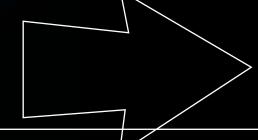


COUNTDOWN TO LAUNCH



As Vectrix completes its new production facilities in New Bedford and Poland, assembles 50 pilot scooters, completes homologation and testing, finalizes global logistics, signs up dealers and distributors, and initiates the market launch campaign, the Vectrix dream to create the world's most advanced electric two-wheel vehicle is close to realization.

Since 1996, Vectrix Corporation has been dedicated to developing clean, efficient, reliable, and affordable urban transportation solutions. Our first product, the Vectrix Electric Maxi-Scooter, is the world's first high-powered electric two-wheel vehicle designed specifically to compete with large gasoline-powered scooters. By combining our innovative zero-emission technology with breathtaking acceleration, long range, low running costs, minimal maintenance and simple operation, the Vectrix Electric Maxi-Scooter is set to revolutionize the world of urban transportation.



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"The Vectrix electric maxi-scooter will set the 'standard of excellence' and play a major role in addressing urban congestion in major cities around the world."

Andrew MacGowan

Chairman & CEO

"The Vectrix Maxi-Scooter is a revolution in design, technology and performance. Compared with traditional gasoline-powered scooters, it offers lower maintenance costs, better acceleration, zero-emissions and more responsive handling."

Peter Hughes
V.P. of Technology





"Vectrix has the technology, the management expertise, and the production and distribution capabilities to become a major player in the powered twowheel market." Christopher Moe Chief Financial Officer

"Without doubt, the Vectrix scooter's combination of style, performance and zero emissions will be very popular with executive commuters."

Carlo Di Biagio

COO, Sales & Marketing





"Our goal with the New Bedford and Wroclaw plants is to develop state-of-the-art production facilities that will meet strict quality standards and will be easily scalable to meet the enormous anticipated demand."
Wolfgang Gohl

V.P. of Manufacturing

A MESSAGE FROM THE CHAIRMAN

Vectrix is on the verge of making one of the most significant breakthroughs in modern motor vehicle history - and our timing couldn't be better. Since we first started working on the Vectrix scooter 10 years ago, traffic has come to a standstill in many cities around the world, increasing pollution has forced many European cities to introduce zero-emission zones, parking has become increasingly expensive and scarce, oil prices have hit \$70 a barrel, and scooter sales have grown dramatically. The convergence of depleting oil supplies and the growing awareness of global warming has created ideal market entry conditions.

Vectrix has achieved what many thought was impossible - an all-electric maxi-scooter that will compete head-to-head with traditional gasoline-powered scooters. None of this would have been possible without the ongoing commitment and expertise of our talented employees (many of whom have been with Vectrix since the early days), the unwavering support of our best-in-class suppliers and strategic partners, and the vision and patience of our shareholders. Together, we are leading an urban transportation revolution that will bring much-needed relief to many frustrated commuters, as well as a cleaner and safer environment for everyone.

Looking forward, the next year will, without doubt, be the most exciting in our ten-year history, as we start production and launch the Vectrix Electric Maxi-Scooter in Europe and the United States.

Some of the objectives for the rest of the year include:

- Assemble 50 pilot production bikes in May at our New Bedford production facility.
- Test and homologate the Vectrix Maxi-Scooter from June to September.
- Participate in numerous PR events across Europe.
- Sign dealer contracts for many of the major cities in Europe and the United States.
- Plan a full-scale media launch for October in Rome.
- Start production at the Poland facility by year end.

I have the utmost confidence in the vision and energy of the Vectrix team to realize these goals and add significant value to the business.

Sincerely,

Andrew MacGowan
Chairman of the Board



FROM CONCEPT TO COMMERCIALIZATION **A 10-YEAR JOURNEY**

Since its formation in 1996, Vectrix has spent 10 years designing, developing, testing, patenting, and commercializing the world's most advanced, high-performance electric scooter.

FIRST PROTOTYPE VEHICLE



AWARD WINNING **FRAME**



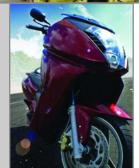
INTEGRATED MOTOR AND GEAR BOX



FIRST GENERATION FUEL CELL HYBRID



NEW BEDFORD LINE



ASSEMBLY

PRODUCTION READY

SCOOTER

1996

· Andrew MacGowan forms Vectrix Corporation with the goal to develop a zero emission electric motor vehicle that is FAST, FUN, PRACTICAL, CLEAN, and ECONOMIC

1997

- · Vectrix successfully demonstrates its first prototype vehicle using Hawker Genesis lead-acid battery packs
- Scooter achieves top speed of 100 km/h
- Vectrix moves its engineering facilities to New Bedford, MA

1998

- · Second generation electrical and motor control system design begins with Kollmorgen
- · Tests begin on Evercell's NiZN batteries

1999

- · Electronics & battery management patent awarded
- Vectrix demonstrates its revolutionary scooter to potential partners

2000

- · Second generation prototypes exhibited at Motor Show in Bologna, Italy
- · Frame patent awarded

2001

- · Rear wheel mounted gearbox patent awarded
- · Integrated motor and gearbox patent awarded

2002

- · Fuel Cell Hybrid patent awarded
- · Testing begins on Gold Peak's NiMH batteries
- · Regenerative braking patent application filed

2003

- · Parker Hannifin acquires 50% interest in the Serial Hybrid patent
- · Vectrix and Parker Hannifin develop first generation Fuel Cell / Electric Hybrid scooter
- Fuel Cell Hybrid scooter prototype unveiled at Fuel Cell Seminar and EVS-20

2004

- · Scooter exceeds 100 km on a single charge
- · Website, PR, advertising, brochures, and merchandising developed
- Second generation Fuel Cell Hybrid scooter unveiled at 2004 Fuel Cell Seminar

2005

- · Vectrix initiates production layout at the New Bedford and Wroclaw, Poland assembly facilities
- · Tooling commences
- · Vectrix wins The Frost & Sullivan Award for Technology Innovation & Leadership of the Year

VECTRIX AROUND THE WORLD

Alex Bamberg and Annette Harris at the Vectrix UK office. As a result of intense lobbying by Vectrix UK, the EST (Energy Savings Trust) recently gave the go-ahead for Electric Infrastructure

Grants. The Vectrix scooter will be exempt from the road tax in the UK and the congestion charge in London, and it will also qualify for free parking in many of the London boroughs. Vectrix UK is planning to supply four scooters to the Renault F1 team.



Carlo Di Biagio with the European Team at the Rome Head Office. Vectrix Europe is focused on signing up dealers and distributors, opening its first "Signature Store" in Rome, getting a public relations program underway, identifying strategic partners, and attending various shows, including EVER Monaco 2006.



Newport Vectrix

Newport Vectrix
Store - Scheduled
to open in the
spring of 2007.
Vectrix is planning to
open a number of
"Signature Stores" in
major urban centers in
Europe and the United
States. The signature stores
will provide consumers with the
ideal venue to see and test ride the
Vectrix scooter.

Truck at the RUOTE PER ARIA in Rome. Vectrix Europe participated in over 15 Ride & Events 2005 and is planning to participate in over 35 events in 2006. The Ride & Drive is a perfect way to demonstrate the "Vectrix Experience", sign up customers, and gain valuable

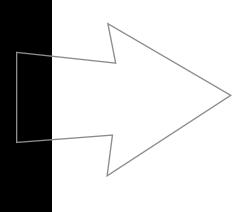
market feedback.



The Production Readiness Team at the New Bedford Plant. Starting in May 2006, 50 pilot production bikes will be built at the New Bedford plant. The production facility will also be used to build scooters for the North American, Canadian, and South American markets.



Wroclaw, Poland Production Team. Wolfgang Gohl and his team of experienced manufacturing professionals are developing a state-of-the-art automotive production facility that will supply scooters to the growing network of distributors in Europe and the rest of the world.



VECTRIX IN THE **NEWS**

VECTRIX UK IS A WINNER AT THE 2005 EAST AWARDS



Vectrix UK recently won the Green Transport Operator/Manufacturer Award at the Lloyds TSB autolease sponsored 2005 EAST Awards.

The 2005 EAST (Environmental and

Sustainable Technology) Awards were held in London on April 7, 2006. This national event gives UK environmental leaders the opportunity to show how their organizations are moving forward with viable environmental and sustainable technology solutions.

Many factors were examined during the judging process, including manufacturing processes, research and development in environmentally friendly products, product availability and performance, technical innovation, and customer service. "Vectrix UK scored highly in each area and proved to be a real leader in the development and implementation of sustainable technology," commented Chris Duckett, Head of Public Sector at Lloyds TSB autolease. "The EAST Awards is the ideal platform to highlight and reward companies that are striving to develop greener solutions."

FROST & SULLIVAN'S ALTERNATIVE VEHICLES TECHNOLOGY INNOVATION & LEADERSHIP OF THE YEAR AWARD

VECTRIX CORPORATION RECEIVES

Frost & Sullivan recently recognized Vectrix Corporation with the 2006 Technology Innovation & Leadership of the Year Award in alternative vehicles for the company's development of Electric and Fuel Cell/Electric Hybrid Maxi Scooters.



Frost & Sullivan presents its Technology Innovation & Leadership Award to companies that have proven to be leaders in product development and innovation in the transportation industry.

"No longer willing and, in some cases, able to pay the high retail prices for gasoline, North American drivers have started to re-evaluate their transportation options, and electric scooters are taking their place among the many options," said Frost & Sullivan consulting analyst Mary-Beth Kellenberger. "There has never been a more appropriate time for the introduction of fuel-efficient and alternative fuel personal vehicles."

"We feel extremely privileged to have been recognized by Frost & Sullivan and to share this award with other industry-leading companies such as Brembo, Daimler Chrysler, Navteq, Philips, and Volvo," said Andrew MacGowan.

VECTRIX NEWS

The New York Times

The Roar of the Anti-Hog - Make Room for the Scooter

"The flashy, Italian inspired designed Vectrix is the most exciting maxi-scooter for the gas-mileage conscious."

11 Sole 24 ORE

The Electric Maxi-scooter Achieves High Performance

"Vectrix is planning to enter the European market, where there is a growing need to solve the problem of urban private transportation."

THE SUNDAY TIMES

Electric Dreams

"Is a new electric scooter that can accelerate as fast as normal machines too good to be true?"

TWIST & GO Scooter Magazine

Electric Reality

"The Vectrix really is a step-change in electric scooter technology. For a 10-20 mile commute on busy roads, it looks like the business."

★THE INDEPENDENT

The Easy Rider with Environmental Appeal

"It's cheap to run, maintenance-free and produces no harmful emissions."

Il Messaggero

Electric Power

"The first electric high-performance scooter to reach 100 Km/h."

L'espresso

Brilliant Like A Scooter

"Administrations of cities with serious traffic problems have expressed great interest in the Vectrix scooter."

The Daily Telegraph

Green Power

"I've ridden one, it works, and you can put your deposit down now."

VECTRIX TECHNOLOGY UPDATE

SERIOUS ENGINEERING INSPIRED BY INNOVATIVE DESIGN

The team of talented Vectrix engineers continues to push the design envelope in creating the world's most advanced, high-performance electric maxi-scooter. With a mission to enhance performance, simplify user-operation, streamline costs and reduce weight, the team continues to build upon the scooter's core technology.

REGEN THROTTLE - The innovative "stop and go" throttle activates engine braking to slow down the scooter and, at the same time, redirect energy to the battery pack to extend the scooter's range. The throttle also controls a slow-speed reverse function. The latest production-ready throttle has fewer parts and is the world's first all-digital throttle.



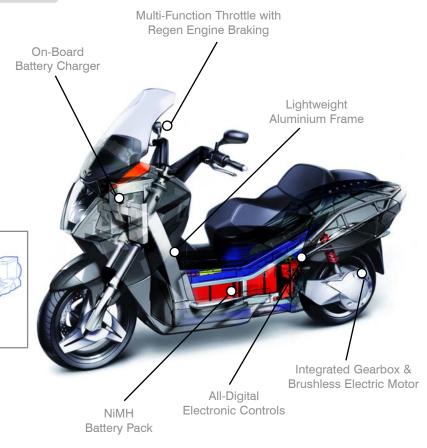
BATTERY CHARGER - The production-ready battery charger is lighter and more compact than earlier versions and will charge the NiMH battery pack in just over two hours.

MOTOR CONTROLLER - The motor controller provides the interface between the battery pack and the motor. The latest version features an advanced cooling system and is lighter in weight and cheaper to make.

LIGHTWEIGHT FRAME - Vectrix's aluminum frame provides structural integrity and protection for the battery pack. The new production frame, which has just passed fatigue testing, helps reduce weight and improve handling.

ADVANCED INSTRUMENT CLUSTER - A sophisticated instrument pod displays speed, odometer, trip mileage, time, estimated range, and battery and charging status on an advanced and easy-to-read LCD and analog display.





TOOLING NEARS COMPLETION

Tooling for many of the components is now complete. This was a major undertaking and could not have been achieved without the tremendous effort of ROBRADY design and the support of our tooling suppliers. "Tooling has always been a major financial and technical hurdle for Vectrix," explains Peter Hughes, V.P. Technology. "The quality of the components made from the hard tools is outstanding and exceeds our expectations. This is certainly a major milestone for Vectrix."



The lighting package has been EU certified by the Vehicle Certification Association (VCA) of North America.





THE CORE DESIGN SUPPORTS MANY STYLES AND TYPES OF POWERED 2 AND 3-WHEEL VEHICLES

VECTRIX*			
TYPE	MAXI-SCOOTER	3-WHEEL VEHICLE	SPORT MOTORCYCLE
BATTERY EV	Production Ready	1 ^{s⊤} Generation Prototype	Concept Design

The Battery and Fuel Cell Hybrid drive-trains support 2 and 3-wheel vehicle configurations, all of which significantly leverage existing technology and capital invested.

3-WHEEL CONCEPT OFFERS ADDED STABILITY AND VERSATILITY



The 3-wheel scooter is extremely versatile and will be popular with local businesses and with consumers with limited riding experience.







PRODUCTION UPDATE

DR. WOLFGANG GOHL READIES VECTRIX FOR PRODUCTION



Dr. Wolfgang Gohl joined Vectrix in March, 2005 and leads all manufacturing and supply chain activities. He brings to Vectrix more than 20 years' experience in operations management, business system implementations, and the startup of new plants.

Dr. Gohl started his career as an R&D engineer with German-based technology company, Leybold. In 1989, he became the head of the quality department at Rosemount, a developer and manufacturer of gas analytical instruments. He then joined Parker Hannifin as operations manager for its European Hose Product Division. Dr. Gohl holds a BS degree and PhD in Physics from the University of Giessen, Germany.

Since joining Vectrix last year, Dr. Gohl has overseen the planning and construction of the Wroclaw production facility; helped develop an ERP system; hired and trained manufacturing, supply chain and support staff; and built strong trading partnerships with numerous suppliers.

"Our goal with the Wroclaw and New Bedford plants is to develop state-of-theart automotive production facilities that will meet strict quality standards and will be easily scalable to meet the enormous anticipated demand.

Our strategy is built on best practices in lean manufacturing, team work, and employee empowerment, combined with a highly flexible work force. To reduce expensive warehousing we will build product to meet actual customer demand. Customers will have the freedom to order a scooter with a specific color and options, which will be assembled within hours and delivered within days."

PRODUCTION FACILITY UPDATE

Tremendous progress is being made at both the New Bedford and Wroclaw plants. Starting in May 2006, 50 pilot production scooters will be assembled at the New Bedford facility, and, by year end, full-scale production will start at the Wroclaw facility. The priority for the coming months will be to finalize suppliers and put in place the necessary business, production and assembly processes. Considerable effort will be focused on optimizing the layout of the assembly line and selecting the proper tools and equipment.

From June to August several of the pilot production scooters will be tested at the MGA Proving Grounds and Test Center in Burlington, WI. The scooters will receive certification and will undergo durability, environmental, shock, and temperature testing.





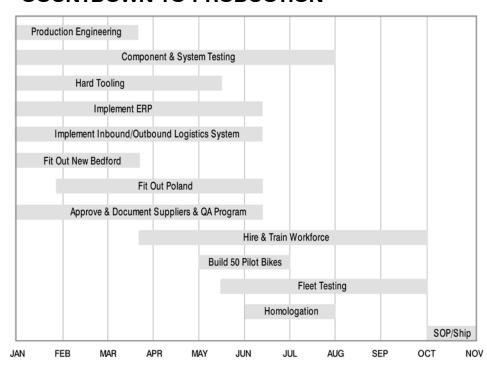
The 2,900 sq. meter New Bedford facility will have the capacity to produce up to 12,000 scooters a year.



The 3,100 sq. meter Wroclaw Assembly Plant will have the capacity to produce up to 38,000 scooters a year.

The Wroclaw assembly hall is ready for the installation of machines and tools.

COUNTDOWN TO PRODUCTION



VECTRIX LOGISTICS UPDATE & STRATEGIC PARTNERSHIPS

VECTRIX CHOOSES EPICOR'S ERP SYSTEM



VECTRIX PRODUCTION READINESS MANAGER. **MIKE DUNCKLEY**

As Vectrix moves closer to production, a major initiative has been underway to select and implement an Enterprise Resources Planning (ERP) system that will provide a seamless and real time link between all aspects of our business.

After months of careful evaluation, the Vectrix team selected a program called Epicor iScala. The Epicor system will link with Vectrix's Customer Relationship Management (CRM) software and with Schenker, our global logistics partner. The three systems will work seamlessly to help manage all critical aspects of our business, including production planning, parts purchasing, inventory management, supplier communications, order taking, and customer service.

In addition, iScala will provide Vectrix with critical information about daily sales orders, cash management, and other financial data necessary to run a successful business.

Vectrix Production Readiness Manager, Mike Dunckley, sees Epicor as critical to the future success of Vectrix. "Once the product is launched, we will have to respond to customer needs very quickly," commented Mike. "To do this we need a sophisticated business model that sources components just in time without undue inventory in the system that would result in loss of profitability for the business. Vectrix's requirements are unique for a business startup because we have to manage the needs of multiple-sites in different countries, currencies and languages, such as English, Italian and Polish."

The Epicor system is due to go live in June.

KEY STRATEGIC PARTNER



Vectrix has developed ships with

some of the world's most respected and forward-thinking suppliers. designers and engineering companies, including Parker Hannifin, Lockheed Martin, Gold Peak Batteries, Schenker, ROBRADY design, and Texas Instruments.

Vectrix's most important partnership is with Parker Hannifin (NYSE:PH) - a



The onboard fuel cell unit keeps the batteries charged and helps to extend the range of the scooter.

Fortune 500 Company, and the world's leading manufacturer of motion and control technologies and systems. This relationship has led to the breakthrough design of the world's first fuel cell electric hybrid maxi-scooter. Parker Hannifin is the lead investor in Vectrix, has a seat on the Board of Directors, and is supplying many of the components for both the electric and fuel cell hybrid maxi-scooters.

VECTRIX PARTNERS WITH LEADING SUPPLY CHAIN COMPANY



Vectrix has chosen Schenker as its world-wide logistics partner. Schenker, a subsidiary of Deutsche Bahn AG, is a world-leading logistics partner, with €8 billion in turnover and 42,000 employees at over 1,000 offices around the world. Schenker has considerable experience in the automotive industry and will provide Vectrix with all outbound and inbound logistics, at no up-front capital cost, including warehousing, JIT delivery, field distribution, and spare parts management.

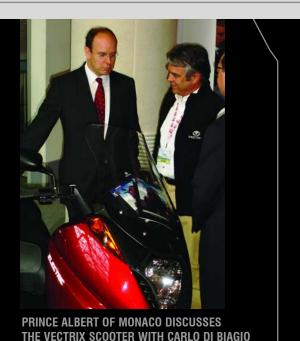
VECTRIX AND GP BATTERIES FORMING JOINT VENTURE TO **BUILD NIMH SCOOTER BATTERIES**



To meet the demand for scooters, Vectrix and GP Batteries have signed an MOU to form a joint venture to operate a NiMH scooter battery plant in Shenzhen, China. The factory will have initial capacity to produce 24,000 battery packs per year.

GP Batteries is the world's top 10 supplier of primary and rechargeable batteries and has a global manufacturing and distribution network spanning over 15 countries. It employs 13,000 people and had an annual turnover of over \$893.9 million for the year ended 31st March, 2005. Vectrix and GP Batteries have worked together closely since 2002 when Vectrix first began testing Gold Peak's NiMH batteries.

VECTRIX SALES, & MARKETING UPDATE



VECTRIX UK

In preparation for the UK market launch, Vectrix UK has been working closely with government agencies to help create a supportive market environment for the Vectrix Electric scooter. As a result of intense lobbying, the EST (Energy Savings Trust), recently gave the go-ahead for Electric Infrastructure grants.

Vectrix UK, together with four other electric vehicle companies, is also working with Transport for London (TFL) on the "Big Switch" campaign, which aims to create a comprehensive EV infrastructure in time for the 2012 Olympics.

VECTRIX UK WILL BE SUPPORTING A NUMBER OF EVENTS DURING 2006, INCLUDING:

- Irish Motorbike Show, Dublin
- The Climate Change Conference, London
- · Festival of Speed, Goodwood
- · Police Exhibition, Devizes

ELECTRIC SCOOTER BENEFITS

- Journey times in major cities reduced by up to 50%
- Five scooters park in the space of one car
- Exempt from road tax
- Exempt from the London Congestion Charge
- Free parking in many London boroughs

COUNTDOWN TO MARKET LAUNCH

The countdown to launch has started and Vectrix's sales and marketing teams are in full swing signing up dealers and distributors, rolling out a PR campaign, lobbying government officials and institutions, organizing test rides, building a customer service infrastructure, and developing marketing alliances with leading companies and organizations.

SIGNATURE STORES

The highly focused nature of the urban commuter market in the EU supports an innovative sales strategy of Vectrix-owned and franchised "Signature Stores" in key urban markets. The signature store is the ideal venue for consumers to test ride the scooter and enjoy the "Vectrix Experience."



"Over the next few months we

will be signing dealer contracts in Milan, Florence, Genoa, Bologna, Palermo, Turin and Naples," commented Carlo Di Biagio, COO, Sales and Marketing. "We plan to own and run the signature store in Rome, which will allow us to better serve this key market and leverage our strong relationship with local public administrations."

RIDE & DRIVES

The Ride & Drive is a perfect way to demonstrate the "Vectrix Experience", sign up customers, and gain valuable market feedback. The Vectrix team, with the help of the custom-made Ride & Drive Event truck, participated in over 15 events in 2005 and will participate in around 35 events in 2006.



PR CAMPAIGN

The PR strategy in focused in four key areas:

CONSUMERS: The goal is to build brand awareness and motivate consumers to ride and purchase the scooter. The PR campaign will be closely linked to the Ride & Drive schedule and other events which Vectrix will attend.

INSTITUTIONS: By targeting government agencies, associations and corporations, Vectrix will position our electric maxi-scooter as an ideal solution to traffic congestion and urban pollution.

B2B: Vectrix is exploring "B2B" alliances with organizations such as the Italian Automobile Association and AVERE (European Electric Vehicle Association).

EVENTS: Vectrix will be attending a number of events in the build up to the product launch, including EVER Monaco 2006, ParkLife, and Rome Fonopoli.

WEBSITE

Since the Vectrix website went live in June 2004, it has attracted more than a 160,000 unique visitors, resulting in over 2,700 online order reservations for scooters. Vectrix has received over 700 dealer inquiries, resulting in indicative orders for over 10.000 scooters.

VECTRIX FINANCIAL TEAM



DEBORAH M. BUDNICK, CONTROLLER

Ms. Budnick has served as Vectrix's Controller since 2000. She is responsible for all aspects of corporate control and is integral to the rollout of the financial portion of Epicor's iScala ERP system.

Previously, she was EVP, Finance & Administration at QualityMetric, Inc., an Internet-based, healt hcare information company, and Director in the Managed Care Division of HCIA, Inc. Prior to HCIA, Inc.'s acquisition, she held the position of VP, Finance at Response Healthcare Information Management. She is a CPA and holds a BA from the University of Albany and an MBA from the University of Rhode Island.



JOHN W. SCHNORR, TREASURER

John Schnorr joined Vectrix in March 2005 and is responsible for developing policies and procedures and day to day management of cash, working capital, foreign exchange and risk management. He helps

Vectr ix interface with the capital markets, develop global banking relationships, and manage investor relations. Prior to joining Vectrix, Mr. Schnorr was Treasury Manager at Hasbro Inc., the world's second largest toy company. He also served as a Senior Financial Analyst for Invensys. He holds an MBA from The F.W. Olin Graduate School of Business, Babson College and a BS degree from the University of Vermont.

VECTRIX VALUE PROPOSITION

VECTRIX OUTPERFORMS LARGE GASOLINE-POWERED SCOOTERS

	Vectrix Maxi-Scooter	ICE Scooter (4-stroke, 400cc, Internal Combustion Engine) ¹
Acceleration	0-50 km/h in 3.6 sec	0-50 km/h in 5.0 sec
Refuelling	Any Standard Electrical Outlet	Any Gas Station
Handling	Excellent	Very Good
Subsidies	Available in Italy/UK/France	Not Available
Freedom of Mobility	Excellent	Good
Emissions	Zero Emissions	HC, CO ₂ , PM-10 & NOx
Maintenance	Minimal	High
Noise	Quiet	Noisy
Technology	Sunrise	Sunset

¹ Based on Suzuki Burgman 400cc















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