



News for Immediate Release

ELECTROVAYA ANNOUNCES FOURTH QUARTER AND FISCAL YEAR 2011 FINANCIAL RESULTS

Fiscal 2011 Revenue More than Doubles to \$10.3 Million

Toronto, Ontario – December 21, 2011 – Electrovaya Inc. (TSX: EFL) today announced financial results for the fourth quarter and fiscal year ended September 30, 2011. All figures are in US dollars.

Financial Highlights:

- Fiscal 2011 revenue increases by 104% to \$10.3 million, over the previous fiscal year.
- Fourth quarter fiscal 2011 revenue totaled \$2.6 million, a 50% increase over the fourth quarter of the previous fiscal year.
- Cash and cash equivalents increased to \$5.3 million as at September 30, 2011 from \$3.0 million as at September 30, 2010.
- Accounts receivable increased to \$2.7 million, or more than double \$1.3 million as at September 30, 2010.
- Total working capital increased to \$6.8 million from \$3.1 million as at September 30, 2010.
- Non-GAAP operating loss for Fiscal 2011 was \$170,000.

Business Highlights:

Throughout 2011, Electrovaya continued to provide battery packs for the Ram plug-in hybrid electric vehicle (PHEV) demonstration program with Chrysler Group, in conjunction with the Department of Energy. Various Chrysler partners across the U.S., including utility companies, government agencies and Universities are now being provided vehicles for testing. The Ram PHEV features a 12kWh lithium ion battery from Electrovaya and the demonstration program will run for a period of three years at various geographic and climatic locations across the US.

In January, 2011, the Company announced that it had been selected by a major US utility to provide a 1.5MWh capacity Lithium Ion SuperPolymer® Battery Energy Storage System (“BESS”) for grid storage applications. The BESS will be providing energy storage for the integration of renewable energy sources to the grid.

In April 2011, Hero Electric and Electrovaya showcased Hero’s electric scooters, powered by Electrovaya’s Lithium Ion SuperPolymer® batteries, at the Toronto International Spring Motorcycle Show.

In June, 2011, Electrovaya announced its selection as a battery and battery integration supplier to Chrysler for its Town & Country Minivan plug-in hybrid electric vehicle. These vehicles will be part of a demonstration fleet of Plug-In Hybrid Electric Vehicles (PHEVs) that Chrysler Group LLC has developed in partnership with the United States Department of Energy. The system design includes Electrovaya’s SuperPolymer(R) cells along with an intelligent Battery management system (iBMS(R)) and associated thermal, mechanical and power electrical subsystems.

In August, 2011, Electrovaya announced it was part of a \$7.6 million program to build a Lithium-Ion Battery Energy Storage System (“BESS”) of approximately 1.2 MWh for demonstration purposes in support of renewable energy generation in Ontario that included Natural Resources, Canada and Hydro One. As part of the program, Electrovaya also announced it would be developing, constructing and demonstrating a utility-sized stationary battery system using end-of-life Electric Vehicle Battery packs to be implemented at the Manitoba HVDC Research Center facility.

“During fiscal 2011, we established ourselves as leading participants in key markets: the clean transportation industry and the large scale energy storage market. Our non-toxic, non-NMP clean manufacturing process is becoming recognized as a vital technology for producing Lithium-Ion batteries and we continue to explore licensing and joint venture agreements with key global partners. We also continue to offer our PowerPad(R) and Scribbler(R) products to the consumer market” commented Dr. Sankar Das Gupta, Chairman and CEO of Electrovaya. “We are very pleased to report that our revenue more-than-doubled year-over-year and that our working capital position is strong.” added Dr. Sankar Das Gupta.

Summary of Financial Results:

In thousands of US\$ except per share amounts	3 months ended Sept 30		12 months ended Sept 30	
	2011	2010	2011	2010
Revenue	\$ 2,597	\$ 1,736	\$ 10,264	\$ 5,025
Profit (Loss) from operations before interest, taxes, foreign exchange, Repurchase of Licence and amortization	\$ (689)	\$ (132)	\$ (1,208)	\$ (1,481)
Profit (Loss) for the period	(399)	(501)	\$ (2,447)	\$ (2,351)
Gain (Loss) per share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Cash & cash equivalents	\$ 5,265	\$ 3,001	\$ 5,265	\$ 3,001

The Company’s complete Fiscal 2011 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.

Electrovaya will hold a conference call on December 22, 2011 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 noon p.m. (ET) on December 22, 2011 through 11:59 p.m. (ET) on January 4, 2012. 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 access account is 393# and the conference ID is 385432#.

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*

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Non-GAAP income (loss) from operations. Electrovia defines non-GAAP income (loss) from operations as the net loss for the year plus i) the cost to repurchase the license, as well as ii) non-cash stock-based compensation expense, amortization expense and iii) non-cash financing costs. Electrovia considers non-GAAP income (loss) from operations to be a useful metric for management and investors because it excludes the effect of certain non-cash and one-time non-operational expenses so that management and investors can compare Electrovia's core business operating results over multiple periods.

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.