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## Capstone Closes Equity Offering and Announces Preliminary Fiscal Year 2014 Operating Results

CHATSWORTH, Calif., May 7, 2014 (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, today announced the closing of its public offering of 18,825,000 shares of its common stock. The closing occurred on May 6, 2014. The stock was priced at \$1.70 per share and allocated to a single institutional investor. Net proceeds from the sale of the shares, after underwriting discounts and commissions, were approximately \$30.2 million.

The company also announced preliminary operating results for the fiscal year ended March 31, 2014. Management currently expects the Company's revenue for the fiscal year ended March 31, 2014 to be approximately \$133.1 million, which reflects an increase of approximately \$5.5 million, or 4%, over revenue of \$127.6 million for the fiscal year ended March 31, 2013. Management currently expects cash and cash equivalents to be approximately \$27.9 million as of March 31, 2014, as compared to \$38.8 million as of March 31, 2013. The net decrease in cash and cash equivalents primarily reflects the usage of cash for operating activities and the timing of cash receipts on the increased revenue.

Management currently expects backlog to increase by approximately \$22.7 million, or 15%, to a record \$171.6 million as of March 31, 2014, compared to \$148.9 million as of March 31, 2013.

"Our expected annual revenue growth of 4% in fiscal 2014 was slower than in recent years but still reflects an impressive compounded annual growth rate of 30% since fiscal 2007," said Darren Jamison Capstone President and Chief Executive Officer. "Fourth quarter 2014 revenue was the second highest in company history and 3% higher than the year-ago quarter. Healthy new order flow pushed our backlog to an expected record of \$171.6 million as of March 31, 2014. Ending backlog is a leading indicator of future revenue growth, and coupled with expanding markets and market opportunities, exciting developments in our product suite, and advancements in our aftermarket services business, these trends bode well for our revenue and margin expansion opportunity in fiscal 2015 and beyond. Likewise, as customers continue to migrate toward larger units and larger projects, Capstone's crossover to positive EBITDA and cash flow is forthcoming.

"When considering our potential net cash position and potential future working capital swings as we continue to grow the business, we felt it was prudent to strengthen our balance sheet with the necessary working capital to execute our record level of product backlog," Jamison continued. "While initially we were not in compliance with our Wells Fargo credit facility based on our fourth quarter preliminary results, we have already received a waiver from our

lender and now have ample cash to service our future obligations."

Capstone management looks forward to discussing the fourth quarter and fiscal year 2014 results during its upcoming earnings conference call in June.

#### 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 Turbine has shipped approximately 7,000 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 future revenue growth, expanding markets and market opportunities, product development and advancements in our aftermarket services business. 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. The financial information set forth herein is estimated and is subject to change. We are currently finalizing our financial statements for the fiscal year ended March 31, 2014. Complete results for the fiscal year ended March 31, 2014 will be announced in June 2014. The preliminary unaudited financial data for the fiscal year ended March 31, 2014 included herein have been prepared by, and are the responsibility of, our management and have not been reviewed or audited or subject to any other procedures by our independent registered public accounting firm.

"Capstone" and "Capstone MicroTurbine" are registered trademarks of Capstone Turbine Corporation. All other trademarks mentioned are the property of their respective owners.

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