



*News for Immediate Release*

## **ELECTROVAYA ANNOUNCES FOURTH QUARTER AND FISCAL YEAR 2012 FINANCIAL RESULTS**

*Fiscal 2012 Fourth Quarter Revenue up 32% to \$3.4 Million  
Quarterly Non-IFRS Operating Profit increased to \$189,000 from an earlier loss of \$309,000,  
a turnaround of \$498,000.*

**Toronto, Ontario – December 13, 2012** – Electrovaya Inc. (TSX: EFL) today announced financial results for the fourth quarter and fiscal year 2012, ended September 30, 2012. All figures are in US dollars.

### **Financial Highlights**

- Fourth quarter fiscal 2012 revenue increased by 32% to \$3.4 million compared to \$2.6 million in the fourth quarter of the previous fiscal year.
- Fiscal 2012 revenue totaled \$9.9 million, compared to \$10.3 million, a 4% decrease over the previous fiscal year.
- Quarterly Gross margin was \$2.8 million, up \$2.3 million or 388% compared to \$583,000 in the same quarter in the prior year.
- Non-IFRS Profit from Operations for the Quarter was \$189,000 compared to a Non-IFRS Loss of \$309,000 for the same quarter in the prior year, a turnaround of \$498,000.
- Cash and cash equivalents were \$5.0 million as at September 30, 2012 compared to \$5.3 million as at September 30, 2011 and \$3.7 million as at June 30, 2012.

### **Business Highlights:**

“During fiscal 2012, we expanded into Europe by acquiring Miljobil and continued to address the clean transportation industry and the large scale energy storage markets. The industry has seen significant consolidation during the year and is recognizing the importance of our non-NMP clean manufacturing process not only as a vital technology for producing Lithium-Ion batteries, but also as an important requirement in lowering both Capital and Operating costs to ensure sustainability.” commented Paul Hart, CFO of Electrovaya. “We are very pleased to report our strong revenue growth and our non-IFRS profit during the fourth quarter.”

“We continue to focus on advancing our unique, advanced NMP-free technology to create efficiencies in commercial automotive, utility scale energy storage and consumer electronics applications. Our manufacturing process continues to be improved to achieve greater quality control, increased capacity and faster delivery to our customers. This is considered to be especially important as our sales pipeline grows.”

Our key activities during 2012 were as follows:

In March, 2012 we announced a new product line, leveraging our utility and automotive products. ElectroVaya has made its first product delivery of a 25kWh, 400V Lithium Ion SuperPolymer® Battery Energy Storage System (PowerBlock 25-400V) to a large Japanese Utility through Nippon Kouatsu Electric Co. Ltd. (“NKE”). The PB25-400V system will be providing energy storage for a program to investigate distributed Energy Storage for Solar Applications. The PowerBlock line of products is designed to cater to a rapidly growing mid-size residential and industrial energy storage market. The PowerBlock line integrates a complete energy storage system with cells, battery management system and power electronics.

In May, 2012 we showcased our superior grid-scale Energy Storage Systems based on our proprietary, high energy density Lithium Ion SuperPolymer® battery at the annual Electricity Storage Association (ESA) conference in Washington DC. We highlighted our MWh-scale design solution with specific focus on its launch customers for whom industry-leading storage is provided in a small footprint. For example, a 1.5 MWh storage system can be incorporated into a 28’ long container. The smaller product size assures higher reliability with fewer components and additional safety. Inherently versatile, the modular design structure of ElectroVaya’s Energy Storage System allows the scaling to storage capacity from kWh to MWh applications. Specifically, 28’, 40’ and 53’ containerized units have been designed for several launch customers. The modular design allows for customizable storage capacities and system configurations. Superior safety and performance control are enhanced with multiple redundant system design features including an intelligent Battery Management System. The utility-scale product line leverages ElectroVaya’s expertise as a Tier 1 supplier to automotive OEMs with the demands of high performance, tight packaging constraints, reliability and cost.

In July, 2012 we announced the introduction of the 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.

In September, 2012 we announced that we had agreed to acquire a majority interest in Miljøbil Grenland AS (MBG). MBG is based in Porsgrunn, Norway and is a battery integrator with over \$30 million invested in developing battery systems for automotive, maritime and similar applications. MBG is an excellent fit for Electrovaya as MBG does not manufacture lithium ion cells or battery management systems (BMS), but integrates externally manufactured cells and BMS into systems and battery packs. Electrovaya on the other hand manufactures both the fundamental lithium ion polymer cells as well as the intelligent battery management systems and previously had no European base of operations. Prior to Electrovaya's acquisition, MBG's revenue was focussed on its single OEM shareholder, while now its revenue focus will be throughout Europe.

Also in September, 2012 we announced the launch of our next generation SuperPolymer(R) cell and battery technology; "MN-HP Series." The Energy version of this technology, MN-eHP exceeds 200Wh/kg, which we believe is one of the highest energy densities for a commercial Lithium Ion cell in a large prismatic design. Electrovaya's MN-HP series cells use commercially proven electrode materials such as graphite anodes and lithium metal mixed oxide cathodes to give excellent cycle life and good safety. Electrovaya's MN-eHP cells typically have 50-70% higher energy density than typical phosphate cells, over 120% higher energy density than lithium titanate cells and about 600% higher energy density than the ubiquitous lead acid batteries. Higher energy density cells require fewer materials for a given energy capacity and therefore can be produced at lower costs. Higher Energy Density cells also contain proportionately lower amounts of flammable electrolytes, which substantially improve safety considerations. Typical MN-eHP cells are available in 30Ah to 40Ah format (110 - 150Wh) and housed in a flat polymer pouch. The cells are produced by Electrovaya's proprietary non-toxic production process which does not use massive quantities of toxic n-methyl pyrrolidone (NMP), unlike most other commercial lithium ion battery manufacturers. Toxic NMP is suspected of causing birth defects and does not obviously complement the supply chain for Green electric vehicles or Alternate Energy Storage programs.

In November, 2012 we announced the launch of our lithium-ion energy storage system for home usage. The battery stores power from the grid or from solar panels and stores it for later household use. For consumers subject to time-of-use charges, the EnergyBlock can be used to store off-peak power to be used later during peak times, lowering the amount of peak-rate costs for the user. In some regions, utilities occasionally provide negative pricing to dump excess power when demand is very low, so users may actually be paid to store energy. The

EnergyBlock can also store energy directly from solar panels, power in remote locations and emergency power. Systems are available in sizes from 3kWh – 20 kWh. The ideal size for most households is 7kWh, which provides several hours of power for the typical consumer.

Also in November, 2012, accompanying Prime Minister Harper's Trade Mission to India, we announced that we had signed two MOUs in the fast growing areas of Energy Storage in the Telecom sector with Environ Energy (Bhaskar Solar), part of a \$4 billion Indian conglomerate, as well as a further expansion in the electric two wheeler sector with Hero Eco for markets in Europe, North America and India.

The MOU with Hero Eco Ltd. would further the synergies of both Electrovaya's and Hero Eco's recent acquisitions. Electrovaya would work with Hero Eco to implement Lithium Ion powered electric bikes for Hero's markets in Asia, Europe and North America. The MOU with Bhaskar Solar intends to harness Electrovaya's Lithium Ion Battery technology in making renewables-based telecom towers possible. Electrovaya would work jointly with Bhaskar Solar to implement renewable energy management solutions across Bhaskar's proposed 15,000 telecom tower applications.

### Summary of Financial Results

In thousands of US\$ except per share amounts	3 months ended Sept 30		12 months ended Sept 30	
	2012	2011	2012	2011
Revenue	<u>\$ 3,419</u>	<u>\$ 2,597</u>	<u>\$ 9,854</u>	<u>\$ 10,264</u>
<u>Non-IFRS Profit/(Loss)</u>				
Loss from Operations	\$ (200)	\$ (577)	\$ (2,914)	\$ (1,984)
<u>Add back:</u>				
Patent expenses	29	38	113	133
Amortization (non-cash)	158	73	429	266
Fair value of stock-based compensation (non-cash)	79	98	359	539
Share Purchase Warrants- accretion (non-cash)	<u>123</u>	<u>59</u>	<u>251</u>	<u>153</u>
	<u>389</u>	<u>268</u>	<u>1,152</u>	<u>1,091</u>
Non-IFRS Profit/(Loss) for the period	<u>\$ 189</u>	<u>(309)</u>	<u>\$ (1,762)</u>	<u>\$ (893)</u>
Gain (Loss) per share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.05)</u>	<u>\$ (0.03)</u>
Cash & cash equivalents	<u>\$ 5,047</u>	<u>\$ 5,265</u>	<u>\$ 5,047</u>	<u>\$ 5,265</u>

The Company's complete Fiscal 2012 Fourth Quarter and Annual 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:**

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, USA and Europe with customers around the globe. To learn more about how Electrovaya is implementing clean energy, please explore [www.electrovaya.com](http://www.electrovaya.com).

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*Non-IFRS Profit/(loss) from operations.*

*Non-IFRS Profit/(loss) from operations has no standardized meaning and may not be comparable to similar measures presented by other companies. Electrovaya defines non-IFRS income (loss) from operations as the Loss from operations, before patent expenses and non-cash expenses such as (i) amortization and (ii) the fair value of stock compensation and share purchase warrants expensed during the period. Electrovaya considers non-IFRS income (loss) from operations to be a useful metric for management and investors because it excludes the effect of certain non-cash and non-operational expenses so that management and investors can compare Electrovaya'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.