

## News Release

### Xantrex Technology Inc. Reports 2008 First Quarter

**VANCOUVER, B.C., April 29, 2008** – Xantrex Technology Inc. (TSX:XTX) reported financial results for the first quarter ended March 31, 2008. Revenue rose 55 percent to \$62.0 million from \$39.9 million for the year-ago quarter as a result of revenue growth in all three market segments, Renewable, Programmable, and Mobile power.

Net income was \$541,000, or \$0.02 per diluted share, compared with a loss of \$108,000, or \$0.00 per diluted share, a year ago. Adjusted net income was \$2.4 million, or \$0.08 per diluted share, compared with \$527,000, or \$0.02 per diluted share. Adjusted EBITDA was \$5.8 million, compared with \$1.5 million a year ago. (Please see table below for a reconciliation of the non-GAAP measures to net income.)

The improvement in net income reflected strong revenue growth and higher gross margin, partially offset by higher non-cash amortization expense for intellectual property, and higher net interest expense resulting from the acquisition of Elgar Electronics Corporation which closed March 12, 2007.

Gross margin increased to 33.2 percent from 30.9 percent a year ago. The improvement reflected higher margins on Renewable Power products introduced over the last year, a full quarter of Programmable Power revenue compared with the three weeks included for the year-ago quarter, and our ability to recover raw materials cost increases with higher selling prices. These improvements were partially offset by a charge for consolidation of manufacturing facilities. Excluding the consolidation charge, gross margin would have been 34.4 percent.

Mr. John Wallace, CEO of Xantrex, commented, "Strong revenue growth, higher gross margin, and effective expense control contributed to improved profitability. The highlight of the quarter was the strong revenue growth in Renewable Power, up 58 percent from a year ago. Renewable Power growth was driven by solar inverter sales especially in Europe. Programmable Power revenue rose 100 percent, attributable to last year's acquisition. Mobile Power benefited primarily from strength in products for commercial markets, work vehicles and trucks."

Mr. Wallace continued, "As targeted in our 2008 outlook, operating expenses have been contained in line with the fourth quarter of 2007. The other expense category compared unfavorably with a year ago primarily because of net interest expense associated with debt incurred for the Elgar acquisition. In the 2008 quarter, the foreign exchange gain reported of \$874,000 was offset by the foreign exchange impact on operating income of \$832,000, primarily from operating expenses denominated in the higher Canadian dollar."

Mr. Wallace concluded, "No change in our stated target for 2008 to grow our overall revenues and to more than double our adjusted EPS and EBITDA compared with 2007. Strength in our renewable business appears sufficient to overcome effects of a slowing U.S. economy on our programmable and mobile businesses."

Mr. Mossadiq S. Umedaly, Xantrex's Chairman, said, "We met revenue expectations and exceeded EPS expectations as a result of strong revenue growth and improved profitability despite a charge for the nearly completed facilities consolidation. I am pleased that for a second quarter in a row the company has shown improving financial results and met expectations."

	Three months ended March 31		
	2008	2007	% change
Revenue	\$61,990,000	\$39,906,000	55%
Net income (loss)	\$541,000	(\$108,000)	n/a
Adjusted net income	\$2,432,000	\$527,000	361%
Net income (loss) per share (diluted)	\$0.02	\$0.00	-
Adjusted net income per share (diluted)	\$0.08	\$0.02	300%
Fully diluted avg. shares outstanding	29,020,701	28,764,681	1%

Note: On March 31, 2008, the Bank of Canada's exchange rate for one Canadian dollar was \$0.97 compared with \$0.87 on March 31, 2007.

Our complete first quarter 2008 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 March 31, 2008 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 March 31	
	2008	2007
<b>Net income (loss)</b>	<b>\$ 541</b>	<b>\$ (108)</b>
Interest income	(47)	(603)
Interest expense	1,243	219
Income taxes	329	490
Depreciation and amortization	2,558	1,120
Stock-based compensation	409	366
Manufacturing plant consolidation costs (1)	721	-
<b>Adjusted EBITDA</b>	<b>\$ 5,754</b>	<b>\$ 1,484</b>

	Three months ended March 31	
	2008	2007
<b>Net income (loss)</b>	<b>\$ 541</b>	<b>\$ (108)</b>
<b>Per share, diluted</b>	<b>0.02</b>	<b>-</b>
Adjustments		
Add:		
Stock-based compensation	409	366
Intangible asset amortization (2)	1,634	434
Manufacturing plant consolidation costs (1)	721	-
Deduct:		
Tax recovery for intangible asset amortization	(621)	(165)
Tax recovery for manufacturing plant consolidation costs	(252)	-
<b>Adjusted net income</b>	<b>\$ 2,432</b>	<b>\$ 527</b>
<b>Adjusted net income per share, diluted</b>	<b>\$ 0.08</b>	<b>\$ 0.02</b>
Shares used to calculate adjusted net income per share, diluted	29,020,701	28,930,224

(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 3(b) of the interim financial statements.

### Conference Call

Xantrex has scheduled a conference call for Wednesday, April 30, 2008 at 6:00 am Pacific Time (9:00 am Eastern Time) to discuss the first quarter 2008 financial results. To access the conference call by telephone, please call 416-644-3422 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 # 21268886#) 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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