

corporate profile

Azure Dynamics Corporation is a world leader in the development and production of hybrid electric and electric components and powertrain systems for commercial vehicles. Azure products have over 25 million miles of on-the-road experience and offer vastly improved fuel economy and lower operating costs while significantly reducing, or in the case of electric vehicles, eliminating, vehicle emissions.

Azure is strategically targeting the commercial delivery vehicle and shuttle bus markets and is currently working internationally with a variety of partners and customers. The company is committed to providing customers and partners with innovative, cost efficient and environmentally friendly energy management systems.

recent highlights

- For the nine months ended September 30, 2010, revenue totaled \$8.5 million compared to \$5.0 million in the same period a year ago. The company reported a gross margin improvement in the quarter and Azure's cash position improved with a balance of more than \$25.3 million at quarter end.
- Azure's LEAD customer program for the Ford Transit Connect Electric closed successfully in December after welcoming ten premier vehicle fleets which ordered a composite total of nearly 150 units. The LEAD customer program created interest among target market sectors including energy producers, courier and delivery companies, utilities, private businesses and governmental agencies in the U.S. and Canada. The New York Power Authority, the nation's largest state power organization, and Canada Post, the largest communications and logistics company in Canada, were two key LEAD customers to sign on to the program during the quarter. Other LEAD customers included AT&T, Xcel Energy, Johnson Controls, Southern California Edison, and Toronto Atmospheric Fund.
- The Transit Connect Electric was showcased to a variety of U.S. federal agencies including the Departments of Justice, Energy and Defense, the Clean Cities Coalition, the United States Postal Service and several Congressional staff offices, for demonstration drives in Washington, D.C. In late December the Transit Connect Electric was introduced to key Canadian policymakers at a similar event in Ottawa.
- Ford Motor and Azure Dynamics held a press conference at AM General's Transit Connect Electric assembly facility in December to announce shipment of the first Transit Connect Electrics to early customers in North America and the United Kingdom. The all electric commercial vans are reaching market a speedy 13 months after the collaboration to develop the zero emission vehicle was first announced. Specific media reporting on the event included New York Times, Wall Street Journal, Reuters, ABC TV, NBC TV, and Fox TV to name a few.

shareholder information

SHARE PRICE

(All information as of January 6, 2011)

AZD (TSX) C\$.32

SHARE PERFORMANCE

(52 weeks ended January 6, 2011)

High C\$0.36 Low C\$0.17

LATEST FINANCING

December 22, 2009

MARKET CAPITALIZATION

C\$197 million

SHARES OUTSTANDING

605 million

AVERAGE DAILY VOLUME

500,000

FISCAL YEAR END

December 31

SENIOR MANAGEMENT

Scott T. Harrison, CEO

Curt A. Huston, COO

Ryan S. Carr, CFO

Ronald V. Iacobelli, CTO

INVESTOR CONTACTS

Juris Pagrabs, VP Investor Relations

Azure Dynamics

T 248.658.7570

jpagrabs@azuredynamics.com

Patrick Liebler

Liebler Group

T 313.832.4376

pat@lieblergroup.com

ANALYST COVERAGE

Steven Li, Raymond James

Rupert Merer, National Bank Financial

James Morrison, Cormark Securities

Marco Rodriguez, Stonegate Securities, Inc.

Marvin Wolff, Paradigm Capital

CORPORATE OFFICE

14925 W 11 Mile Road

Oak Park, MI 48237

T 248.658.7501

F 248.298.2410

www.azuredynamics.com

investment considerations

INDUSTRY LEADING, PROVEN TECHNOLOGY

- Over 20 years of experience.
- Azure technology powers over 4,000 vehicles worldwide and has more than 25 million miles of in-service use.
- Azure owns approximately 60% of the market share in the medium duty commercial hybrid truck market.

COMPELLING VALUE PROPOSITION FOR CUSTOMERS

- Balance™ Hybrid Electric: 40% MPG improvement, 30% greenhouse gas reduction, 30% maintenance cost reduction.
- Transit Connect Electric: Pure electric, low operating costs, zero tailpipe emissions.
- Government incentives are available.
- Demonstrable payback on incremental costs.

PARTNERSHIP WITH FORD IN MEDIUM DUTY COMMERCIAL VEHICLE SEGMENT

- Limited competition, proven global vehicle platforms.
- Ford chassis' are clear market leaders.

EXTENSIVE IP AND EXPERIENCED TEAM WITH STRONG R&D CAPABILITY

- 80+ engineers and 21 U.S. patents awarded or pending.
- IP ready to support additional growth in mild hybrid and pure electric markets.

other news

11.23.10

Azure announced the sale of 10 Balance™ Hybrid Electric shuttle buses to NJ Transit on behalf of six transit agencies within the state.

11.17.10

In November, 10 Balance™ Hybrid Electric buses, among the first to utilize the Johnson Controls-Saft lithium-ion battery, were sold to a variety of customers across North America.

10.22.10

Azure announced the appointment of John Formisano to its Board of Directors. Formisano recently retired from Federal Express Corporation where he served as Vice President – Global Vehicles, with responsibility for the global selection, sourcing and maintenance of 96,000 vehicles. Formisano is Chairman of CALSTART, a Pasadena, CA-based organization that works with business, fleets and governments nationally to develop and implement clean, efficient transportation solutions.

10.06.10

With the October purchase of 10 Balance™ Hybrid Electric trucks, TruGreen, the nation's largest professional lawn care provider, became the first company in the lawn care industry to introduce advanced technology hybrids into their fleet and plans to deploy the vehicles in California.

10.05.10

Azure secured a new multiyear credit facility through Silicon Valley Bank. The facility provides a line of credit up to \$4 million over the next two years.

AZD technology



BALANCE™ HYBRID ELECTRIC



APPLICATION

“Stop n’ Go”
Low speeds, frequent stops

DESCRIPTION

AZD has developed the Balance™ Hybrid Electric drive system for Ford’s E-450 Cutaway and Strip Chassis trucks.



TRANSIT CONNECT ELECTRIC



APPLICATION

“Short Run”
50–80 miles depending on auxiliary usage and drive cycle

DESCRIPTION

Ford and Azure Dynamics are working together to deliver an all-electric Ford Transit Connect van for North America and Europe.



LEEP FREEZE™ LEEP LIFT™



APPLICATION

“High Idle”
Auxiliary power needed

DESCRIPTION

AZD’s Low Emission Electric Power (LEEP™) refers to all systems whereby clean electric power is generated off the vehicles’ powertrain to supply a range of auxiliary systems and export power applications.



FORCE DRIVE™ ELECTRIC



APPLICATION

“Short Run”
50–100 miles depending on auxiliary usage and drive cycle

DESCRIPTION

AZD has been designing and developing electric drive systems for over twenty years providing zero emission transportation solutions for our customers.