



Conference Call Presentation
Fiscal 2014 Fourth Quarter and Year-end Financial Results
May 12, 2014



John H. Scribante
Chief Executive Officer

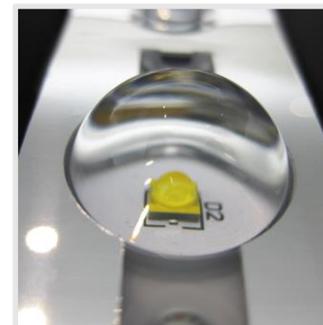


Scott R. Jensen, C.P.A.
Chief Financial Officer

This presentation contains forward-looking statements. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

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Orion Energy Systems, Inc. (NYSE MKT: OESX) (at 3/31/2014 unless otherwise noted)	
Corporate Headquarters	Manitowoc, WI
Industry	Energy
Business	Retrofitted lighting and energy management solutions
Market Cap	\$101 million (at 5/10/2014)
Stock Price	\$4.73 (at 5/10/2014)
Shares Outstanding	21.6 million
Total Shareholders' Equity	\$77.0 million
Book Value Per Diluted Share	\$3.59





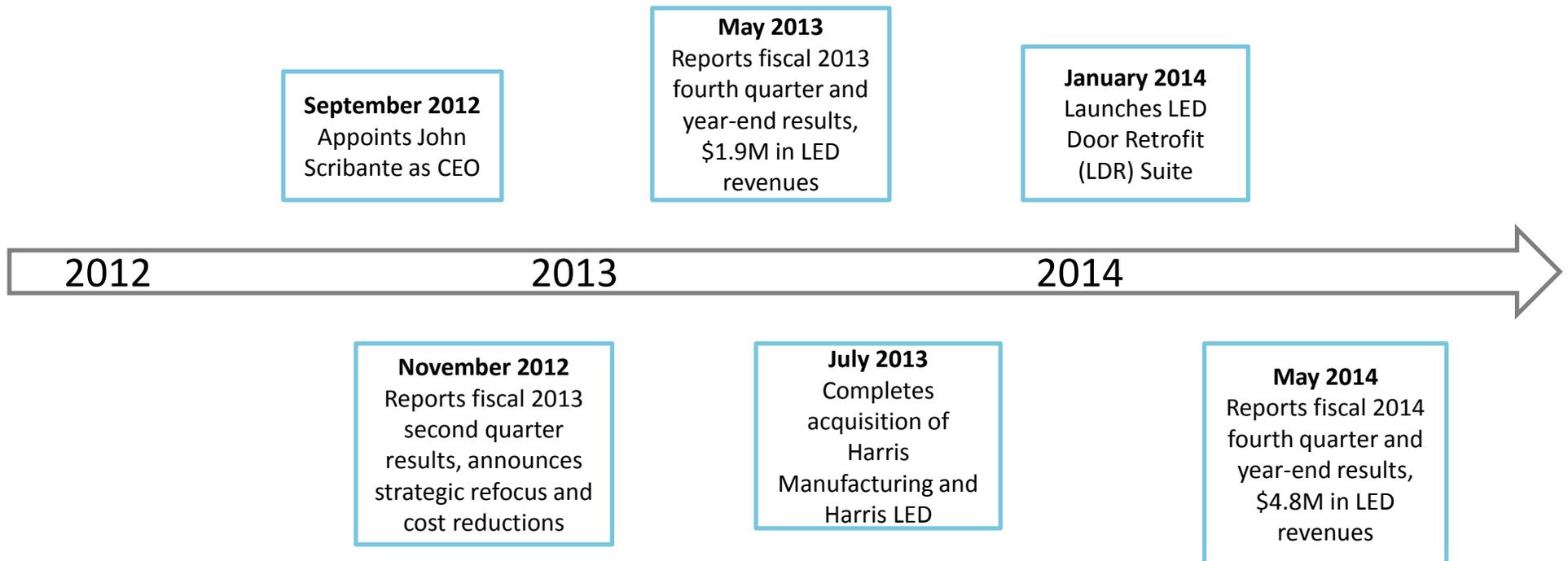
Fiscal 2014

- Total revenue of \$88.6 million, compared to \$86.1 million in prior fiscal year
- Generated \$9.9 million in cash from operations
- Company continued to penetrate LED market
 - Revenue from LED lighting systems increased 157% to \$4.8 million, from \$1.9 million in prior-year period

Fiscal 2014 Fourth Quarter

- Total revenue of \$12.6 million, compared to \$22.3 million in prior-year period, primarily due to delayed product sales due to market transition and a decline in number of solar projects as Company exits its non-core solar business
- Company continued to implement cost-cutting measures
 - Consolidated all manufacturing operations into its headquarters in Manitowoc
 - Sold company jet, resulting in expected savings of \$1.0 million per year

COMPANY MILESTONES SINCE 2012



Challenge	Solution/Result
Excessive operating costs, Cash burn 	Implemented cost reductions, including headcount reductions, product material cost decreases and reductions in consulting and other discretionary spending, resulting in \$6.3 million in savings, with a net \$4.0 million accruing to FY15
Positioned in a declining non-core segment of solar industry 	Redeploy resources towards the high-growth Solid State Lighting (LED) market
How to leverage capacity to take advantage of change in lighting generations 	Acquired Harris Manufacturing and Harris LED in July 2013, opening the Company to new markets



FY 2014	FY 2015
Generated \$9.9 million in net cash flow from operations	Maintain a strict focus on cash generation while still investing in R&D and new product offerings
Implemented LEAN manufacturing processes	Continue to seek ways to compress costs as we expand capacity
Entered into definitive agreement to sell Plymouth, WI, facility → consolidated manufacturing operations in Manitowoc, WI, facility	Evaluate operations at Manitowoc, WI, facility on an ongoing basis to ensure consistent quality and maximization of efficiencies
Successfully completed acquisition and integration of Harris Manufacturing and Harris LED	Continue to explore potential acquisition opportunities aligned with Orion’s long-term strategic goals
Restructured and streamlined salesforce, increased number of sales personnel to better serve Orion’s customers	Focus on top-line growth in the LED/retrofit market, launch branding campaign to improve positioning in the LED market

VALUE PROPOSITION

We exist for the benefit of our customers.



- Suite of innovative, rigorously tested, reliable lighting technologies made in the USA that perform better than alternatives in terms of optical, thermal, and application performance
- Aggressive ROI – 2-year payback in many instances
- Customer promise to deliver the best customer experience in the industry
- Lower installation and life-cycle costs
- Services and financial solutions unique to the retrofit market needs
- Application-specific design, controllable technology, conformable
- 72 design/utility patents held or pending

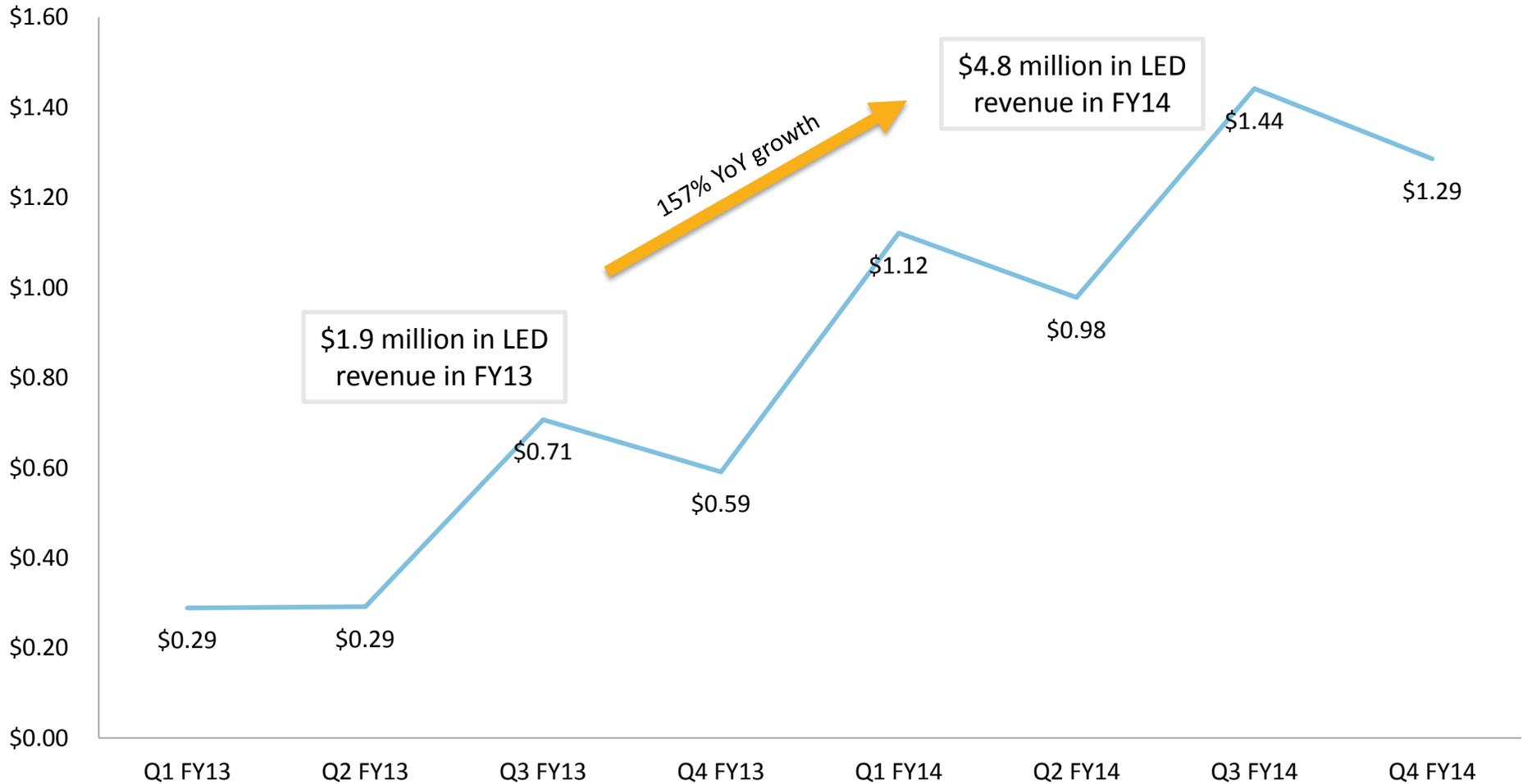


Orion Energy Systems has helped 165 Fortune 500 companies save \$2.4 billion dollars in energy costs.





LED Revenue by Quarter (\$ in millions)



FOURTH QUARTER & YEAR-END FINANCIAL SUMMARY



(\$ in millions)	For the year ended March 31,		For the three months ended March 31,	
	2014	2013	2014	2013
	FY14	FY13	FY14Q4	FY13Q4
Revenue	\$ 88.6	\$ 86.1	\$ 12.6	\$ 22.3
Gross Margin %	25.9%	31.1%	10.2%	35.8%
Operating Expenses	\$ 31.3	\$ 33.3	\$ 9.9	\$ 7.5
Operating Income (Loss)	\$ (8.3)	\$ (6.6)	\$ (8.6)	\$ 0.5
Net Income (Loss)	\$ (6.2)	\$ (10.4)	\$ (8.8)	\$ 0.5
Earnings (Loss) per share	\$ (0.30)	\$ (0.50)	\$ (0.41)	\$ 0.03

BALANCE SHEET AND LIQUIDITY



(\$ in millions)	As of December 31, 2013	As of March 31, 2013	As of March 31, 2014
Cash	\$ 18.3	\$ 14.4	\$ 17.6
Short-term Investments	\$ 1.0	\$ 1.0	\$ 0.5
Total Inventory	\$ 23.1	\$ 26.7	\$ 22.4 [*]
Total Assets	\$ 111.1	\$ 102.1	\$ 99.1
Total Debt	\$ 7.4	\$ 6.7	\$ 6.6 ^{**}
Total Liabilities	\$ 26.7	\$ 24.3	\$ 21.9
Revolving credit facility - availability	\$ 13.3	\$ 13.3	\$ 15.0

* Includes \$1.0 million of acquired Harris inventory

** Includes \$2.6 million outstanding of original \$3.1 million to help fund Harris acquisition



- Expects total revenues for fiscal 2015 to range from \$80 million to \$105 million, based on projected sales growth of LED/lighting solutions; intends to update guidance range quarterly or as necessary
- Transition from fluorescent lighting to LED continues to gain momentum, to further accelerate into 2015 calendar year
 - Increased customer adoption rate of LDR
 - LED pipeline growth
 - Target more LED contracts exceeding \$1 million
- Continued de-emphasis of non-core solar PV projects down to \$1.0 million in revenues in FY 2015

GROWTH STRATEGY FOR FY 2015

How we're going to get there



- Capitalize on LED product cycle via national account wins resulting from quality service and product offerings
- Aggressively build out reseller sales
- Drive capacity utilization in manufacturing facility
- Offensive investments in corporate rebranding and R&D initiative to highlight LED capabilities
- Actively pursue acquisitions



www.oesx.com

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