



## News Release

### **AZURE DYNAMICS ANNOUNCES FIRST DAY OF DEALINGS ON THE AIM MARKET**

Toronto, Ontario – August 12, 2004, 2004

[Azure Dynamics Corporation \(TSX: AZD\)](#) (“Azure” or the “Company”) a leading developer of hybrid electric powertrains for commercial vehicles, today announces the admission of its Common Shares and December 2004 Warrants to trading on the Alternative Investment Market of the London Stock Exchange (“AIM”).

The Company is incorporated in Canada and its Common Shares are currently listed on the TSX under the ticker symbol TSX: AZD. Dealings in the Common Shares and December 2004 Warrants commence on AIM under the ticker symbols ADC.L and ADCW.L respectively.

#### **The Business and its Technology**

Incorporated in Canada in 1993, Azure’s technology provides a sophisticated energy management system for hybrid powertrains. The system offers real-time energy management that seeks to optimise the performance of the hybrid electric vehicle (HEV) propulsion system components and adapts the control system to actual operating conditions.

Compared to similar conventionally powered vehicles, hybrid electric power trains can be made to have equivalent or better acceleration, 30-50 per cent. greater range, and a comparable top speed. All electric powertrains have the same or better acceleration, whilst the range is dependent on the drive cycle and amount of regenerative braking derived from that cycle.

#### **Market Opportunity and Strategy**

Azure’s initial strategy is to deploy its technology into viable powertrain products for the light to medium duty commercial vehicle markets, focusing initially on urban delivery, postal, courier, taxi and shuttle-bus applications. Azure has targeted these markets as the stop-and-go drive cycle inherent to urban driving represents the least efficient application of conventional internal combustion engine technologies, where such engines use a disproportionate amount of energy per mile when compared to more constant drive cycles.

Azure’s technology is designed to enable fleet operators to reduce emission levels and reduce operating costs over the life cycle of a vehicle, thereby creating an economic as well as an environmental reason for purchase.

To date, the Company has signed a supply agreement with Purolator Courier Limited to supply 2,000 units over a five year period, subject to certain conditions, and has also entered into development / demonstration agreements with Canada Post, United States Postal Service, London Taxi International (“LTI”), Leyland Product Development / Renault Trucks UK and the Canadian Department of National Defence. The Company, together with LTI, launched the first hybrid electric black taxi in England in June 2004.

In the execution of its strategy, Azure has positioned itself as a design, engineering and customer support operation. The Company has recognised that its expertise is in its patented systems and software as well as in the design, component specification and integration, and marketing of powertrain applications. Azure's designed products will be assembled using components manufactured, and where necessary adapted to the specific powertrain application, by recognised industry suppliers.

### **Reasons for Admission**

The Directors are seeking Admission to AIM in order to provide further access to London's capital markets and a broader investor base. Admission is also intended to enhance the Group's international profile and reflect the widening geography of its commercial activities, including an increasing presence in the UK.

### **Further Information**

Bridgewell Limited is appointed Nominated Adviser and Bridgewell Securities Limited Broker to Azure.

[Azure Dynamics Corporation](#) provides Hybrid Electric Vehicle technology for light and medium duty commercial vehicles in urban areas. Azure is a public company trading on the Canadian TSX Exchange. The company is currently working with various partners and customers worldwide including Purolator Courier, Canada Post, London Taxis International, Leyland Product Development, Renault Trucks UK, and the United States Postal Service. Azure has employees based in Canada, the United States and the United Kingdom.

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**Note:** The foregoing information may contain forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, but are not limited to: the ability to raise the capital required for product development and operations, product development delays, changing environmental regulations, the ability to attract and retain business partners, competition from other developers of hybrid electric vehicle control systems, competition from other advanced or existing power technologies, evolving markets for power for transportation vehicles. These factors should be considered carefully and readers should not place undue reliance on Azure's forward-looking statements. Investors are encouraged to review the risks detailed from time to time in the company's filings with regulatory authorities.

### **FOR MORE INFORMATION, CONTACT:**

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