

October 24, 2017



## Capstone Signs Follow-on 2MW Factory Protection Plan in Key Hawaiian Hospitality Market

CHATSWORTH, Calif., Oct. 24, 2017 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation ([www.capstoneturbine.com](http://www.capstoneturbine.com)) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it has recently signed a 2 megawatt (MW) Factory Protection Plan (FPP) multi-year contract with its Hawaiian Distributor Critchfield Pacific for a global resort hotel chain on the island of Maui. This adds to the established, multi-year contract for the same resort hotel chain at a large property on the Hawaiian island of Kauai. Total FPP long-term contract coverage for Capstone units operating in Hawaii is now 74% as a result of the latest multi-megawatt FPP contract.

"We anticipate accelerated adoption of our microturbines at resort hotels in island locations like Hawaii that are subjected to inclement weather events such as hurricanes, typhoons or tropical storms. These weather events can subsequently result in grid outages which are also driving the adoption of our industry-leading FPPs to guarantee high performance and availability of these critical onsite power generation assets," said Jeff Foster, Capstone's Senior Vice President of Customer Service and Quality. "Large multi-year contracts like these are helping to boost the growth of our FPP revenue despite product headwinds from various macroeconomic events," added Mr. Foster.

Capstone's FPP is a comprehensive maintenance program designed to give financial peace of mind to customers by setting the cost at a fixed rate for both scheduled and unscheduled maintenance for the life of the microturbine product. The FPP contract enables customers to have predictable and stable maintenance costs over the life of the equipment and protects the users from unscheduled maintenance expenditures.

"Hotel and resort owners in island locations are beginning to recognize the true value of onsite power generation for combined heat and power and combined cooling heat and power, or CHP/CCHP, especially after the devastating impact of the most recent round of hurricanes in the southeast U.S. and the Caribbean Islands. Property owners are becoming more proactive by working to put onsite energy assets in place in order to guarantee the continued operations of their critical loads at their island-based hospitality facilities," said Darren Jamison, Capstone's President and Chief Executive Officer. "Capstone microturbines are excellent for enabling both onsite prime power generation and CHP/CCHP. Capstone's industry-leading comprehensive long-term FPP service contracts provide a complete end-to-end solution to cost-effectively assure operations at these higher risk island locations," added Mr. Jamison.

"Now more than ever customers recognize the need to reduce operational risks of grid

outages caused by unpredictable weather. The recent hurricanes are helping to bring forth a greater awareness to Capstone's innovative microturbine product and service offerings, much as they had done so in the past within the greater New York area. Since the devastation of Hurricane Sandy in 2012, our local distribution partner in New York, RSP Energy Systems, currently has 81% of their fleet under long-term FPPs," said Jim Crouse, Capstone Executive Vice President of Sales and Marketing.

"The combination of the increased market awareness of Capstone microturbines due to the recent hurricanes, and the benefit of both our highly reliable microturbine products for onsite generation and our industry-leading long-term FPP service contracts, are the foundation of our multi-point strategic path towards achieving Adjusted EBITDA breakeven in the near term," said Jayme Brooks, Capstone's Chief Financial Officer and Chief Accounting Officer.

Adjusted EBITDA is defined as net income before interest, provision for income taxes, depreciation and amortization expense, stock-based compensation expense and the change in warrant valuation. Adjusted EBITDA is not a measure of our liquidity or financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of our liquidity.

#### About Capstone Turbine Corporation

Capstone Turbine Corporation ([www.capstoneturbine.com](http://www.capstoneturbine.com)) (NASDAQ:CPST) is the world's leading producer of low-emission microturbine systems and was the first to market commercially viable microturbine energy products. Capstone has shipped over 9,000 Capstone Microturbine systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone is a member of the U.S. Environmental Protection Agency's Combined Heat and Power Partnership, which is committed to improving the efficiency of the nation's energy infrastructure and reducing emissions of pollutants and greenhouse gases. A UL-Certified ISO 9001:2015 and ISO 14001:2015 certified company; Capstone is headquartered in the Los Angeles area with sales and/or service centers in the United States, Latin America, Europe, Middle East and Asia.

This press release contains "forward-looking statements," as that term is used in the federal securities laws, including statements about the rate of adoption of Capstone products, and FPP contracts. Forward-looking statements may be identified by words such as "expects," "objective," "intend," "targeted," "plan" and similar phrases. These forward-looking statements are subject to numerous assumptions, risks and uncertainties described in Capstone's filings with the Securities and Exchange Commission that may cause Capstone's actual results to be materially different from any future results expressed or implied in such statements. Capstone cautions readers not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Capstone undertakes no obligation, and specifically disclaims any obligation, to release any revisions to any forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

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Source: Capstone Turbine Corporation