

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

Date of Report (Date of earliest event reported) **August 8, 2013**

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**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**  
(IRS Employer Identification No.)

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

**91311**  
(Zip Code)

Registrant's telephone number, including area code: **(818) 734-5300**

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 2.02. Results of Operations and Financial Condition.**

On August 8, 2013, Capstone Turbine Corporation issued a press release announcing its financial results for the quarter ended June 30, 2013. A copy of the press release is furnished as Exhibit 99 to this Current Report on Form 8-K and is incorporated herein by reference in its entirety.

## **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit 99	Press release of Capstone Turbine Corporation dated August 8, 2013 containing financial information for the quarter ended June 30, 2013.
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**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**

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(Registrant)

**/s/ EDWARD I. REICH**

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Edward I. Reich

*Executive Vice President and Chief Financial Officer*

**August 8, 2013**

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(Date)

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Exhibit Index

<u>Exhibit</u>	<u>Description</u>
Exhibit 99	Press release of Capstone Turbine Corporation dated August 8, 2013 containing financial information for the quarter ended June 30, 2013.

## Capstone Turbine Announces First Quarter Fiscal Year 2014 Operating Results

*Quarterly Gross Margin of 14%*

*Record Backlog of \$155.8 Million at June 30, 2013*

CHATSWORTH, Calif., Aug. 8, 2013 (GLOBE NEWSWIRE) -- **Capstone Turbine Corporation** (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, today announced its financial results for the first quarter of fiscal year 2014 ended June 30, 2013.

### First Quarter 2014 Highlights

- Revenue of \$24.4 million, product revenue of \$20.2 million
- Gross margin of \$3.3 million, or 14%, compared to \$2.2 million, or 8%, in first quarter Fiscal 2013
- Third consecutive quarter of double-digit gross margin
- Record product backlog of \$155.8 million at June 30, 2013
- New product orders of \$27.1 million

### Management Commentary

"While the first quarter was disappointing from a revenue perspective, this was not a result of systemic business issues, but rather a timing issue with regard to collections and shipments," said Darren Jamison, Capstone's President and Chief Executive Officer. "The fundamentals of the business remain robust, driving gross margin of 14% and a new company record for backlog, and reflecting the inherent strengths of our operations based on the improvements we've made across the organization over the past several years. The management team remains confident and looks forward to a strong rebound in Q2 and reaching our total year goal of continued revenue growth and EBITDA breakeven for the first time in company history."

### First Quarter 2014 Financial Summary

Revenue for the first quarter of Fiscal 2014 was \$24.4 million, compared to \$35.4 million for the fourth quarter of Fiscal 2013, and \$28.8 million for the first quarter of Fiscal 2013.

Capstone's backlog as of June 30, 2013 was \$155.8 million, an increase of 5% from \$148.9 million at March 31, 2013, and an increase of 12% from \$139.5 million at June 30, 2012.

Gross margin for the first quarter of Fiscal 2014 was \$3.3 million, or 14% of revenue, compared to \$5.0 million, or 14% of revenue, for the fourth quarter of Fiscal 2013, and \$2.2 million, or 8% of revenue, for the first quarter of Fiscal 2013.

Research and development expenses were \$2.3 million for the first quarter of Fiscal 2014, compared to \$2.2 million for the fourth quarter of Fiscal 2013 and \$2.2 million for the first quarter of Fiscal 2013.

Selling, general and administrative expenses were \$7.6 million for the first quarter of Fiscal 2014, compared to \$6.7 million for the fourth quarter of Fiscal 2013 and \$7.4 million for the first quarter of Fiscal 2013.

Capstone's net loss was \$6.8 million, or \$0.02 loss per share, for the first quarter of Fiscal 2014, compared to a net loss of \$4.1 million, or \$0.01 loss per share, for the fourth quarter of Fiscal 2013, and a net loss of \$7.8 million, or \$0.03 per share, for the first quarter of Fiscal 2013. Capstone's loss from operations for the first quarter of Fiscal 2014 was \$6.6 million, compared to \$3.9 million for the fourth quarter of Fiscal 2013 and \$7.5 million for the first quarter of Fiscal 2013.

### Liquidity and Capital Resources

At June 30, 2013, cash and cash equivalents totaled \$21.6 million, compared to \$38.8 million at March 31, 2013 and \$45.1 million at June 30, 2012.

During the first quarter of Fiscal 2014, Capstone used \$15.9 million of cash in operating activities and spent \$0.3 million in capital expenditures. This compares to cash used in operating activities of \$7.0 million and \$0.3 million in capital expenditures during the first quarter of Fiscal 2013.

Operating cash flow was negatively impacted by an increase in cash used for working capital during the first quarter of Fiscal 2014. Accounts receivable increased primarily because of the timing of collections and higher sales occurring at the end of the period. Inventories increased as a result of an increase in finished goods and raw materials, while accounts payable increased as the result of inventory purchases and timing of payments.

## Conference Call and Webcast

The Company will host a conference call today, August 8, 2013, at 1:45 p.m. Pacific Time (4:45 p.m. Eastern). Access to the live broadcast and a replay of the webcast will be available for 30 days through the Investor Relations page on the Company's website: [www.capstoneturbine.com](http://www.capstoneturbine.com).

## 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(R) 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, Mexico City, Nottingham, Shanghai and Singapore.

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

The Capstone Turbine Corporation logo is available [here](#).

## Forward-Looking Statements

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about revenue growth and EBITDA improvement. 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 Form 10-K, Form 10-Q and other recent 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 investors not to place undue reliance on these forward-looking statements, which speak only as of the date of this press 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 press release or to reflect the occurrence of unanticipated events.

### – Financial Tables Follow –

**CAPSTONE TURBINE CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share amounts)  
(Unaudited)

	<b>June 30,</b>	<b>March 31,</b>
	<b>2013</b>	<b>2013</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$21,598	\$38,817
Accounts receivable, net of allowance for doubtful accounts of \$2,159 at June 30, 2013 and \$2,142 at March 31, 2013	23,677	17,941
Inventories	25,922	18,513
Prepaid expenses and other current assets	<u>2,152</u>	<u>2,588</u>
Total current assets	<u>73,349</u>	<u>77,859</u>
Property, plant and equipment, net	3,401	3,543
Non-current portion of inventories	3,076	3,252
Intangible assets, net	2,191	2,313
Other assets	<u>337</u>	<u>371</u>

Total	<u>\$82,354</u>	<u>\$87,338</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$25,802	\$24,121
Accrued salaries and wages	2,176	1,721
Accrued warranty reserve	2,717	2,299
Deferred revenue	2,572	3,089
Revolving credit facility	12,755	13,476
Current portion of notes payable and capital lease obligations	221	361
Warrant liability	<u>10</u>	<u>10</u>
Total current liabilities	<u>46,253</u>	<u>45,077</u>
Long-term portion of notes payable and capital lease obligations	210	233
Other long-term liabilities	131	142
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, \$.001 par value; 10,000,000 shares authorized; none issued		
Common stock, \$.001 par value; 515,000,000 shares authorized; 305,982,536 shares issued and 304,883,615 shares outstanding at June 30, 2013; 305,661,276 shares issued and 304,622,573 shares outstanding at March 31, 2013	306	306
Additional paid-in capital	797,507	796,767
Accumulated deficit	(760,773)	(753,975)
Treasury stock, at cost; 1,098,921 shares at June 30, 2013 and 1,038,703 shares at March 31, 2013	<u>(1,280)</u>	<u>(1,212)</u>
Total stockholders' equity	<u>35,760</u>	<u>41,886</u>
Total	<u>\$82,354</u>	<u>\$87,338</u>

**CAPSTONE TURBINE CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)  
(Unaudited)

	<b>Three Months Ended</b>	
	<b>June 30,</b>	
	<u>2013</u>	<u>2012</u>
Revenue	\$24,373	\$28,812
Cost of goods sold	<u>21,050</u>	<u>26,643</u>
Gross margin	<u>3,323</u>	<u>2,169</u>
Operating expenses:		
Research and development	2,335	2,204
Selling, general and administrative	<u>7,568</u>	<u>7,448</u>
Total operating expenses	<u>9,903</u>	<u>9,652</u>
Loss from operations	(6,580)	(7,483)
Other (expense) income	(14)	22
Interest expense	(186)	(191)
Change in fair value of warrant liability	<u>—</u>	<u>149</u>
Loss before income taxes	(6,780)	(7,503)
Provision for income taxes	<u>18</u>	<u>272</u>
Net loss	<u>\$(6,798)</u>	<u>\$(7,775)</u>
Net loss per common share—basic and diluted	<u>\$(0.02)</u>	<u>\$(0.03)</u>
Weighted average shares used to calculate net loss per common share	<u>304,720</u>	<u>299,434</u>

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