recently formed to focus on global licensing and joint venture opportunities. This Office is comprised of, Tom LaSorda, Clarence Chandran and Dr. Bejoy Das Gupta, together with the Chairman and CEO Dr. Sankar Das Gupta.

“Fiscal 2010 was a year of tremendous accomplishments and increasing momentum as we established ourselves as a key supplier to a major OEM in the automotive sector, expanded our reach to the utility and data center end markets, and strengthened our board and management team with the addition of several key industry veterans,” commented Dr. Sankar Das Gupta, Chairman and CEO of Electrovaya. “We are very pleased to report steady top-line growth and improvement of our cash position despite our substantially increased work load associated with the development of the complete battery system for our major OEM automotive client,” commented Dr. Sankar Das Gupta. “Our battery system consists of intensively engineered cells, thermal management, software and hardware in our battery management system, all mechanicals, power electronics and the necessary interface to vehicle electronics.”

“We have also begun discussions with additional automobile manufacturers and have found that our unique and proprietary Lithium Ion SuperPolymer® technology is of interest to other Global OEMs. Green vehicle manufacturers need complementary Green manufactured Lithium Ion batteries,” added Dr. Das Gupta.

“In addition to our progress in the automotive market, we have established a position within the burgeoning stationary grid market, an increasingly important user of lithium-ion batteries as utilities strive to meet growing energy storage needs. Our technology has advantages in terms of energy density, cost, and unique clean manufacturing (NMP-free). We are also addressing the growing need for energy storage by data centers as cloud computing increases the need for energy storage.”

“We have also meaningfully bolstered our team and Board of Directors over the past year to help us achieve our business and financial goals. Electrovaya announced two key additions to its Board in fiscal 2010, including former Chrysler CEO Thomas W. LaSorda, as special advisor and former Nortel COO, Clarence J. Chandran. The addition of these industry experts positions the Company well to expand manufacturing and operations, as well as secure key partnerships as it continues its trajectory of growth.

“Our momentum in Fiscal 2011 continues with the announcements of last week,” continued Dr. Das Gupta. “We have secured CDN \$5 million in funding to provide us with valuable working capital for future growth, including strategic initiatives, manufacturing capacity and technology expansion, and we formed the Office of the Chairman, comprised of myself and our three lead directors, Tom Lasorda, Clarence Chandran, and Dr. Bejoy Das Gupta. Together we will focus on continuing to advance our

unique, advanced NMP-free technology to create efficiencies in commercial automotive, utility scale energy storage and consumer electronics applications, through a variety of avenues, including joint ventures, licensing, strategic investors and partnerships.”

Summary of Financial Results

In thousands of US\$ except per share amounts	3 months ended Sept 30		12 months ended Sept 30	
	2010	2009	2010	2009
Revenue	\$ 1,736	\$ 1,435	\$ 5,025	\$ 3,782
Profit (Loss) from operations before interest, taxes, foreign exchange and amortization	\$ (132)	\$ 942	\$ (1,481)	\$ (305)
Profit (Loss) for the period	(501)	549	\$ (2,351)	\$ (577)
Gain (Loss) per share	\$ (0.01)	\$ 0.01	\$ (0.03)	\$ (0.01)
Cash & cash equivalents	\$ 3,001	\$ 5,614	\$ 3,001	\$ 5,614

The Company’s complete Fiscal 2010 Fourth Quarter and Annual Financial Statements and Management Discussion and Analysis are available at www.sedar.com or on the Company’s website at 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 transportation, 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. 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*

For more information, please contact:

Paul L. Hart
Chief Financial Officer
Electrovaya Inc.
Telephone: 905.855.4636
Email: ir@electrovaya.com

Suzanne Craig or Danielle Ginach
The Blueshirt Group
Investor Relations for Electrovaya Inc.
Telephone: 415-217-4962 or 415-217-4964
Email: suzanne@blueshirtgroup.com or
danielle@blueshirtgroup.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.