

## News Release

### Xantrex Technology Inc. Reports 2007 Fourth Quarter and Year Results

**VANCOUVER, B.C., February 26, 2008** – Xantrex Technology Inc. (TSX:XTX) reported financial results for the fourth quarter and year ended December 31, 2007. For the fourth quarter, revenue rose 71 percent to a record \$73.0 million from \$42.6 million for the year-ago quarter as a result of revenue growth in all four market segments, Renewable, Programmable, Mobile, and Portable Power.

Net income for the 2007 fourth quarter was \$459,000, or \$0.02 per diluted share, compared with \$1.1 million, or \$0.04 per diluted share a year ago. Adjusted net income was \$2.9 million, or \$0.10 per diluted share, compared with \$1.6 million or \$0.06 per diluted share a year ago, an increase of 75 percent. Adjusted EBITDA was \$6.8 million, compared with \$1.6 million a year ago. (Please see table below for a reconciliation of the non-GAAP measures to net income)

In addition to strong revenue growth and improved gross margin, results reflected non-cash amortization expense for intellectual property, and higher net interest expense related to the acquisition of Elgar Electronics Corporation in early 2007, a stronger Canadian dollar, and a charge related to consolidation of our manufacturing facilities, all of which adversely affected net income.

For the full year 2007, revenue rose 48 percent to \$234.2 million from \$158.1 million a year ago, driven by growth in three of our market segments, Renewable, Programmable, and Portable Power. Xantrex's net loss was \$1.9 million, or \$0.07 per diluted share, compared with net income of \$5.5 million, or \$0.19 per diluted share a year ago. Adjusted net income was \$5.3 million, or \$0.18 per diluted share, compared with \$7.8 million, or \$0.26 per diluted share. Adjusted EBITDA was \$16.3 million, compared with \$10.1 million. (Please see table below for a reconciliation of the non-GAAP measures to net income.) Results reflected the same trends noted for the fourth quarter.

Mr. John Wallace, CEO of Xantrex, commented, "Strong revenue growth and improved gross margin helped Xantrex return to profitability for the quarter. Revenue was driven by organic growth in three market segments, and acquisition-driven growth in Programmable Power. The revenue growth occurred despite, as previously reported, the deferral of certain wind product shipments, and slower sales as we integrated the Programmable Power distribution channels."

The gross margin improvement was primarily attributable to the proportionate increase in Programmable Power revenue and the launch of new, higher margin products, partially offset by higher sales of lower margin portable products, higher material costs, and a charge for consolidation of manufacturing facilities.

Mr. Wallace continued "Operating expenses as a percentage of revenue for the 2007 fourth quarter remained under control. The "other expenses" category, however, which included interest expense and foreign exchange, was \$2.6 million higher than a year ago. Lastly, income taxes, which compared against a tax credit, produced an unfavorable swing this quarter of \$408,000."

Mr. Wallace concluded, "In 2007 we achieved critical mass in our Renewable and Programmable Power businesses and improved our customer focus and operating effectiveness. In early 2008,

we combined our mobile and portable power teams. As a result we reorganized our sales, marketing, and product development teams into three market focused units, Renewable, Programmable, and Mobile Power, and will report and restate our comparative revenues accordingly. Our objective for 2008 is to improve the momentum we achieved in 2007 for organic revenue growth with some quarterly variability relating to timing of large projects, and the substantial completion of the integration of Elgar in the first quarter. For the full year, our target is to more than double our adjusted EPS and EBITDA."

Mr. Mossadiq S. Umedaly, Xantrex's Chairman, said, "We finished 2007 with an upswing in the fourth quarter. Revenue and adjusted net income per share exceeded expectations. The year 2007 was strategically and financially transitional, a period in which we made major investments including acquiring Elgar to strengthen our Programmable Power business, redesigning our line of solar inverters so that we have a complete industry leading product offering. We also accelerated production volume in Renewable Power, and repositioned Portable Power for the consumer electronics market. Those developments greatly strengthened our long-term fundamentals and prospects for profitability, but they also affected our near-term financial results. By the 2007 fourth quarter, the bulk of those transitional effects were behind us, although we expect some related to the consolidation of our manufacturing facilities to continue through the early part of the second quarter in 2008. For the full year 2008, as the transitional effects diminish, we will have a formidable platform for sustaining revenue growth and building profitability."

	Three months ended December 31			Years ended December 31		
	2007	2006	% change	2007	2006	% change
Revenue	\$73,011,000	\$42,604,000	71%	\$234,231,000	\$158,059,000	48%
Net income (loss)	\$459,000	\$1,054,000	-56%	(\$1,890,000)	\$5,493,000	n/a
Adjusted net income	\$2,872,000	\$1,642,000	75%	\$5,280,000	\$7,787,000	-32%
Net income (loss) per share (diluted)	\$0.02	\$0.04	-50%	(\$0.07)	\$0.19	n/a
Adjusted net income per share (diluted)	\$0.10	\$0.06	67%	\$0.18	\$0.26	-31%
Fully diluted avg. shares outstanding	29,623,931	29,394,508	1%	28,840,865	29,594,352	-3%

Note: On December 31, 2007, the Bank of Canada's exchange rate for one Canadian dollar was \$1.01 compared with \$0.86 on December 31, 2006.

Our complete 2007 and fourth quarter Management's Discussion and Analysis and Financial Statements are available on the Xantrex web site at [www.xantrex.com](http://www.xantrex.com).

### Cautionary Note on Forward-looking Information

Some of the statements contained in this report are forward-looking statements. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results, including Xantrex's growth rate, could differ materially from those currently anticipated in forward looking statements, based on regional and global economic growth, electricity supply and demand, government regulations and incentives, technological advances by Xantrex and others, our ability to execute on our plans, and other factors, including those discussed in our 2007 Annual "Management's Discussion and Analysis". Readers should not place undue reliance on Xantrex's forward-looking statements.

### Non-GAAP Financial Measure

For the quarter and year ended December 31, 2007 we are disclosing adjusted EBITDA and adjusted net income, non-GAAP financial measures, as supplemental indicators of operating performance. We define adjusted EBITDA as net income before interest, income taxes, depreciation, amortization, stock option compensation expense and manufacturing plant consolidation costs, and we define adjusted net income as net income excluding the after-tax impact of stock option compensation expense, intangible asset amortization and manufacturing

plant consolidation costs. We are presenting the non-GAAP financial measures in our filings because we use them internally to make strategic decisions, forecast future results and evaluate our performance and because we believe that our current and potential investors and many analysts use these measures to assess our current and future operating results and to make investment decisions. In addition, management believes that these measures are useful to investors in enabling them to better assess changes in our business across different time periods. Investors should not consider adjusted EBITDA or adjusted net income as alternatives to net income, nor to cash provided by operating activities, nor to any other indicators of performance or liquidity which have been determined under GAAP. Adjusted EBITDA and adjusted net income do not have any standardized meaning prescribed by GAAP and may be different from and therefore not comparable to similar measures presented by other companies. See below for a reconciliation of adjusted EBITDA and adjusted net income to net income.

	Three months ended December 31		Years ended December 31	
	2007	2006	2007	2006
<b>Net income (loss)</b>	<b>\$ 459,000</b>	\$ 1,054,000	<b>\$ (1,890,000)</b>	\$ 5,493,000
Interest income	<b>(139,000)</b>	(664,000)	<b>(880,000)</b>	(2,642,000)
Interest expense	<b>1,579,000</b>	2,000	<b>4,155,000</b>	27,000
Income taxes	<b>247,000</b>	(161,000)	<b>566,000</b>	2,083,000
Depreciation and amortization	<b>3,698,000</b>	1,031,000	<b>10,893,000</b>	3,880,000
Stock-based compensation	<b>440,000</b>	330,000	<b>1,612,000</b>	1,298,000
Manufacturing plant consolidation costs (1)	<b>493,000</b>	-	<b>1,817,000</b>	-
<b>Adjusted EBITDA</b>	<b>\$ 6,777,000</b>	\$ 1,592,000	<b>\$ 16,273,000</b>	\$ 10,139,000

	Three months ended December 31		Years ended December 31	
	2007	2006	2007	2006
<b>Net income (loss) per share, diluted</b>	<b>\$ 0.02</b>	\$ 0.04	<b>\$ (0.07)</b>	\$ 0.19
Adjustments				
Add:				
Stock-based compensation	<b>440,000</b>	330,000	<b>1,612,000</b>	1,298,000
Intangible asset amortization (2)	<b>2,667,000</b>	417,000	<b>7,060,000</b>	1,607,000
Manufacturing plant consolidation costs (1)	<b>493,000</b>	-	<b>1,817,000</b>	-
Deduct:				
Tax recovery for intangible asset amortization	<b>(1,014,000)</b>	(159,000)	<b>(2,683,000)</b>	(611,000)
Tax recovery for manufacturing plant consolidation costs	<b>(173,000)</b>	-	<b>(636,000)</b>	-
<b>Adjusted net income</b>	<b>2,872,000</b>	1,642,000	<b>5,280,000</b>	7,787,000
<b>Adjusted net income per share, diluted</b>	<b>\$ 0.10</b>	\$ 0.06	<b>\$ 0.18</b>	\$ 0.26
Shares used to calculate adjusted net income per share, diluted	<b>29,623,931</b>	29,394,508	<b>29,410,933</b>	29,594,352

- (1) Manufacturing plant consolidation costs are the costs associated with the closure of the Burnaby, British Columbia and Arlington, Washington manufacturing facilities as we consolidate the manufacture of programmable products in our San Diego facility, and solar commercial products in our Livermore facility.
- (2) Intangible asset amortization is primarily for the intellectual property acquired as part of the acquisition of Elgar described in Note 4(a) of the annual financial statements.

**Conference Call**

Xantrex has scheduled a conference call for Wednesday, February 27, 2008 at 6:00 am Pacific Time (9:00 am Eastern Time) to discuss the 2007 and fourth quarter financial results. To access the conference call by telephone, please call 416-644-3418 or 604-677-8677. Alternatively, the audio webcast of the conference call may be accessed through the Xantrex web site at <http://www.xantrex.com/invevents.asp>. The audio replay will be available on the web or by telephone at 416-640-1917 (passcode # 21263284#) shortly after the conclusion of the conference call.

**About Xantrex**

Xantrex Technology Inc. ([www.xantrex.com](http://www.xantrex.com)) is a world leader in the development, manufacturing and marketing of advanced power electronic products and systems for the renewable, programmable, and mobile power markets. The company's products convert and control raw electrical power from any central, distributed, renewable, or backup power source into high-quality power required by electronic and electrical equipment. Headquartered in Vancouver, British Columbia, the company has facilities in Arlington, Washington; Livermore and San Diego, California; Elkhart, Indiana; Barcelona, Spain; and Reading, England. Xantrex is listed on the Toronto Stock Exchange under the ticker symbol "XTX".

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