

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 30, 2003

CAPSTONE TURBINE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-15957 (Commission file number)	95-4180883 (I.R.S. Employer Identification No.)
---	---------------------------------------	---

21211 Nordhoff Street, Chatsworth, California 91311
(Address of principal executive offices)

(818) 734-5300

(Registrant's telephone number, including area code)

1

Item 9. REGULATION FD DISCLOSURE (The following discussion is furnished under "Item 12. Results of Operations and Financial Condition")

The following information, including the text of the press release attached as an Exhibit to this Form 8-K, is being furnished pursuant to Item 12. "Results of Operations and Financial Condition," under Item 9. "Regulation FD Disclosure" in accordance with SEC Release No. 33-8216.

On April 30, 2003, Capstone Turbine Corporation (the "Company") announced via a press release the Company's financial results for its first quarter ended March 31, 2003. A copy of the Company's press release is attached hereto as Exhibit 99.1. This Form 8-K and the attached exhibit are provided under Item 12 of Form 8-K and are furnished to, but not filed with, the Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAPSTONE TURBINE CORPORATION
(Registrant)

Date: April 30, 2003

By: /s/ Karen Clark

Karen Clark
Chief Financial Officer

Exhibit Index

Exhibit Number	Description of Document
-----	-----
99.1	Press Release of Registrant, dated April 30, 2003, reporting Registrant's fiscal first quarter results.

Capstone Turbine Announces First Quarter Results

CHATSWORTH, Calif.--(BUSINESS WIRE)--April 30, 2003--Capstone Turbine Corporation (Nasdaq:CPST) (www.microturbine.com), the world's leading microturbine power systems manufacturer, today reported its results for the quarter ended March 31, 2003.

Revenue for the quarter was \$2.8 million as compared with \$4.6 million for the first quarter of 2002. Capstone shipped 1.3 megawatts of power during the first quarter of 2003, compared with 4.7 megawatts during the first quarter of 2002.

For the first quarter of 2003, Capstone's net loss was \$7.6 million, or (\$0.09) per share compared to a net loss of \$12.0 million or (\$0.16) per share during the first quarter of 2002.

According to interim CEO, Emily Liggett, "We continued to face a soft economic environment, with weakness in our combined heat and power (CHP) markets. In this environment, we are executing our business plan: focusing on building selected vertical markets, lowering maintenance costs and developing targeted new products.

"While sales during the quarter were low, orders were strong and we entered the second quarter with 7 megawatts of orders scheduled for shipment primarily during the second and third quarters of this year. In April, we shipped 1.6 megawatts of these orders. We are encouraged that installations continued to grow during the first quarter with a net decrease of channel partner inventory. We now believe close to 600 units are available for sale from channel partners compared to up to 700 reported on our last call," said Ms. Liggett.

Commenting on the Company's progress on its business plan initiatives, Ms. Liggett said, "We made progress on all our initiatives this quarter. As an example, we recently launched a new integrated CHP product built upon our C60 system. The product provides many benefits over our previous offering of separate heat recovery modules. These benefits include reduced total installed cost, increased total system efficiency, greatly reduced floor space needs and electrical and thermal load following flexibility. In addition, we started engine endurance testing of our C200 product during the first quarter. This is an important development gate towards our plans to introduce the C200 in 2004."

First Quarter Financial Highlights

Capstone shipped 38 units, comprised of 6 of its 60-kilowatt systems and 32 of its 30-kilowatt systems, in the first quarter of 2003. Product shipments in the quarter resulted in \$1.4 million of revenues as compared with \$3.8 million of product revenue in the same period a year ago. In the quarter, revenues from the sales of parts, accessories and service were \$1.4 million compared with \$0.8 million in the same period of the prior year. Included in the quarter's shipments were units sold to the United States Navy, in support of the missile defense program. This shipment and one other accounted for 50% of the sales in the period.

Gross loss in the quarter was \$2.2 million, compared to \$3.0 million for the same period in the prior year. The reduction in gross loss was primarily from increased sales of parts, accessories and service, and higher average selling prices of microturbines.

Research and development ("R&D") costs decreased to \$1.0 million in the period, as compared to \$1.4 million in the first quarter of 2002. R&D expenses are reported net of contract offsets. These offsets were \$1.7 million and \$1.3 million in 2003 and 2002, respectively. Therefore, gross research and development expenses were comparable for the two quarters.

Selling, general and administrative expenses decreased to \$4.8 million, compared with \$8.4 million in the first quarter of 2002. The decreased expenses between periods were due to several factors including: there was no amortization expense from marketing rights in the first quarter of 2003 compared to \$1.3 million in the prior year; second, as a result of a settlement agreement with a professional services firm, \$1.1 million of administrative expenses recorded in prior years were reversed in the first quarter of 2003; and third, there was lower spending in 2003.

Total inventory increased \$0.6 million to \$16.5 million from year-end. The increase was due to inventory purchases under firm contracts with suppliers.

As of March 31, 2003, Capstone held approximately \$132.6 million in cash and cash equivalents, with no long-term debt. The Company's cash utilization was \$7.7 million in the first quarter of 2003, compared to \$6.5 million in the first quarter of 2002. The cash usage rate reflected \$2.1 million higher cash usage for working capital in the current period.

Outlook

As previously announced, the Company will not be providing guidance on anticipated financial results by quarter or for the year. Instead, the Company is providing the following outlook regarding revenue and will continue to communicate its strategies and priorities as well as actual results throughout the year. While outcomes and timing of transactions make a wide range of revenue outcomes possible, at this date, the Company believes revenues for the full year 2003 are likely to be flat to down from the \$19.4 million in sales for the year ended December 31, 2002.

Conference Call

The Company will host a conference call today, Wednesday, April 30, at 2:00 p.m. Pacific Time, to further review the Company's first quarter results. Access to the live broadcast and a replay of the webcast will be available until May 9th through the Company's web site: www.microturbine.com.

About Capstone Turbine

Capstone Turbine Corporation (www.microturbine.com; Nasdaq: CPST) is the world's leading producer of low-emission microturbine systems. In 1998, Capstone was the first to offer commercial power products utilizing microturbine technology, the result of more than ten years of focused research. Capstone Turbine has sold and shipped more than 2,500 commercial production Capstone MicroTurbine systems to customers worldwide. These award-winning systems have logged more than 3.5 million hours of operation.

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about Capstone's business, with regard to the ability to execute the Company's business plan, deliver expected results for the year, build long-term success, reach profitability, address its market challenges, maintain or strengthen its position as a leading technology, develop new products according to plans, conserve its cash, maintain its business partners, deplete channel partner inventories or its ability to increase installations or build its rate of adoption. These forward-looking statements are subject to numerous assumptions, risks and uncertainties that may cause Capstone's actual results to be materially different from any future results expressed or implied in such statements. Such factors include, but are not limited to:

- 1) Market acceptance and quality of Capstone's technology and products;
- 2) Limited operating history characterized by net losses;
- 3) The size, timing, shipment and pricing of individual orders;
- 4) The ability of Capstone to successfully execute its production and marketing plans;
- 5) The ability of Capstone's sales channel partners to provide quality and cost effective solutions for customers;
- 6) The Company's ability to develop additional microturbine product releases; and
- 7) Other factors detailed in the Company's filings with the Securities and Exchange Commission.

Capstone cautions readers not to place undue reliance on these 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.

"Capstone Turbine Corp." is a registered trademark of Capstone Turbine Corporation. All other trademarks mentioned in this press release are the property of their respective owners.

CAPSTONE TURBINE CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2003	December 31, 2002
Assets		
Current Assets:		
Cash and cash equivalents	\$132,584,000	\$140,310,000
Accounts receivable, net of allowance for doubtful accounts and sales returns of \$414,000 at March 31, 2003 and \$194,000 at December 31, 2002	3,748,000	4,893,000
Inventory	12,121,000	9,124,000
Prepaid expenses and other current assets	1,341,000	2,331,000
Total current assets	149,794,000	156,658,000
Equipment and Leasehold Improvements:		
Machinery, equipment, and furniture	23,914,000	22,996,000
Leasehold improvements	8,480,000	8,480,000
Molds and tooling	4,365,000	4,350,000
	36,759,000	35,826,000
Less accumulated depreciation and amortization	16,857,000	15,346,000
Total equipment and leasehold improvements	19,902,000	20,480,000
Non-current portion of Inventory	4,412,000	6,784,000
Deposits on Fixed Assets	73,000	708,000
Other Assets	505,000	532,000
Intangible Assets, Net	1,961,000	2,029,000
Total	\$176,647,000	\$187,191,000
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$2,156,000	\$4,321,000
Accrued salaries and wages	1,472,000	2,088,000
Other accrued liabilities	1,117,000	1,132,000
Accrued warranty reserve	6,657,000	6,913,000
Deferred revenue	1,253,000	734,000
Current portion of capital lease obligations	1,411,000	1,522,000
Total current liabilities	14,066,000	16,710,000
Long-Term Portion of Capital Lease Obligations	736,000	974,000
Other Long-Term Liabilities	1,277,000	1,325,000
Commitments and Contingencies	--	--
Stockholders' Equity:		
Common stock, \$.001 par value; 415,000,000 shares authorized; 81,700,735 shares issued and 81,248,782 shares outstanding at March 31, 2003; 81,635,035 shares issued and 81,437,822 shares outstanding at December 31, 2002	82,000	82,000
Additional paid-in capital	527,188,000	526,952,000
Accumulated deficit	(366,281,000)	(358,646,000)
Less Treasury stock, at cost; 451,953 shares at March 31, 2003; 197,213 shares		

at December 31, 2002	(421,000)	(206,000)
Total stockholders' equity	160,568,000	168,182,000
Total	\$176,647,000	\$187,191,000

CAPSTONE TURBINE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2003	2002
Revenues	\$2,782,000	\$4,591,000
Cost of Goods Sold	4,956,000	7,549,000
Gross Loss	(2,174,000)	(2,958,000)
Operating Costs and Expenses:		
Research and development	1,006,000	1,439,000
Selling, general and administrative	4,821,000	8,360,000
Total operating costs and expenses	5,827,000	9,799,000
Loss from operations	(8,001,000)	(12,757,000)
Interest Income	439,000	823,000
Interest Expense	(73,000)	(115,000)
Other Income	2,000	21,000
Loss Before Income Taxes	(7,633,000)	(12,028,000)
Provision for Income Taxes	2,000	2,000
Net Loss	\$ (7,635,000)	\$ (12,030,000)
Weighted Average Common Shares Outstanding	81,410,614	77,387,574
Net Loss Per Share of Common Stock -- Basic and Diluted	\$ (0.09)	\$ (0.16)

CAPSTONE TURBINE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2003	2002
Cash Flows from Operating Activities:		
Net loss	\$ (7,635,000)	\$ (12,030,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,573,000	3,083,000
Non-cash reversal of administrative expenses	(1,099,000)	--
Provision for doubtful accounts	220,000	125,000
Inventory write-down	243,000	472,000
Provision for warranty expenses	385,000	847,000
Loss on disposal of fixed assets	--	37,000
Non-employee stock-based compensation	4,000	--
Employee and director stock-based compensation	210,000	265,000
Changes in operating assets and liabilities:		
Accounts receivable	925,000	2,740,000
Inventory	(868,000)	941,000
Prepaid expenses and other assets	990,000	(275,000)
Accounts payable	(1,066,000)	(713,000)
Accrued salaries and wages	(625,000)	(152,000)
Other accrued liabilities	(54,000)	(823,000)
Accrued warranty reserve	(641,000)	(308,000)
Deferred revenue	519,000	(84,000)
Net cash used in operating activities	(6,919,000)	(5,875,000)
Cash Flows from Investing Activities:		
Acquisition of and deposits on fixed assets	(271,000)	(394,000)
Net cash used in investing activities	(271,000)	(394,000)
Cash Flows from Financing Activities:		
Purchase of treasury stock	(215,000)	--
Repayment of capital lease obligations	(343,000)	(315,000)

Exercise of stock options	22,000	80,000
Net cash used in financing activities	(536,000)	(235,000)
Net Decrease in Cash and Cash Equivalents	(7,726,000)	(6,504,000)
Cash and Cash Equivalents, Beginning of Period	140,310,000	170,868,000
Cash and Cash Equivalents, End of Period	\$132,584,000	\$164,364,000
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	\$73,000	\$115,000
Income taxes	\$2,000	\$2,000

CONTACT: Capstone Turbine Corporation
Wade Welch, 818/734-5555 (Investor Media)
Keith Field, 818/734-5465 (General Media)