



*News for Immediate Release*

## **ELECTROVAYA REPORTS FIRST QUARTER FY 2011 RESULTS**

*Revenue Up 143% to \$2.2 Million  
Positive Cash Flow improves to \$251,000  
Gross Profit improves by 335% to \$0.81 million  
Strong Growth in Energy Storage Demand from both Automotive and Grid Storage Sector  
Proforma Profit from Operations at breakeven*

**Toronto, Ontario – February 14, 2011** – Electrovaya Inc. (TSX: EFL) today announced financial results for the Q1 ended December 31, 2010. All figures are in US dollars.

### **Financial Highlights:**

- Revenue improved to \$2.2 million in Q1, FY 2011, a 143% increase over Q1, 2010.
- Cash-flow, improved to \$0.25 million before financing activities, compared to a cash loss of \$0.5 million in Q1, 2010
- Cash and cash equivalents of \$8.5 million as at December 31, 2010 compared to \$3.0 million as at September 30, 2010.
- Gross Profit improves by 335% to \$0.814 million from \$0.187 million in Q1, 2010
- Proforma Profit from operations before interest, taxes, foreign exchange, amortization, and stock compensation expense reaches breakeven with a profit of \$20,000, compared to a profit of \$67,000 for Q1, 2010.

### **Business Highlights:**

- Electrovaya started delivering another PHEV battery pack for a platform for a major North American OEM. The system design included Electrovaya's SuperPolymer(R) cells along with an intelligent Battery management system (iBMS(R)) and associated thermal, mechanical and power electrical subsystems.
- Electrovaya increased the production rate of battery systems for the PHEV pack for RAM Truck. This vehicle was shown for the first time at the Washington DC Auto Show held in early February 2011 where it was on display for members of the media, politicians and the general public to view.
- Clean Manufacturing: Electrovaya's Clean Manufacturing Process is becoming more important as both OEMs and battery manufacturers become more conscious of present costs and future liabilities. Electrovaya's clean manufacturing technology reduces significantly the capital and operating costs of a cell making plant, as all costs associated with removal and recapture of toxic chemicals are lowered and future liabilities associated with toxic solvents (associated with birth defects) disappear.

- Production capacity continues to be expanded with increased demand. Electrovaya's unique clean process results in low and appropriate increases in CapEx to keep up with increasing actual demand, whereas standard lithium ion production plants require higher amounts of CapEx because of the toxic solvent handling systems required, before being able to start production. An essentially non-dilutive financing of \$5 million was organized during Q1.
- Energy Storage markets for large scale utility sized systems is emerging and Electrovaya announced a 1.5MWh system order from a major U.S. utility for Grid Storage applications. Delivery is stated for late summer 2011. This market is showing sign of large demand as the capability of storing electricity is the "holy grail" for utilities and power distributors worldwide. Utilities world-over have excess electricity generation during off-peak hours and have a shortfall during peak hours. Capability of storing electricity at high efficiencies and delivering it during peak hours is critically important. Electrovaya is partnered with ABB for this project and for other new opportunities in this area.
- Electrovaya continues to give invited talks at a number of technical, scientific and financial conferences.

"This was an extremely important and successful quarter for the Company, with demonstrated success in both the clean transportation and large-scale energy storage markets" commented Dr. Sankar Das Gupta, Chief Executive Officer. "Our high-energy density and our non-NMP clean manufacturing process are amongst the key differentiators for Electrovaya and we are very excited about our future opportunities in this emerging market for Energy Storage systems."

The Company's complete Fiscal 2011 First 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).

### **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)*

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### *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.