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Capstone Secures Nine-Year FPP Service Contract for a C1000S at a High-Tech Distribution Center of a Leading New York Food Retailer

VAN NUYS, Calif., May 07, 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 nine-year Factory Protection Plan (FPP) service contract at a new 650,000 square foot state-of-the-art warehouse and shipping center for a leading food retailer in the New York area.

RSP Systems, Capstone's exclusive distributor for the Connecticut and the New York metropolitan area, secured the nine-year FPP aftermarket service agreement at the major food retailer's new warehouse and shipping center located in the Bronx. The C1000 Signature Series microturbine is installed using five Capstone integrated hot water heat recovery (HRM) modules.

The natural gas-fueled microturbine is installed in a combined heat and power (CHP) configuration and operates in parallel with the main electrical distribution system to provide base load power for the facility 8,760 hours per year. The thermal energy generated offsets the usage of the gas-fired boilers and is used to make hot water for the onsite cleaning system. Additionally, the microturbine will provide approximately 700 kilowatts (kW) of backup power in the event of a utility outage.

Capstone's FPP 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.

This new nine-year FPP contract brings RSP Systems fleet up to 138 microturbines under long-term contract in the greater New York metropolitan area out of 175 installed turbines, resulting in a 79% FPP attachment rate which is one of the highest rates for a significant Capstone distribution partner in the world.

"RSP Systems continues to add to their impressive New York area FPP aftermarket contract base of marque installations that already includes several Class A office buildings, mixed-use buildings, industrial applications, hospitals, universities, a sports center, zoo and now a leading food retailer said Jim Crouse, Capstone's Executive Vice President of Sales and Marketing. "RSP Systems continues its success by offering superior upfront sales, and applications support combined with exceptional aftermarket support. Capstone is very

excited to see their continued growth and have RSP as a partner as they are a model Capstone distributor,” added Mr. Crouse.

“A key component to Capstone’s growth strategy is to increase our quarterly aftermarket service revenue and expand aftermarket gross margins to the point that they cover 100% of our quarterly operating costs,” said Darren Jamison, President and Chief Executive Officer of Capstone. “The FPP attachment rate on our combined heat and power (CHP) business has historically been much higher than some of our other segments such as in the oil and gas industry. However, we are seeing positive changes there as well as more oil and gas customers are recognizing the value and peace of mind provided by our factory-backed guaranteed life cycle contracts,” added Mr. Jamison.

“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," "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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