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Capstone Secures a 9-year Follow-on Factory Protection Plan (FPP) for a European Customer with 392,000 Hours of Successful Operation

VAN NUYS, Calif., Aug. 23, 2018 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq: CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it has secured a significant Factory Protection Plan (FPP) aftermarket long-term service contract renewal from a key European customer. The 9-year FPP renewal is for fourteen C60 microturbines that have been operating for a cumulative of 392,000 hours since 2008.

Biogaz Service, Capstone's exclusive distributor for France, secured the follow-on FPP contract renewal, which supports the continued operation of these microturbines for what will be an almost twenty year period through September of 2027.

"A central component to Capstone's strategic growth strategy is to increase our quarterly aftermarket accessories, parts, and FPP service revenue to the point that it completely covers our quarterly operating expenses. Achieving this goal will eliminate our quarterly profitability risk while simultaneously unlocking our upside growth potential to enable market-based and national account pricing opportunities," said Darren Jamison, President and Chief Executive Officer of Capstone.

The site was commissioned in June 2008 and is located in northern France near the city of Rouen. The fourteen Capstone C60 microturbines are fueled by paper-derived digester gas and the heat from the microturbines' exhaust is fed to a common header with the recovered heat being used by the plant's paper mill processes, resulting in an overall highly-efficient installation.

"Capstone is unique in the clean technology space in that our microturbine technology has a demonstrated twenty years of useful life, and we also are willing to guarantee the life cycle costs on an installation that already has almost 400 thousand operating hours," said Jim Crouse, Executive Vice President of Sales and Marketing for Capstone. "This paper-derived site highlights the value our customers can achieve from the installation of our microturbines, the innovation possible with the application of our unique technology, and the long useful life that can be achieved from our products when leveraging the factory-backed FPP program," added Mr. Crouse.

Capstone's innovate FPP program is an industry-leading aftermarket service plan, delivering peace of mind, predictable maintenance costs and remote monitoring capabilities at an economical price. The all-inclusive long-term FPP contract helps ensure business continuity

while normalizing maintenance costs with a simple fixed maintenance fee per year regardless of the annual scheduled or unscheduled maintenance required.

“Capstone continues to expand its aftermarket service offering to be more competitive in the distributed generation marketplace and is now bundling our product, accessories, and service contracts to make our value proposition even more compelling to the end-use customer,” said Jeff Foster, Senior Vice President of Customer Service for Capstone.

About Capstone Turbine Corporation

Capstone Turbine Corporation (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 DQS-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.

For more information about the company, please visit www.capstoneturbine.com. Follow Capstone Turbine on [Twitter](#), [LinkedIn](#) and [YouTube](#).

Forward-Looking Statements

This press release contains “forward-looking statements,” as that term is used in the federal securities laws. Forward-looking statements may be identified by words such as “expects,” “believe”, “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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