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Capstone Further Cuts Expenses by Reducing External Audit and Investor Relations Expenses

CHATSWORTH, Calif., Dec. 07, 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 as part of its three-pronged profitability plan, it has substantially reduced its external audit and investor relations expenses by changing audit firms and insourcing the investor relations function.

A key part of Capstone's three-pronged profitability plan is reducing the company's breakeven revenue levels from approximately \$160 million in annual revenue at 25% gross margin to approximately \$100 million in annual revenue by reducing total business expenses by 35% from the first quarter of fiscal 2016 levels.

The company's recently reported operating expenses for the second quarter fiscal 2017 decreased by approximately 33% to \$6.4 million from \$9.6 million in the year-ago quarter resulting in a net loss for the second quarter of \$5.9 million, compared with a net loss of \$7.9 million in last year's second quarter, despite lower year-over-year revenue.

Darren Jamison, President and Chief Executive Officer of Capstone, said, "By changing our audit firm and insourcing our investor relations function, we estimate that we will reduce our external audit and investor relation expenses by approximately \$600,000 in fiscal 2018 compared to fiscal 2016. This is the latest step for us as we continue to look at reducing costs in order to achieve our goal of reducing total business expenses by 35%."

Other aspects of our path to profitability include developing new products and services to drive renewed revenue growth opportunities and the launch last December of the Capstone Energy Finance joint venture to capture lost orders due to the lack of customer capital dollars or project financing.

"As we continue to execute on all phases of our three-pronged profitability plan, I believe we will accomplish our 35% cost reduction target first, followed by our revenue target, and lastly our 25% gross margin target, as this margin is dependent on increased product volumes and continued reduction in the direct material cost of our recently launched Signature Series CHP product," added 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 approximately 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 China.

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about the achievement of our three-pronged profitability plan, including meeting revenue, gross margin, and cost reduction targets. 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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Capstone Turbine Corporation
Investor and investment inquiries:
818-407-3628
ir@capstoneturbine.com



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