



## News Release

# AZURE DYNAMICS ANNOUNCES FACILITY AND OFFICE CONSOLIDATION

**Toronto, Ontario – May 07, 2007** – Azure Dynamics Corporation (TSX: AZD & LSE: ADC) (“Azure” or the “Company”) a leading developer of hybrid electric and electric powertrains for commercial vehicles today announced that the Head Office in Toronto as well as the UK Kenilworth office and service centre will be closed. A new corporate head office will be opened in the heartland of the North American automotive industry.

Scott Harrison, Azure’s Chief Executive Officer said, “The scope of our work with Ford as well as other leaders in the automotive sector makes the establishment of the head office in the Detroit/Windsor area, or possibly Ohio, a natural next step for Azure. In addition, these practical moves are expected to provide cost savings in excess of \$1.6 million annually. The cost savings are related to both fixed costs for facilities and people, as well as in variable costs, such as travel. We will be resolving very quickly, what financial incentives might be available to Azure before finalizing our location, as many jurisdictions view the high-tech nature of the hybrid business as the key to the future of the automotive business.”

Mr. Harrison went on to say, “It has become clear that North America is leading the world in hybrid electric vehicle adoption. While there is great future promise in Europe and Asia, for efficiencies sake, we want to develop those markets on the back of our North American sales volumes. By concentrating on a successful launch of our Ford E 350 and E 450 hybrid business and on specific large supply agreements, such as the electric powertrains to Mexico, we can start to build the economies of scale that will ensure we are in a very competitive position for the rest of the world markets.”

### **About Azure Dynamics**

[Azure Dynamics Corporation \(TSX: AZD\) \(LSE: ADC\)](#) is a world leader in the development and production of hybrid electric and electric components and powertrain systems for commercial vehicles. Azure is strategically targeting the commercial delivery vehicle and shuttle bus markets and is currently working internationally with various partners and customers. The Company is committed to providing customers and partners with innovative, cost-efficient, and environmentally-friendly energy management solutions.

For more information please visit [www.azuredynamics.com](http://www.azuredynamics.com).

*The TSX and LSE Exchanges do not accept responsibility for the adequacy or accuracy of this release.*

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### **Forward-looking Statements**

*This press release contains forward-looking statements. More particularly, this press release contains statements concerning Azure’s business development strategy, projected commercial revenues and product deliveries.*

*The forward-looking statements are based on certain key expectations and assumptions made by Azure, including expectations and assumptions concerning achievement of current timetables for development programs, target market acceptance of Azure's products, current and new product performance, availability and cost of labor and expertise, and evolving markets for power for transportation vehicles. Although Azure believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Azure can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with Azure's early stage of development, lack of product revenues and history of losses, requirements for additional financing, uncertainty as to commercial viability, uncertainty as to product development and commercialization milestones being met, uncertainty as to the market for Azure's products and unproven acceptance of Azure's technology, competition for capital, product market and personnel, uncertainty as to target markets, dependence upon third parties, changes in environmental laws or policies, uncertainty as to patent and proprietary rights, availability of management and key personnel, and acquisition integration risk. These risks are set out in more detail in Azure's annual information form which can be accessed at [www.sedar.com](http://www.sedar.com).*

*The forward-looking statements contained in this press release are made as of the date hereof and Azure undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

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