



## MicroPlanet Reports Q2 Results

Thursday, August 25, 2011

Company: **MicroPlanet Technology Corp.**

Stock Listing: **MP:TSXV**

Stock Listing (US): **MCTYF: OTC**

Web Site: [www.microplanet.com](http://www.microplanet.com)

SEATTLE, WA, Aug. 25, 2011 /CNW/ - (MP:TSXV & MCTYF:OTC) MicroPlanet Technology Corp. ("MicroPlanet" or the "Company") a provider of smart grid technology which significantly increases efficiency, quality, and conservation of electricity, today reported interim unaudited consolidated financial results for the three-month period ended June 30, 2011 (the "Quarter"). All dollar figures are reported in U.S. currency, unless otherwise stated.

### Quarter Highlights

- Obtained Underwriters Laboratories certification for initial model of new 4 kVA product line.
- Subsequent to the end of the Quarter, announced selection by US Department of Energy to supply voltage regulation services for the 2011 Solar Decathlon (<http://www.solardecathlon.gov/>).
- Reported sales of \$145,944, an 82% decrease over the prior year quarter.
- Total expenses for the Quarter increased by 3% to \$1,008,615 compared to the prior year quarter.
- Operating expenses decreased by 4% to \$785,870 compared to the prior year quarter.
- Net loss for the Quarter increased by 47% to \$1,032,961 as compared to the prior year quarter.
- Sales for the Quarter consisted of deliveries of the Company's Second Generation Low Voltage Regulators (LVR2) to an energy utility in Australia and domestic deliveries of a new line of commercial energy conservation products to the US Department of Defense and new customers in Hawaii.

"As we noted in our first quarter report, revenues for the remainder of 2011 are expected to remain low as we obtain commercial certifications for our advanced technology, complete product development and line extensions for other jurisdictions around the world, and begin marketing and building our order book for 2012," stated Brett Ironside, MicroPlanet President and CEO. "We expected and experienced negative margins during the Quarter due to the need to finalize development and certification of our new product lines simultaneously with production of the initial units. The combination of very aggressive pricing of the initial units of the new product line, along with higher than normal parts and labor costs due to small initial production runs to meet our first product orders, resulted in the negative margins on the first units of the new line. We expect to deliver positive margins on these products as we reach higher and more sustainable sales and production volumes."

"While short-term sales are down compared to the prior year quarter, we are pleased with our progress having developed and won Underwriters Laboratories certification for our new feature-rich products that utilize a common and stable platform," Ironside explained. "This will allow us to efficiently scale our products and take advantage of a large pool of common parts and processes, thereby reducing both manufacturing costs and lead times for product delivery."

"We continue to focus intently on cost containment as we progress through our product development process and as we work to build our 2012 order book," Ironside continued. "Operating expenses have been reduced compared to the prior year quarter and any increases in total expenses have been due primarily to interest and other non-operating costs."

Finally, during the Quarter the Company raised approximately C\$1,300,000 in new capital through non-brokered private placements. These funds will be used to continue market and product development, as well as for general working capital purposes.

### **Outlook**

Subsequent to the end of the Quarter, the Company announced that it has been selected by the US Department of Energy's National Renewable Energy Laboratory to provide voltage regulation services for the 2011 Solar Decathlon to be held in Washington, DC in September and October (<http://www.solardecathlon.gov/>). The Company has also been selected to provide voltage regulation products to new customers in Hawaii. "As we continue to gain Underwriters Laboratories approval for extensions to our new product line, we will significantly expand the market for MicroPlanet products," Ironside explained. "Our four quadrant design - that is, the ability to both increase and decrease voltage precisely to multiple set points as well as to regulate bi-directionally to and from the grid - is what distinguishes MicroPlanet from all other voltage regulation technologies. No other voltage regulation technology can regulate with the speed, precision, and accuracy of our patented products and enable efficient integration of renewable generation sources into the grid. We anticipate that the availability of certified products should stimulate additional sales and deliveries in the coming quarters in multiple jurisdictions."

The Company has also taken significant strides to address maturing debt. Subsequent to the end of the Quarter the Company raised an additional C\$900,000 in capital and converted C\$1,462,000 in face value of convertible notes to shares in the Company's common stock, obtained note holder agreement to extend C\$875,000 in face value for an additional 12 months, and redeemed C\$400,000 for cash. "Converting this debt to shares provides a much more stable balance sheet for our future, and provides an opportunity for these investors to share in our future growth" Ironside concluded.

### **Financial Highlights**

Net comprehensive loss for the Quarter was \$1,071,773 or \$0.02 loss per share (basic and diluted) compared to a net comprehensive loss of \$548,727 or \$0.01 loss per share (basic and diluted) in the same Prior Year Quarter.

The financial statements for the Company were prepared using International Financial Reporting Standards ("IFRS"), in accordance with Canadian Accounting Standards Board and securities regulatory commission requirements. Certain previously-reported GAAP-based results for the Prior Year Quarter were reclassified or adjusted to IFRS for comparison purposes. The results for the Quarter, along with reclassifications of results of the Prior Year Quarter, are unaudited.

MicroPlanet's financial information for the three-month and six-month periods ended June 30, 2011 and 2010, along with the accompanying Management's Discussion and Analysis for the same period is available on SEDAR ([www.sedar.com](http://www.sedar.com)) and company's website at [www.microplanet.com](http://www.microplanet.com).

<b>Income Statement (unaudited)</b>	<b>3-months ending</b>	<b>3-months ending</b>	<b>6-months ending</b>	<b>6-months ending</b>
<b>(US\$)</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>
Revenue	\$ 145,944	\$ 804,955	\$ 1,171,658	1,448,335
Gross Margin	\$ (49,332)	\$ 272,319	\$ 291,162	471,903
Net Loss for the Quarter	\$ 1,032,961	\$ 702,916	\$ 1,499,885	1,811,447
Net Comprehensive Loss	\$ 1,071,773	\$ 548,727	\$ 1,686,861	1,812,706
Basic and diluted loss per share	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.04)
Weighted average shares outstanding	70,764,349	46,590,227	64,503,066	46,590,227

**About MicroPlanet Technology Corp.**

MicroPlanet Technology Corp. solutions improve power quality and save energy by dynamically managing incoming voltage to a home or business through the use of patented, advanced power electronics. MicroPlanet's technology has been deployed in seven countries by more than 20 utilities, the U.S military and multiple commercial customers to save energy, improve power quality and grid efficiency and to facilitate the integration of renewable energy sources, including solar and wind. MicroPlanet is based in Seattle, WA and is listed on the TSX Venture Exchange (TSX-V) trading under the stock symbol: MP. [www.microplanet.com](http://www.microplanet.com).

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For further information:

**MicroPlanet Investor Relations: MicroPlanet Company Contacts:**

Dave Burwell / Grant Howard	Brett Ironside	Kurt Maass
The Howard Group	President & Chief Executive Officer	Chief Financial Officer
Ph: 888-221-0915	Tel: 206-625-0851	Tel: 206-625-0851
Fax: 403-237-8387	Fax: 206-625-0999	Fax: 206-625-0999
<a href="mailto:info@howardgroupinc.com">info@howardgroupinc.com</a>	<a href="mailto:bironside@microplanet.com">bironside@microplanet.com</a>	<a href="mailto:kmaass@microplanet.com">kmaass@microplanet.com</a>
<a href="http://www.howardgroupinc.com">www.howardgroupinc.com</a>		