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Capstone Launches Enhanced Industry-Leading Factory Protection Plan

VAN NUYS, Calif., Feb. 11, 2019 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq: CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today it has launched an enhanced version of its industry-leading Factory Protection Plan (FPP) service product, with many new coverage options for end-use customers of Capstone's microturbine energy systems.

Capstone's FPP is a comprehensive maintenance program designed to give financial peace of mind to microturbine customers by providing product life cycle costs at a fixed rate for both scheduled and unscheduled maintenance for the life of the microturbine system. The FPP policy enables microturbine customers to have predictable and stable maintenance costs over the entire life cycle of the equipment and protects the installation from potentially costly unscheduled maintenance. In addition, the program protects microturbine customers from future increases in life cycle costs associated with changes in replacement spare parts pricing, commodity price increases, import tariffs, and interest rate changes.

With this new FPP service product launch, Capstone's first since 2013, the FPP has been enhanced with new and exciting options that customers have requested, creating even greater flexibility and value from the industry-leading program. Enhancements to the Capstone FPP include: new options for lower annual operating hours that will directly address the backup and peak power markets; policy terms extended to 15 and 20-year options, acknowledging the long-life customers are experiencing with Capstone's microturbine systems; and many new product configurations offered as standard catalog priced options, addressing the applications worldwide that Capstone's microturbine systems are now supporting with reliable low carbon energy. These improvements were added while holding the pricing for the programs flat, as Capstone continues to increase its a la carte individual spare parts pricing consistently on an annual basis.

"With the ever-increasing pressures on material costs due to the global issues such as tariffs and trade disputes, we are very pleased to be able to continue to offer our industry-leading FPP at the same pricing baseline we established back in 2013," said Jeff Foster, Sr. Vice President of Customer Service. "This consistent pricing for the past six continuous years and now for this upcoming year underscores the great value for our customers in the FPP offering and guarantees great stability from Capstone's clean energy solutions, in a very unstable and dynamic macroeconomic world," added Mr. Foster.

"These types of long-term service contracts underpin our stated goal of achieving 100% absorption of all corporate operating costs from the aftermarket service gross margin by providing a predictable future revenue stream," said Darren Jamison, President and Chief Executive Officer. "The many new offerings of our already industry-leading FPP program further support continued growth, and just as importantly provides additional options for real and consistent value gained from the purchase of a Capstone microturbine clean energy solution," concluded Mr. Jamison.

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,” “believes,” “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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