



*News for Immediate Release*

## **ELECTROVAYA REPORTS THIRD QUARTER FY 2012 RESULTS**

**Toronto, Ontario – August 13, 2012** – Electrovaya Inc. (TSX: EFL) today announced financial results for the third quarter of Fiscal 2012 ending June 30, 2012. All figures are in US dollars. This quarter is Electrovaya's third quarter of reporting under International Financial Reporting Standards ("IFRS").

### **Financial Highlights:**

- Cash was \$3.7 million, a slight increase from \$3.6 million as at March 31, 2012.
- Revenue was \$1.5 million in Q3, FY 2012 compared to \$2.4 million in Q2 FY 2012.
- Gross profit was \$314,000 or 20.4% in Q3 and 23.7% or \$1,527,000 for the nine months ending June 30, 2012.
- The increase in the Loss from operations was primarily due to an increase in Research and Development expenses, which increased by \$1,417,000 from \$367,000 during the same quarter in the prior year to \$1,784,000 in the current quarter as the Company is in the process of changing over to Electrovaya's upcoming next generation cell (Mn-HP).

### **Business Highlights:**

- **Next Generation Cell Technology and Production Re-engineering:** During the quarter we significantly increased our activities on Research and development to improve our cell technology, automate and re-engineer our production processes and enhance our existing Intellectual Property. Electrovaya is finding large interest in both the storage and transportation sector. To meet this increased demand, Electrovaya is in the process of changing over to its next generation cell technology (MN-HP) which is expected to exceed 200 Wh/kg in Energy Density. The production flow is undergoing re-engineering to facilitate and deliver this next generation technology. Higher Energy Density allows smaller systems with lower materials usage and with less flammable components.
- We also announced the introduction of the new PowerPad 600. With an enormous 600 Watt hour energy storage capacity, the PowerPad 600 is an ideal replacement for existing lead acid and low energy density Lithium Ion batteries used in Hospitals, Construction sites, Warehouses, Telecommunications, Retail, Standby Power and wherever mobile power is required. The PowerPad 600 extends the PowerPad family of products and is in addition to the existing PowerPad 130.
- Electrovaya has a large pipeline of projects in the Grid Storage arena. Electrovaya continues to work on MW size grid storage projects and was invited speaker at a number of major Utility Grid Storage conferences. Electrovaya is in discussion with major Utilities in Asia, Europe and the Americas on Grid Storage projects.

- Electrovaya continues to work on Automotive and transportation projects. These electric vehicle projects are expected to gather momentum next year. Electrovaya's high energy density and non-toxic production process resonates well with the Green Electric Vehicle OEMs.

“We believe it extremely important that Electrovaya build on its position of technology leadership so that we are able to continue to grow our market share in the clean transportation and storage grid markets” said Paul Hart, Chief Financial Officer. “By focussing on improvements in our cell technology and increased energy density during this quarter and future quarters, we are able to offer our customers lighter and smaller solutions than many of our competitors.” comments Dr. Sankar Das Gupta, Chief Executive Officer. “In addition, our ethical and non-toxic manufacturing process makes us unique and is extremely important for those customers that require a supply chain that is environmentally friendly. The combination of this technology leadership position and our non-toxic manufacturing process is expected to result in a sustainable growth path over the next few years.”

“Higher energy density reduces system costs, positioning us for greater profitability as we meet the demands of our growing sales pipeline in both Grid Storage and Electric Vehicles adds Paul Hart, Chief Financial Officer.

The Company's complete Fiscal 2012 Third 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).

Electrovaya will hold a conference call on August 14, 2012 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 on August 14, 2012 through August 21, 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 398996#.

#### **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.*