



News for Immediate Release

ELECTROVAYA REPORTS 31% REVENUE GROWTH IN 9 MONTHS ENDED JUNE 30, 2003 COMPARED TO SAME PERIOD IN 2002

Toronto, Ontario – August 18, 2003 – Electrovaya Inc. (TSX: EFL) today announced financial results for the third quarter ended June 30, 2003. All figures are in thousands of US dollars.

Third Quarter Highlights

- Third quarter revenue of \$0.8 million was up 22% from \$0.7 million in the third quarter of 2002, down 43% compared to \$1.4 million in the second quarter of 2003.
- Net loss from operations, before amortization, interest income and foreign exchange, was (\$2.1 million) for the quarter compared to (\$3.1 million) and (\$1.6 million) for the quarters ending June 30, 2002 and March 31, 2003 respectively.
- Loss per share was \$0.04 per share compared to \$0.06 per share in the third quarter of 2002 and \$0.03 per share in the second quarter of 2003.
- Cash and investments were \$17.1 million compared to \$16.8 million in March, 2003 and \$23.0 million at the end of the same quarter in 2002.
- The financial results for the quarter reflect the effect of an 8% improvement in the Canadian dollar compared to the US dollar from March 31, 2003 to June 30, 2003.

Summary of Financial Results

In thousands of US \$ except per share amounts	3 months ended June 30		3 months ended March 31	9 months ended June 30	
	2003	2002	2003	2003	2002
Revenue	\$ 778	640	\$1,364	\$3,025	\$2,315
Expenses	2,841	3,781	2,937	9,018	8,185
Loss from operations before interest, taxes and amortization	(2,063)	(3,141)	(1,573)	(5,993)	(5,870)
Loss for the period	(3,121)	(3,924)	2,379	(8,401)	(7,542)
Loss per share	(\$0.04)	(\$0.06)	(\$0.03)	(\$0.12)	(\$0.11)
Cash & investments	17,057	23,028	16,750	17,057	23,028

“Compared to the quarter ending March 31, 2003, revenue from PowerPad and Scribbler sales was negatively impacted by a number of factors including the expected launch of a new Scribbler. Revenues from the new Scribbler 1000 series, which was launched only recently, will start showing in the next two quarters” said Dr. Sankar Das Gupta, Chief Executive Officer of Electrovaya. “We are very pleased by the reviews of our new Scribbler and we are aggressively attacking the education market before school begins in the fall.”

Total operating expenses, comprised of research and development, sales and marketing and general and administration increased slightly from \$1.6 million to \$1.7 million due to an increase in research and development activities related to the high rate battery and the electric car and the development of a new 55Wh battery for the new Scribbler. The Company submitted its first claim to Technology Partnerships Canada (TPC) for \$1.2 million in June, 2003 and received these funds during August. These monies will be reflected in our financial statements in the next quarter.

Outlook

“To leverage the mobility and technological advantages of our new Scribbler, we plan to aggressively grow our sales and marketing team over the coming weeks” said Dr. Das Gupta, Chief Executive Officer of Electrovaya. According to Dr. Das Gupta “We continue to target the government, education and healthcare industries as there is a clear and immediate need for technology that offers mobility, long battery life and ease of use in these industries and we are also pursuing new potential strategic partnerships globally that offer exciting opportunities for growth over the coming months.”

“Finally, we continue to review all aspects of the business for opportunities to improve profitability and cash-flow” continued Dr. Sankar Das Gupta, Chief Executive Officer of Electrovaya. “We have capacity to grow sales without adding further overheads, and we look forward to increasing revenues to drive cash-flow breakeven.”

Conference Call Notice

Electrovaya will host a conference call on August 18, 2003 at 4:00 p.m. EST. The call can be accessed by dialling (416) 913-8746 or 1 (800) 796-7558 or through a replay available at 5:00 PM (call 416 640-1917 passcode # 21015163). The call will be web cast live on the Internet at www.electrovaya.com and www.newswire.ca/webcast/.

About Electrovaya Inc.

Electrovaya's goal is to become the leading provider of tablet PC's, portable power for the notebook computer and wireless sectors, and to apply its technology to a broad spectrum of alternative energy applications over the long term. It develops, manufactures and sells high value products globally using award winning patented proprietary lithium ion SuperPolymer(R) rechargeable battery technology, which delivers the highest energy density of any battery technology on the market today. Electrovaya has designed, developed and markets the SCRIBBLER Tablet PC which offers significantly longer run time than any other Tablet PC on the market today. The Company's shares trade on the Toronto Stock Exchange under the symbol EFL.

For more information about the Company and its products, please visit our website at www.electrovaya.com.

For more information, please contact:

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Forward-Looking Statements

This news release may contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Company's business and results of operations. Risks are outlined in the Company's MD&A for the three months ended June 30, 2003 and are set forth in public disclosure documents filed with Canadian regulatory authorities. By nature, these risks and uncertainties could cause actual results to differ materially from those indicated. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

June 30, 2003 (Unaudited)	September 30, 2002 (Audited)
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Assets

Current assets

Cash and cash equivalents	\$ 5,448	\$ 2,529
Short-term investments	11,609	18,089
Accounts receivable	1,059	762
Investment tax credits recoverable	440	378
Goods and Services Tax receivable	38	163
Inventories (Note 3)	3,599	3,324
Prepaid expenses and other	123	113
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	22,316	25,358

Capital assets

14,698	14,256
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\$ 37,014	\$ 39,614
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Liabilities and Shareholders' Equity

Current liabilities

Accounts payable and accrued liabilities	\$ 1,294	\$ 1,220
Income taxes payable	-	42
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	1,294	1,262

Shareholders' equity

Share capital	63,729	63,729
Cumulative translation adjustment	2,829	(2,940)
Deficit	(30,838)	(22,437)
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	35,720	38,352

\$ 37,014	\$ 39,614
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These interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended September 30, 2002.

Consolidated Statements of Operations and Deficit

(Expressed in thousands of US dollars, except shares and per share amounts)

(Unaudited)	Three months ended		Nine months ended	
	June 30,		June 30,	
	2003	2002	2003	2002
Revenue	\$ 778	\$ 640	\$ 3,025	\$ 2,315
Cost of goods sold	1,154	1,190	3,432	3,239
Gross margin	(376)	(550)	(407)	(924)
Operating expenses				
Research and development	728	1,194	2,192	1,702
Sales and marketing	521	643	1,917	1,600
General and administrative	438	754	1,477	1,644
	1,687	2,591	5,586	4,946
Loss before the undernoted	(2,063)	(3,141)	(5,993)	(5,870)
Amortization	(719)	(615)	(2,014)	(1,874)
Loss from operations	(2,782)	(3,756)	(8,007)	(7,744)
Interest income	140	120	325	452
Gain (loss) from foreign exchange	(479)	(288)	(719)	(250)
	(339)	(168)	(394)	202
Net loss for the period	(3,121)	(3,924)	(8,401)	(7,542)
Deficit, beginning of period	(27,717)	(16,064)	(22,437)	(12,446)
Deficit, end of period	\$ (30,838)	\$ (19,988)	\$ (30,838)	\$ (19,988)
Loss per common share, basic and diluted	\$ (0.04)	\$ (0.06)	\$ (0.12)	\$ (0.11)
Weighted average number of shares outstanding, basic and fully diluted	69,539,109	69,539,109	69,539,109	69,539,109

These interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended September 30, 2002.

Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)
(Unaudited)

	Three months ended June 30,		Nine months ended June 30,	
	2003	2002	2003	2002
Cash provided by (used in)				
Operating activities				
Loss for the period	\$ (3,121)	\$ (3,924)	\$ (8,401)	\$ (7,542)
Amortization which does not involve cash	719	615	2,014	1,874
Change in non-cash operating working capital	1,041	521	(488)	(1,868)
	(1,361)	(2,788)	(6,875)	(7,536)
Investing activities				
Additions to capital assets	(46)	(189)	(181)	(1,258)
(Increase) decrease in short-term investments	(11,609)	(19,668)	6,480	8,601
	(11,655)	(19,857)	6,299	7,343
Decrease in cash and cash equivalents				
	(13,016)	(22,645)	(576)	(193)
Effect of currency translation adjustments on cash and cash equivalents				
	1,714	1,379	3,495	1,117
Cash and cash equivalents, beginning of period				
	16,750	24,626	2,529	2,436
Cash and cash equivalents, end of period				
	\$ 5,448	\$ 3,360	\$ 5,488	\$ 3,360
Supplemental disclosure of cash flow information				
Income taxes paid	\$ -	\$ -	\$ 68	\$ 34
Interest received	89	108	445	809

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