Annual Share Holders Meeting

May 17, 2012

Cautionary Note Regarding Forward Looking Statements

This presentation may contain forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934, that involve risks and uncertainties. The important factors that could cause actual results to differ materially include, but are not limited to, the potential for significant losses to continue; inability to accurately predict revenue and budget for expenses for future periods; fluctuations in revenue and operating results; overall market performance; decreases and/or delays in capital spending; limited product lines; inability to expand our distribution channels; inability to manage new and existing product distribution relationships; our current dependence on our relationships with Hewlett Packard and Caterpillar; delays in research and development; the acceptance of the new technology in our current and future products by the power quality market; product performance and quality issues; and other risks set forth in the Company's most recent SEC filings.

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Agenda

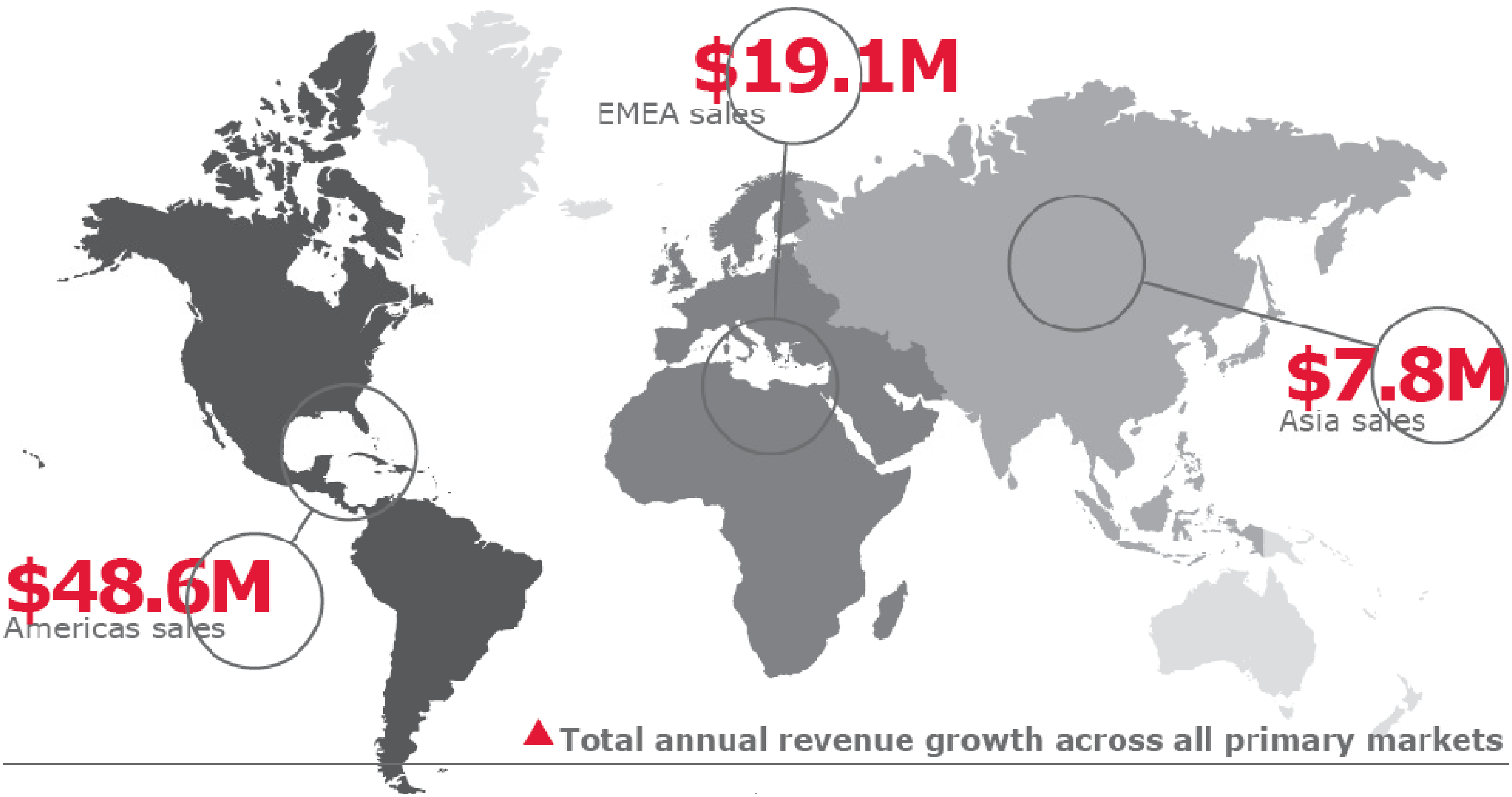
- Preliminary Matters
- Consideration and Vote on Proposals
- Review of Company's Operations
- Results of Voting
- Q&A
- Adjournment

Review of Company Operations

May 17, 2012

2011 Highlights

Achieved the highest total annual revenue in company history of $75.5 million, up 16% from 2010



▲ **Total annual revenue growth across all primary markets**

2011 Highlights

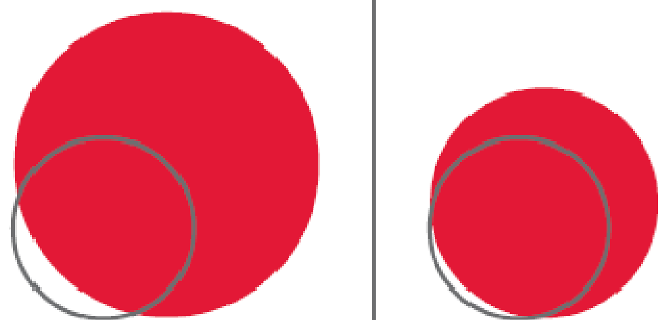
- **Grew international sales by more than 54% to $26.8 million, which made up 38% of total revenue in 2011 compared to 26% in 2010**

- **Increased PowerHouse and infrastructure solutions revenue by 48% to $36.2 million compared to 2010**

- IT channel sales ▲62%
  (compared to 2010)

- Service and other revenue ▲38% to $12.8M
  (compared to 2010)

Annual revenue growth in two of three product categories



PowerHouse and continuous power solutions	Infrastructure solutions
$22.2M	**$14M**
69% Annual Growth	23% Annual Growth

Traditional Deployment | Terremark Worldwide

terremark
a Verizon Company

- Approx. 34MW of flywheel UPS technology deployed across three Terremark sites to date
- Leveraging both PowerHouse and CleanSource UPS to transform/secure enterprise class IT globally

Modular Deployment | Capgemini

Capgemini
CONSULTING.TECHNOLOGY.OUTSOURCING

- Deployed PowerHouse at Merlin facility in Swindon, UK, fully containerized environment
- Enabled end user to achieve PUE of 1.11 and Uptime Tier III design certification as well as industry recognition from Uptime and DCD

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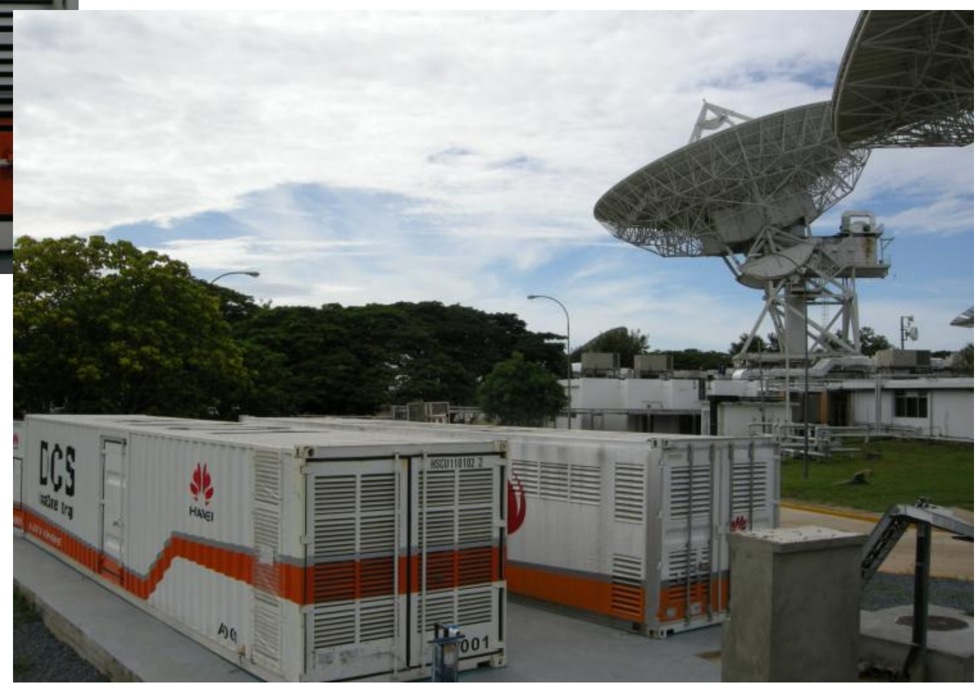
Containerized Deployment | Huawei

HUAWEI



- Disaster recovery support at Huawei facility in Venezuela
- PowerHouse designed, factory tested, and deployed in approx. 45 days

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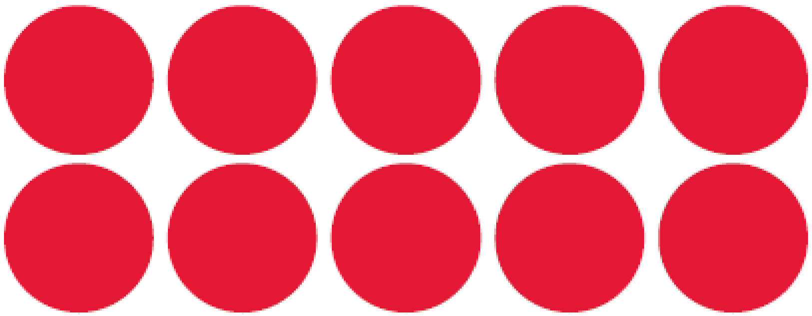
2011 Highlights

Received single largest order to date for a **$10 million** flywheel UPS solution



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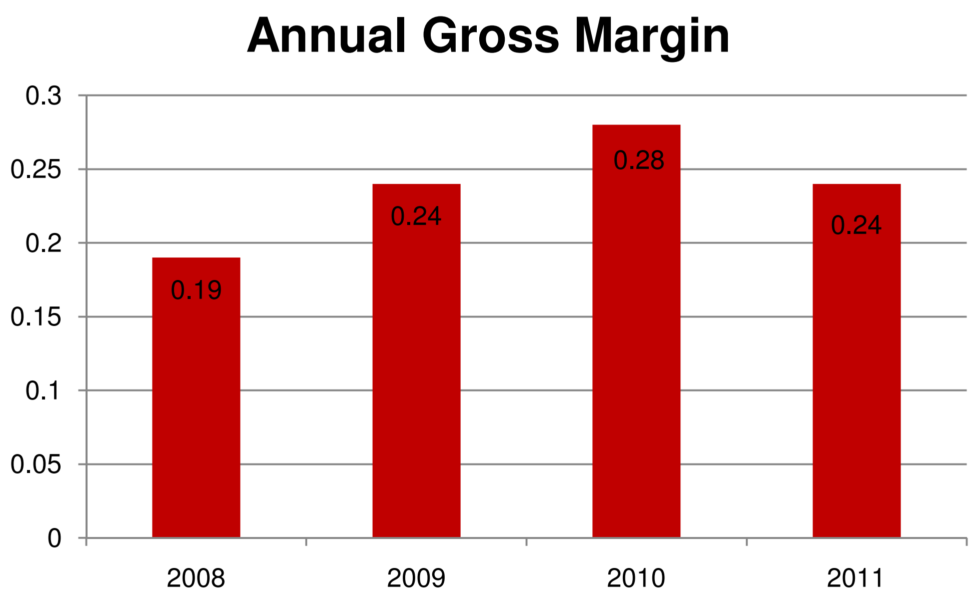
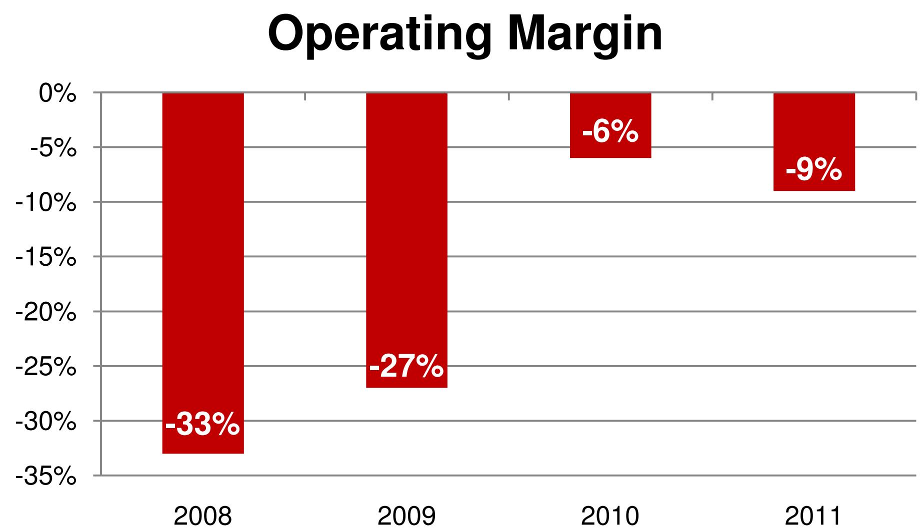
2011 Gross Margins



Contributing Factors

- Decrease in UPS business impacted utilization of manufacturing operations and negatively impacted gross margins
- Learning curve in CPS and Infrastructure Solutions resulted in lower than desired margins on professional services

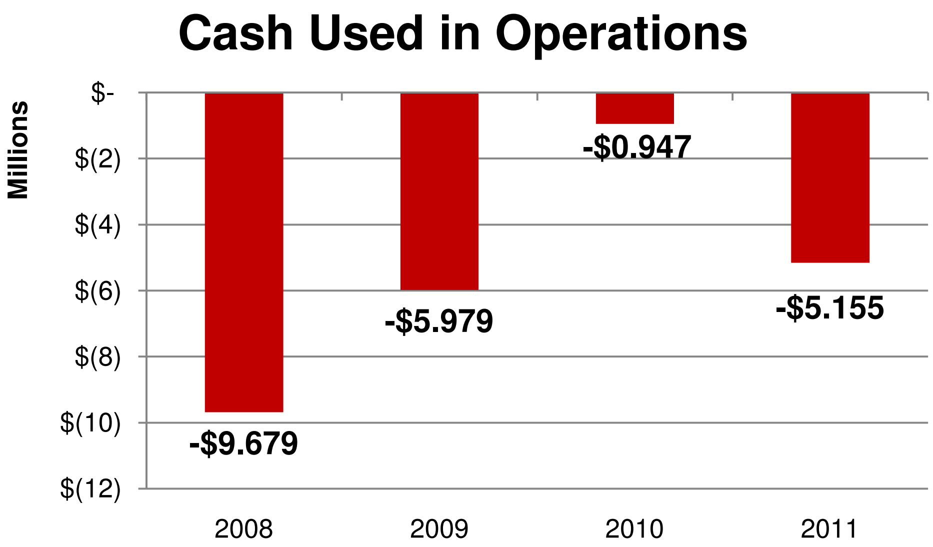
2011 Operating Margins



Contributing Factors

- Lower gross margins
- One-time costs in changing CEO, closing operations in Japan and reducing operations in UK added $1.5MM to operating expenses
- Added overhead to support growth of the CPS and infrastructure operations

2011 Cash Flow



Contributing Factors

- Higher operating losses of $3.1MM
- Growth in infrastructure business requires more in working capital due to longer build cycles
- This tied up an additional $2.5 MM in 2011

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2012: Q1 & Looking Ahead

- New UPS product launch slated for Q4-12
- Raised $9.7M through common stock offering
- Q1 revenue up 14% to a record Q1 of $19.8M vs. Q1-11
- Improved gross margins to 27% vs. 20% in Q4 -11
- Shipped 70 flywheels in Q1 and reached milestone of 3,300+
- Reached 125+ million hours of field runtime
- 800+ megawatts of critical power deployed worldwide
- $13.6M in Q1 revenue from continuous power and infrastructure solutions
- 31% increase in service revenues vs. Q1-11
- 398% increase in IT channel revenues vs. Q1-11

Healthy Global Market and Key Drivers

- $2.3B global UPS market (>100 kVA), growing to $3B in 2015 with nearly 10% CAGR (2010-2015), fastest growing kVA segment[1]
- $460M prefabricated data center market in 2011,forecasting 52% CAGR over next 5 years to reach $2.46B in 2015[2]
- Containerized data centers are becoming more commonplace due to short lead times and more capital efficient model, 50% increase in number of units deployed from 2011 to 2012[3]
- Energy related costs are fastest growing cost in data center, making up 12% of all data center expenses today and increasing to 20% in 2015[4]
- Increasing investment in data center power infrastructure to support growth of enterprise data, social networking/media, web-based apps, etc.

[1] IMS Research, 'World Market for Uninterruptible Power Supplies,' 2011 Edition
[2] 451 Research, 'Sector Report II: Prefabricated Modular Datacenters,' May 10, 2012
[3] IDC, 'Market Analysis Perspective: Worldwide Datacenter Trends and Strategies,' Dec 2011
[4] Gartner, 'How to Measure Energy Consumption in Your Data Center,' Sept. 8, 2010

Focus for 2012: Position

» **Sound value proposition remains relevant**

intelligently EFFICIENT™ inherently RELIABLE™ economically GREEN™

» **Highly differentiated among traditional UPS competitors**

Focus for 2012: Opportunity

Active Power in Action

- 5 data centers certified Tier III by Uptime Institute
- Company that ships the most servers in the world
- Largest wireless carrier in the U.S.
- World's 3rd largest retailer
- 2 of largest data centers in the world
- World's leading search engine providers
- World's largest video game maker
- 4 of the Fortune 10 companies
- 13 of the 30 companies comprising the Dow Jones Industrial Average

Focus for 2012: Mission

Execution

- Significantly improved business processes in high growth areas
- Staffing and planning to execute go-to-market strategy

Core UPS Business

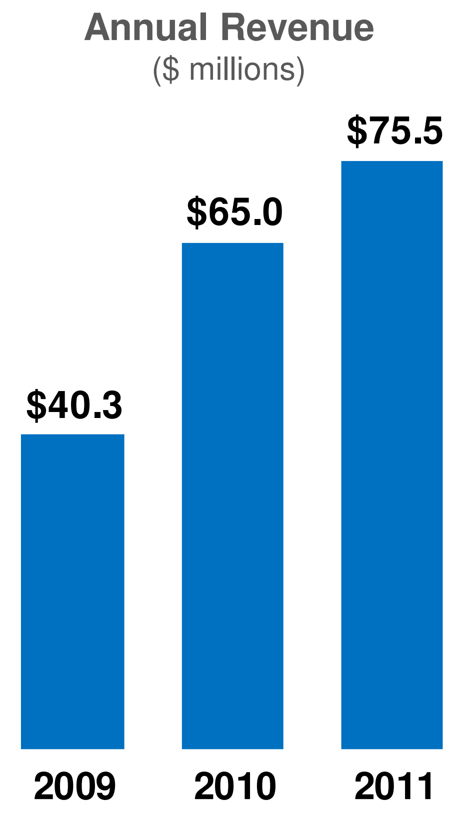
- Returning to growth in our core flywheel UPS segment

New Products

- Introducing innovative products to the market

Key Takeaways

- » Active Power delivers value through efficiency– power and space, capital and risk
- » Leader in efficient, reliable and green critical power and continuous infrastructure solutions
- » Tapping multiple growing global markets
- » Marquee client base & partnerships with strong, growing direct sales force
- » Highly leveragable business model will enable strong revenue growth, margin expansion and profitability



Results of Voting

Questions & Answers