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## Active Power Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator Instructions). The first question today comes from Stuart Bush, RBC Capital Markets.

**Stuart Bush - RBC Capital Markets**

Hi, good morning, guys. Great quarter.

**John Penver**

Thanks, Stuart. Good morning.

**Jim Clishem**

Good morning.

**Stuart Bush - RBC Capital Markets**

I wanted to get your, maybe I missed it, but what is your actual amount in backlog right now?

**John Penver**

Stuart, we don't quote a backlog as a public measure. But I will say you that, one of our business focuses is to increase that backlog, so that we can improve production efficiency and get a more predictable business. This question seems to come up a lot.

**Stuart Bush - RBC Capital Markets**

That's okay. I figured I'd always try. Maybe this would be helpful for us as we look out into 2008 and potentially you guys greatly improving your cash from operations. What can you clarify as the best opportunity in the pipeline for the year?

**Jim Clishem**

Sure, Stuart, this is Jim. Do you mean from a product service or??

**Stuart Bush - RBC Capital Markets**

Maybe from a product standpoint but territories and end-market applications, particular opportunities that you are targeting for sales?

**Jim Clishem**

I think you're going to see continued growth in our overseas operations. The containerized solution in particular is beginning to gain a great deal of momentum. As you know, we also opened up our Asia Pacific market in the early part of 2007 and we have expanded our presence there and have seen good results and I think that's a potential very high growth rate for us as well.

We have also had some interesting developments if it occurred with some channel expansion, I believe, is a good way to put it. As you're probably aware, Sun Microsystems has also been very interested in growing out these portable data center solutions across the world. They have called the product in the past, the Black Box.

This product is currently devoid of any power containerized solution. We think the containerized solution from Active Power is quite unique and not only unique but it tends to push competition out of that market because in a container you are limited on space which is exactly what a flywheel UPS really highlights. It's one of its features. In fact that you can operate at higher temperatures as well and can be transported unlike battery-based energy source systems for a comparable solution. So Sun has now, as you go to the Sun Microsystems website you will see a link for their containerized solution and a link back to Active Power.

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