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Capstone Executives Voluntarily Cancel Unvested Stock Options as Part of Ongoing Cost Reduction Plan

CHATSWORTH, Calif., March 30, 2016 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that Capstone's executive management team has voluntarily agreed to cancel and terminate a total of 65,509 unvested stock options that had been previously issued to them. The executive management team did not receive anything in return for the cancellation and termination of the unvested stock options. This is a part of Capstone's ongoing cost-cutting measures and is expected to reduce the company's stock compensation expense by approximately \$667,000 that otherwise would have been recognized upon the vesting of the stock options over a weighted average period of approximately 2.3 years.

Darren Jamison, President and Chief Executive Officer of Capstone Turbine, said, "This serves as another example of our executive management team's dedication and willingness to take proactive measures as we continue to execute our three-pronged recovery plan to reduce operating expenses, diversify and increase revenue, and improve gross margin."

In light of multiple macroeconomic headwinds the company faced, Capstone launched an aggressive cost reduction campaign last April when it flattened its organizational structure to lower operating costs and eliminate three executive positions, which saved the company an estimated \$2 million annually in salaries, equity, benefits, bonuses, and travel costs after payment of associated employee severance benefits. The company has since gone on to voluntarily suspend the executive bonus program and employee merit increases, as well as implement organizational spending cuts focused on Sales & Marketing, Research & Development, and General & Administrative expenses.

Mr. Jamison concluded, "We still have much to do and a lot of hard work ahead of us, but I am confident that our team is on track to achieve our goals as we continue to operate in a challenging business environment. We are focused on reaching EBITDA breakeven as quickly as possible as we execute our plan to lower our breakeven to a \$25 million quarterly revenue level. We are extremely proud of our recent C1000 Signature Series product launch, CHP growth in the U.S. and emerging markets, and the revenue growth opportunities that we believe our new Capstone finance entity will bring us."

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 Turbine has shipped over 8,700 Capstone Microturbine systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone Turbine 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 9001:2008 and ISO 14001:2004 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the New York Metro Area, United Kingdom, Mexico City, Shanghai and Singapore.

The Capstone Turbine Corporation logo is available at <https://www.globenewswire.com/newsroom/prs/?pkgid=6212>

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about the success of our strategic initiatives, reduction in operating expenses, diversification and growth of revenue, and improvement in gross margin. 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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