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Active Power Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). Our first question comes from Richard Baxter of Ardour capital.

Richard Baxter -Ardour Capital

Good morning. I have a question on the auction rate securities, the 825,000. Can you explain a little bit more about the initial bonds you have and what the ratings were?

John Penver

Yeah. Richard, actually just we hold those investments through Smith Barney, and they had announced a redemption program for certain categories of investors that we qualified for. And so indicated they've indicated that they will be redeeming out portfolio in the fourth quarter.

But the underlying municipality bonds, I don't have it in front of me. Richard I can get it for you, but I can tell you we've had some partial success of liquidating those securities in the market during the quarter, but Smith Barney through this program is just going to make a poll on that to give us how those positioned, so we anticipate that to happen in November.

Richard Baxter -Ardour Capital

Excellent. Thank you.

John Penver

Okay.

Operator

Our next question comes from Trey Cobb of Stephens Inc.

Trey Cobb - Stephens Inc

Good morning.

John Penver

Morning Trey.

Jim Clishem

Morning Trey.

Trey Cobb - Stephens Inc

You guys have announced some nice size orders in recent months, EMEA and elsewhere. Could you talk little bit about what you are seeing in the pipeline in terms of orders according activity both domestically and abroad?

Jim Clissem

Yes, Trey, this is Jim, I'll be glad to do that. As commented in my portion of the call, we received during the quarter and to date an excess of \$20 million in new orders and they are really geographically dispersed. So the channels are working quite well across the globe at the moment to bring in those orders. And they really are sort of split between what we would traditionally call our CleanSource UPS orders and our Powerhouse orders.

As I commented also in this call, we've already delivered more than 15 megawatts of our Powerhouse solutions and are giving a strong interest and uptick just because of the inherent benefit that the Active Power Solution provides, which is very space efficient, of course the energy-efficiency and the ability to operate in pretty rugged condition.

So, I think that we're going to see that continue through Q4, Q1 and our foreseeable future. So, the order flow is strong and it seems to be balanced pretty well between our Caterpillar channels as well as through our direct sales efforts. So I can't say that one sales channel distribution is stronger than the other at the moment. Although, I will tell you that the Caterpillar channel is fundamentally just the CleanSource UPS and any effort in Powerhouse is being done direct.

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