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Capstone Receives \$1.1 Million from New Distributor Support System to Accelerate Future Product Revenue and Improve Global Brand Identification

VAN NUYS, Calif., Nov. 05, 2018 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq: CPST), the world's leading clean technology manufacturer of microturbine energy systems, provided the initial results today of its new Capstone Distributor Support System, or DSS program, that was initiated as of January 1, 2018 and outlined publically this past April.

The goal of the new DSS program is to provide improved worldwide distributor training, sales efficiency, website development, company branding and funding for increased strategic marketing and customer acquisition activities. Specifically, the DSS program consolidates funding for additional support that is needed for ongoing distributor business development activities, customer lead generation, brand awareness, and marketing services for each geography and market vertical served. Under the new DSS program, Capstone's distributors no longer pay for regularly scheduled training courses for authorized service providers (ASPs), product applications or product sales. The DSS program also covers all required software licenses that are needed to be an efficient and successful Capstone distributor. In addition, the DSS program includes the development and hosting of new distributor websites, which are being linked to Capstone's corporate website to provide a seamless customer experience worldwide.

The new DSS program is fully sponsored by Capstone's global distribution network through funding derived from a formula based on a distribution partner's prior calendar year of Capstone specific revenue. In calendar year 2018, Capstone received \$1.1 million, or approximately 80%, of the expected \$1.3 million of funding and has distributor commitments and payment plans in place to collect the remaining \$300 thousand of funding due by the end of the calendar year. As a result of the DSS program, Capstone has increased its global marketing and customer acquisition efforts without negatively affecting its lean operating expense profile.

The new DSS program provides several unique and proprietary products and services to Capstone's global distribution network to help drive future revenue growth and further Capstone's global brand recognition. This new DSS program not only contributes directly to the growth of the service revenue line item but it also impacts growth in product revenue as a result of the increased global marketing and customer acquisition activities. Capstone's product revenue for the second quarter of fiscal 2019 was up approximately 22% year over year and total revenue for the first six months of the fiscal year is up double-digits year-over-year.

In October 2018, Capstone exhibited, sponsored or presented at the following events:

- HOMER International Microgrid Conference in San Diego, California;
- Distributed Energy Conference in Golden, Colorado;
- Millennium Alliance Healthcare Summit in Denver, Colorado;
- Vale Sub Saharan African Power Summit in Cape Town, South Africa; and
- World Energy Engineering Conference (WEEC) in Charlotte, North Carolina

In November, Capstone will be displaying its microturbine products at the upcoming Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) in Dubai, United Arab Emirates. ADIPEC is one of the largest energy exhibitions in the world and is set to welcome an estimated 110,000 attendees from November 12th to 15th.

“Based on the early returns, the new DSS program has been very successful and is expected to be a key enabler of our future double-digit revenue growth plans as it has dramatically increased Capstone’s annual spend on customer acquisition efforts, marketing and branding without increasing our annual operating expenses,” said Darren Jamison, President and Chief Executive Officer of Capstone.

“The beauty of this new program is that it allows us to speed up the maturation process within the Capstone distribution channel while continuing to expand the program’s funding each year as our annual revenue increases. It helps identify which of our distribution partners are aligned with the goals of the Capstone family and to improve our ability to execute future growth plans. We have seen fantastic support from some of our most loyal and forward-looking distribution partners, such as E-Finity, Horizon Power, RSP Systems, Cal Microturbine and Supernova,” 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 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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