



News for Immediate Release

ELECTROVAYA ANNOUNCES FIRST QUARTER 2003 FINANCIAL RESULTS

Toronto, Ontario – February 10, 2003 – Electrovaya Inc. (TSX: EFL) today announced financial results for the first quarter ended December 31, 2002. All figures are in thousands of US dollars.

First Quarter Highlights

- First quarter revenue for 2003 up 72% from first quarter 2002 and up 34% from fourth quarter 2002
- The Company began the launch of its Tablet PC, Scribbler in Microsoft's multi-city road show
- Commercial shipment of the Scribbler began late December, 2002. Financial impact on revenue from the Scribbler will start showing up later in 2003
- Electrovaya signed a development agreement with Microsoft to collaborate in engineering, marketing and sales for the Scribbler
- Electrovaya showed its mobility products in a booth shared with Microsoft at CES (Consumer Electronics Show) in Las Vegas
- Commercial shipment of the PowerPad 80 began in late December 2002. Financial impact on revenue will start showing up later in 2003

Summary of Financial Results

In thousands of US\$ except per share amounts	3 months ended December 31		3 months ended September 30
	2002	2001	2002
Revenue	\$883	\$515	\$661
Expenses	3,297	1,744	2,853
Loss from operations before interest, taxes and amortization	2,414	1,229	2,192
Loss for the period	2,901	1,367	2,406
Loss per share	\$0.04	\$0.02	\$0.03
Cash & investments	17,862	27,239	20,618

“While overall IT spending declined with the economic slowdown, in the laptop market we are seeing an increasing demand for batteries with maximum runtime as corporations are meeting the needs of a mobile workforce and extending the life of older laptops,” said Sankar Das Gupta, President and CEO of Electrovaya. “While Electrovaya will benefit most from a strong economy, our high-energy-density battery applications are well suited for today’s environment.”

First Quarter

For the first quarter of fiscal 2003, Electrovaya reported revenue of \$883 thousand, compared with \$515 thousand in the same quarter of 2002 and \$661 thousand in the fourth quarter of 2002. The loss from operations increased to \$3.0 million from \$1.6 million in the same quarter last year and from \$2.7 million in Q4.

The net loss for the first quarter of fiscal 2003 was \$2.9 million versus \$1.4 million in 2002. The loss per share for the quarter was \$0.04 compared with \$0.02 in Q1 2002 and \$0.03 in Q4.

The Company has taken a number of initiatives to restructure the Company and reduce expenditures. The cash burn rate was reduced in the quarter to \$2.8 million from \$3.5 million in the first quarter of 2002. The cash burn rate in the fourth quarter of 2002 was \$2.4 million. Part of the increased cash burn was due to the Scribbler launch and development activities.

Expenses

All of the material and labor costs and related manufacturing overhead associated with the production of commercial products have been charged to cost of goods sold. These costs amounted to \$921 thousand in first quarter 2003 and \$659 thousand in 2002.

Research and development expenses are \$793 thousand for the quarter ended December 31, 2002 versus \$264 thousand in 2001. The increase largely reflects the development costs associated with the Scribbler Tablet PC. The research and development expenses demonstrate the Company's continuing efforts to improve its technology and enhance and develop new products.

Sales and marketing expenses increased to \$969 thousand for Q1 2003 from \$469 thousand for Q1 2002 and from \$616 thousand for Q4 2002. This represents increased activity in co-marketing, trade shows, advertising and other costs associated with sales of the product lines and the costs associated with the initial launch of the Scribbler, including the 20-city tour.

General and administrative expenses increased to \$614 thousand for the quarter ended December 31, 2002 from \$352 thousand for the previous year. The increase comes from modernization of computer software as well as an allocation of rent and utilities from overhead to administration.

Interest income decreased to \$186 thousand for the quarter ended December 31, 2002 from \$213 thousand a year ago. The Company derived interest in both periods from cash and short-term investments. The decrease in interest income resulted from the lower level of investments held during the quarter.

Liquidity and Capital Resources

Cash and short-term investments remained strong at \$17.9 million. The Company significantly reduced the cash consumption rate to \$2.8 million for the first quarter compared with \$3.5 million in Q1 2002 and \$2.4 million in Q4. Capital expenditures were \$44 thousand in Q1, 2003 versus \$702 thousand in Q1, 2002. The prior year primarily consists of expenditures for the completion of and equipment for the Mississauga plant.

Outlook

"Electrovaya is well positioned to meet the growing demand for mobility and productivity from portable computer users," said Dr. Das Gupta. "We have a cluster of unique products to meet this demand and have now successfully launched our Tablet PC, SCRIBBLER. Electrovaya is rapidly opening up distribution channels to meet the challenge of the global market for mobile energy."

"Following quarter end, we reviewed and revised our business plan to reflect our operating experience and market conditions," continued Dr. Das Gupta. "Our primary objective is to achieve profitability through a combination of increasing revenue and controlling costs. We will further support sales through the appointment of additional major distribution channels in North America, and by partnering with OEMs. Concurrently, we are focussing R&D on expanding our markets through the development of new products."

Conference Call Notice

Electrovaya will host a conference call on Wednesday, February 12, 2003 at 11:00 a.m. EST. The call can be accessed by dialling 416-640-4127 or 888-881-4892 or through a replay available at 877-289-8525 (call #237352). The call will be web cast live on the Internet at www.electrovaya.com and www.newswire.ca/webcast/.

About Electrovaya Inc.

Electrovaya develops, manufactures and sells products using its proprietary lithium-ion SuperPolymer™ rechargeable battery technology, which delivers the highest energy density of any battery technology on the market today. The Company's goal is to become the leading provider of 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. Electrovaya'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.

-30-

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 December 31, 2002 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.

ELECTROVAYA INC.

Consolidated Balance Sheets
(Expressed in thousands of U.S. dollars)
(Unaudited)

	December 31, 2002 (Unaudited)	September 30, 2002 (Audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 13,722	\$ 2,529
Short-term investments	4,140	18,089
Accounts receivable	1,017	762
Investment tax credits recoverable	378	378
Goods and Services Tax receivable	118	163
Inventories (note 3)	3,350	3,324
Prepaid expenses and other	73	113
	<u>22,798</u>	<u>25,358</u>
Capital assets	13,762	14,256
	<u>\$ 36,560</u>	<u>\$ 39,614</u>

Liabilities and Shareholders' Equity

Current liabilities		
Accounts payable and accrued liabilities	\$ 802	\$ 1,220
Income taxes payable	42	42
	<u>844</u>	<u>1,262</u>
Shareholders' equity		
Share capital (note 4)	63,729	63,729
Cumulative translation adjustment	(2,675)	(2,940)
Deficit	<u>(25,338)</u>	<u>(22,437)</u>
	<u>35,716</u>	<u>38,352</u>
	<u>\$ 36,560</u>	<u>\$ 39,614</u>

See accompanying notes to consolidated financial statements.

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

ELECTROVAYA INC.

Consolidated Statements of Operations and Deficit
(Expressed in thousands of U.S. dollars
except share and per share amounts)
(Unaudited)

	Three months ended December 31,	
	2002	2001
Revenue	\$ 883	\$ 515
Cost of goods sold	921	659
Gross margin	(38)	(144)
Operating expenses		
Research and development	793	264
Sales and marketing	969	469
General and administrative	614	352
	2,376	1,085
Loss before interest, taxes and amortization	2,414	1,229
Amortization	629	389
Loss from operations	3,043	1,618
Interest income	(186)	(213)
(Gain) loss from foreign exchange	44	(38)
	(142)	(251)
Net loss for the period	2,901	1,367
Deficit, beginning of period	22,437	12,446
Deficit, end of period	\$ 25,338	\$ 13,813
Loss per common share, basic and diluted	\$ 0.04	\$ 0.02
Weighted average number of shares outstanding, basic and diluted	69,539,109	69,539,109

See accompanying notes to consolidated financial statements.

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

ELECTROVAYA INC.

Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)
(Unaudited)

	Three months ended December 31,	
	2002	2001
Cash provided by (used in)		
Operating activities		
Loss for the period	\$ (2,901)	\$ (1,367)
Amortization which does not involve cash	629	389
Change in non-cash operating working capital	(615)	(1,696)
	(2,887)	(2,674)
Investing activities		
Additions to capital assets	(44)	(702)
Decrease in short-term investments	13,949	9,881
	13,905	9,179
Increase in cash and cash equivalents	11,018	6,505
Effect of currency translation adjustments on cash and cash equivalents	175	(90)
Cash and cash equivalents, beginning of period	2,529	2,436
Cash and cash equivalents, end of period	\$ 13,722	\$ 8,851
Supplemental disclosure of cash flow information		
Income taxes paid	\$ -	\$ 33
Interest received	224	580

See accompanying notes to consolidated financial statements.

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

ELECTROVAYA INC.

Notes to Consolidated Financial Statements
(Expressed in thousands of U.S. dollars)
(Unaudited)

Three months ended December 31, 2002

1. Nature of operations

Electrovaya Inc. is an early stage manufacturer and marketer of advanced, high energy, rechargeable batteries based on its patented lithium ion SuperPolymer™ technology.

The Company expects to continue to develop its product lines and explore other potential applications using the developed technology.

The Company has no distinct operating segments and has no operating assets located outside of Canada.

The Company prepares its financial statements in accordance with accounting principles generally accepted in Canada. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries.

2. Significant accounting policies

The disclosures contained in these unaudited interim consolidated financial statements do not include all requirements of generally accepted accounting principles (GAAP) for annual financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2002.

The unaudited interim consolidated financial statements reflect all adjustments, consisting only of normal recurring accruals, which are, in the opinion of management, necessary to present fairly the financial position of the Company as at December 31, 2002 and the results of operations and cash flows for the three months ended December 31, 2002 and 2001.

The unaudited interim consolidated financial statements are based upon accounting principles consistent with those used and described in the annual consolidated financial statements, except the following:

(i) Stock-based compensation and other stock-based payments:

Effective October 1, 2002, the Company adopted the new CICA Handbook Section 3870, which requires that a fair value based method of accounting be applied to all stock-based payments to non-employees and to direct awards of stock to employees. However, the new standard permits the Company to continue its existing policy of recording no compensation cost on the grant of stock options to employees with the addition of proforma information. The Company has not granted any awards during the period from October 1, 2002 to December 31, 2002 and therefore there is no proforma effect on net earnings and earnings per share information.

3. Inventories

Inventories consist of

	December 31 2002 (Unaudited)	September 30, 2002 (Audited)
Raw materials	\$ 1,464	\$ 1,744
Work in progress	1,680	1,524
Finished goods	206	56
	<u>\$ 3,350</u>	<u>\$ 3,324</u>

4. Share capital

As at December 31, 2002, the Company had outstanding 69,539,109 common shares and 1,955,600 options to acquire common shares under the Company's employee incentive plan.

For more information, please contact:

Sankar Das Gupta, Chairman & CEO
Electrovaya Inc.
tel: 905-822-6573
email: sdasgupta@electrovaya.com