

Largest Wireless Provider in Czech Republic Selects Active Power Technology

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Austin, Texas – April 22, 2004 – Eurotel Praha, spol. s.r.o., the largest provider of wireless voice and data services in the Czech Republic, has selected Active Power's CleanSource® technology, a flywheel-based Uninterruptible Power Supply (UPS) System marketed through Caterpillar as Cat® UPS. The flywheel, a steel rotor spinning in a near-frictionless environment, instantly converts kinetic energy into electrical energy, which provides seamless quality power and bridges to a diesel generator in the event of a full outage. Eurotel will use Cat® UPS to improve the reliability of its technology with the objective of meeting its customers' needs and ensuring uninterrupted operation of all its systems.

When looking for an optimum power supply solution, Eurotel turned to a progressive concept from Phoenix-Zeppelin, the Caterpillar dealer in the Czech Republic, labeled NZ2. The concept is based on the integrated operation of both a Caterpillar diesel generator and the flywheel UPS, supplemented with an automated control and monitoring system and corresponding power elements, all packaged in a durable outdoor container.

During the pilot operation of the first system, Eurotel conducted a number of stringent tests. The test results were so successful that Eurotel permanently installed one 250kVA NZ2 power center at one of its sites in Prague to further improve the power supply system reliability.

Further, Eurotel has confirmed its decision by signing a General Contract with Phoenix-Zeppelin for the supply of up to ten NZ2 power centers.

"At Eurotel Praha, spol. s.r.o. we pay close attention to our power supply systems," said Michal Matiaš, Network Planning Manager at Eurotel. "They form the foundation for the other systems that secure the high reliability and stability of our network. We have made this decision not only in view of the positive results attained during our pilot operation of the NZ2 power center, but also due to its easy operation and reliable communication with IT systems, including remote monitoring.

Last but not least, the general contract was also executed on the basis of our positive experience with Phoenix-Zeppelin concerning the service it provided our Caterpillar diesel generators in the past."

"I'm pleased with the NZ2's qualities and parameters proven in hard operation tests conducted at Eurotel. Our battery-free flywheel based uninterrupted power supply is suitable for installations in a highly demanding environment such as the technological operations of the largest mobile operator in the Czech Republic. We believe this installation demonstrates that a comprehensive concept of the entire power center from a single vendor provides a technically balanced solution and facilitates better conditions for the maintenance and servicing of the whole system," added Zdeněk Řešátko, director of power systems at Phoenix-Zeppelin.

With over 500 units installed worldwide and more than 8 million hours of field operation, Active Power's products are a proven alternative to problematic battery-based systems. CleanSource battery-free technology uses the kinetic energy from a constantly spinning steel flywheel to eliminate the need for lead acid battery-based systems. Active Power offers the broadest range of battery-free power quality solutions: the CleanSource DC product line, which is compatible with all leading UPS brands and is available in the 100 – 2000kW range, and the CleanSource UPS product family, available from 65kVA to 3600kVA. Recently recognized by Frost & Sullivan for its ability to satisfy customer needs with new and innovative products, Active Power continues to

rapidly expand its product line to address the needs of new market segments and geographies. For more information visit www.activepower.com, e-mail sales@activepower.com or call 1-877-FLYWHEEL (359-9433).

About Eurotel:

Eurotel Praha, spol. s r.o. is the largest provider of wireless voice and data services in the Czech Republic. At the end of 2003, the company registered more than 4.2 million customers. Eurotel's GSM (900/1800 MHz) and T!P (450 MHz) networks cover 99 percent of the country's territory, being available to more than 10 million residents of the Czech Republic. Eurotel owns a UMTS

license to operate third-generation mobile services. In addition to regular postpaid tariff services, Eurotel offers prepaid cards under the Go brand and

a full range multimedia services and content including video, MMS, voice, WAP, and SMS. Eurotel is the only mobile operator in

the Czech Republic to offer two cutting-edge technologies for mobile (wireless) data transmission. General Packet Radio Service (GPRS) and High-Speed Circuit-Switched Data (HSCSD) are available to both postpaid and prepaid customers. Eurotel's high quality services include the SuperSound technology, which ensures clean voice connections, and 333 roaming partners in 135 countries worldwide. Eurotel has been awarded the ISO 9001:2000 certificate based on international standards of quality. Independent auditors have confirmed that Eurotel has built an operational system that guarantees quality, stability, and consistent service.

Eurotel Praha, spol. s r.o. is a limited liability company owned by Cesky Telecom, a.s.

About Phoenix-Zeppelin:

Phoenix-Zeppelin s.r.o. is the exclusive Caterpillar distributor for the Czech and Slovak Republics. In 2003, the company generated sales of nearly CZK 2.5 billion. In addition to the traditional range of building and earth-moving machines, immediately after its foundation in 1991 Phoenix-Zeppelin also started to distribute industrial engines, power centers and gas engines for various applications. In contrast to building machines, this equipment is not a final product but a component, whose effective incorporation in a technology system, cost-efficient use and reliable operation require the experience of highly skilled engineers and sales specialists. Such equipment cannot be used without many other components or without cooperation with specialized firms. The Power Systems Division of Phoenix-Zeppelin offers its customers comprehensive services in the field of emergency electrical power supply, ranging from needs analysis, solution concepts, project plans, implementation, system installation and commissioning, operation launch to warranty and power-warranty service, including remote monitoring. In the time since the company was founded, more than 1,200 power supply backup systems have been implemented. Phoenix-Zeppelin has thus taken the leading position on this specific market in both the Czech and Slovak Republics. Phoenix-Zeppelin also enjoys a significant market position in supplying train and ship engines as well as gas engines for co-generation units. From more than 200 applications, most engines are supplied for the modernization of older diesel-electric trains, which have been successfully exported to countries in Western Europe.

About Active Power:

Active Power, Inc. (www.activepower.com) designs, manufactures and markets battery-free power quality products that provide the consistent, reliable electric power required by today's digital economy. An ISO 9001-registered company, Active Power is the first to commercialize a flywheel energy storage system, CleanSource® that provides a highly reliable, low-cost and non-toxic replacement for lead-acid batteries used in conventional power quality installations.

Cautionary Note Regarding Forward-Looking Statements:

This release may contain forward-looking statements that involve risks and uncertainties. Any forward looking statements and all other statements that may be made in this news release that are not historical facts are subject to a number of risks and uncertainties, and actual results may differ materially. Specific risks include delays in new product development, product performance and quality issues and the acceptance of our current and new products by the power quality market. Please refer to Active Power filings with the Securities and Exchange Commission for more information on the risk factors that could cause actual results to differ.

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