

Attention Business Editors:

Azure Dynamics Signs Development Co-operation and Initial Supply Agreement with Manganese Bronze for Electric and Hybrid Electric Multi-Purpose Delivery Vehicles

VANCOUVER, May 7 /CNW/ - Azure Dynamics Corporation (TSX Venture - AZD) ("Azure"), a leading developer of hybrid electric powertrains for commercial vehicles, and UK based Manganese Bronze Holdings Plc (MNGS.L), through its subsidiary London Taxis International ("LTI"), a leading manufacturer of purpose-built taxis, are pleased to announce they have entered into an agreement for Azure to supply electric and hybrid electric powertrains for a new multi-purpose urban delivery vehicle to be available for delivery to customers in 2005.

Azure and LTI have agreed to co-operate in the development and production of electric and hybrid electric delivery vehicles, incorporating LTI's vehicle technology and Azure's patented "Smart Energy Management Technology" for electric and hybrid electric powertrains. A range of electric and hybrid electric vehicles with a common low-floor platform, adaptable to specific urban applications such as the delivery of goods and passenger transportation, are planned. The vehicles will use significantly less fuel and produce in excess of 50% less emissions in addition to having the ability to operate in zero emission mode. Other design features include improved performance, unique styling, and lower operating and maintenance costs when compared with existing delivery vehicles. The common platform will accommodate a range of vehicle superstructures which will include a wheelchair accessible shuttle bus, a panel van, a flat bed van and other specialist delivery vehicle applications.

Initially, the supply agreement will cover the UK and Continental Europe although the vehicles are expected to suit markets world-wide. The terms of the agreement are exclusive, subject to the achievement of specified volume targets by LTI. This agreement is distinct from the Companies previous announcement concerning their joint program to develop and produce hybrid electric taxis.

Campbell Deacon, CEO of Azure Dynamics said, "This agreement is very important to Azure Dynamics in its drive to enter the European market which has particular vehicle needs and drive patterns. London Taxis International is an excellent partner with their long history of niche vehicle manufacturing and depth of understanding of the European urban drive cycle".

Ian Pickering, CEO of Manganese Bronze, said "I am delighted that we have signed this agreement that further strengthens our relationship with Azure Dynamics".

Azure Dynamics Corporation is an innovative company that has developed proprietary hybrid electric vehicle technology for the light and medium duty commercial vehicle category. Azure was the recipient of the Canadian Energy Efficiency Award 2003 from Natural Resources Canada in the category of transportation (light duty commercial vehicles) and also received the 2002 Applied Energy Innovation Award from the Canadian Institute of Energy (BC).

London Taxis International, a subsidiary of UK listed Manganese Bronze Holdings, is a leading manufacturer of purpose-built taxis. Since 1948 over 100,000 taxis have rolled off our Coventry production line. LTI employs 400 staff and has 10 main dealers and 66 service agents across the UK. LTI's network is supported by specialist companies, London Taxi Finance and London Taxi Parts.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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CNW 12:56e 07-MAY-03