



The industry's premier provider of
energy retrofit solutions and services

**Fiscal 2015 Third Quarter
Conference Call Presentation
February 9, 2015**

Safe Harbor

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.

Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in Orion Energy Systems' filings with the Securities and Exchange Commission. If any of these risks or uncertainties materializes, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statements that you see or hear during this presentation, including our "Long-term Growth Targets", reflect our current views with respect to future events and are subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.



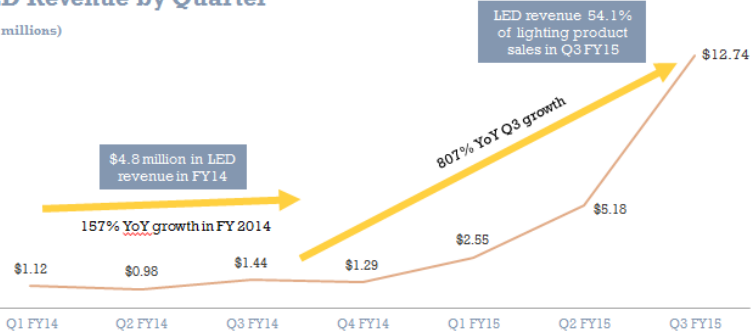
*Orion Energy Systems Granted US Patent
For LED Door Retrofit (LDR) Assemblies
January 21, 2015*

Recent Investment Catalysts

Increasing Adoption Rate In LED / Rapid Growth as % of Lighting Product Sales

LED Revenue by Quarter

(\$ in millions)



Announcement of Orion Innovation Hub

- Changing dynamic to LED requires corporate reshaping
- Plans to open Innovation Hub in Chicago, IL
 - Focus on creating new lighting products to meet changing market demand
 - Enhance R&D / Product Design

Improvements in Budget / Leading to Margin Expansion Across Product Lines

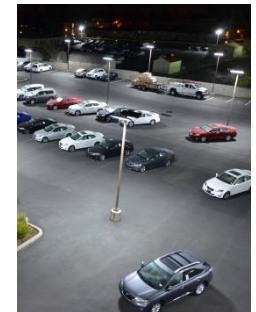
- Accelerated LED ramp up created short term margin pressure
- Company is beginning to turn the corner with margin improvements across new LED product lines

Aligning Capital Structure to Meet Changing Demand

- Solid financial position to carry out all current initiatives with \$21.5 million in working capital at 12/31/2014
- New capital structure with revolving credit facility with Wells Fargo to better align the Company's capital needs with its growing demand

Operating Review / Sales Drivers

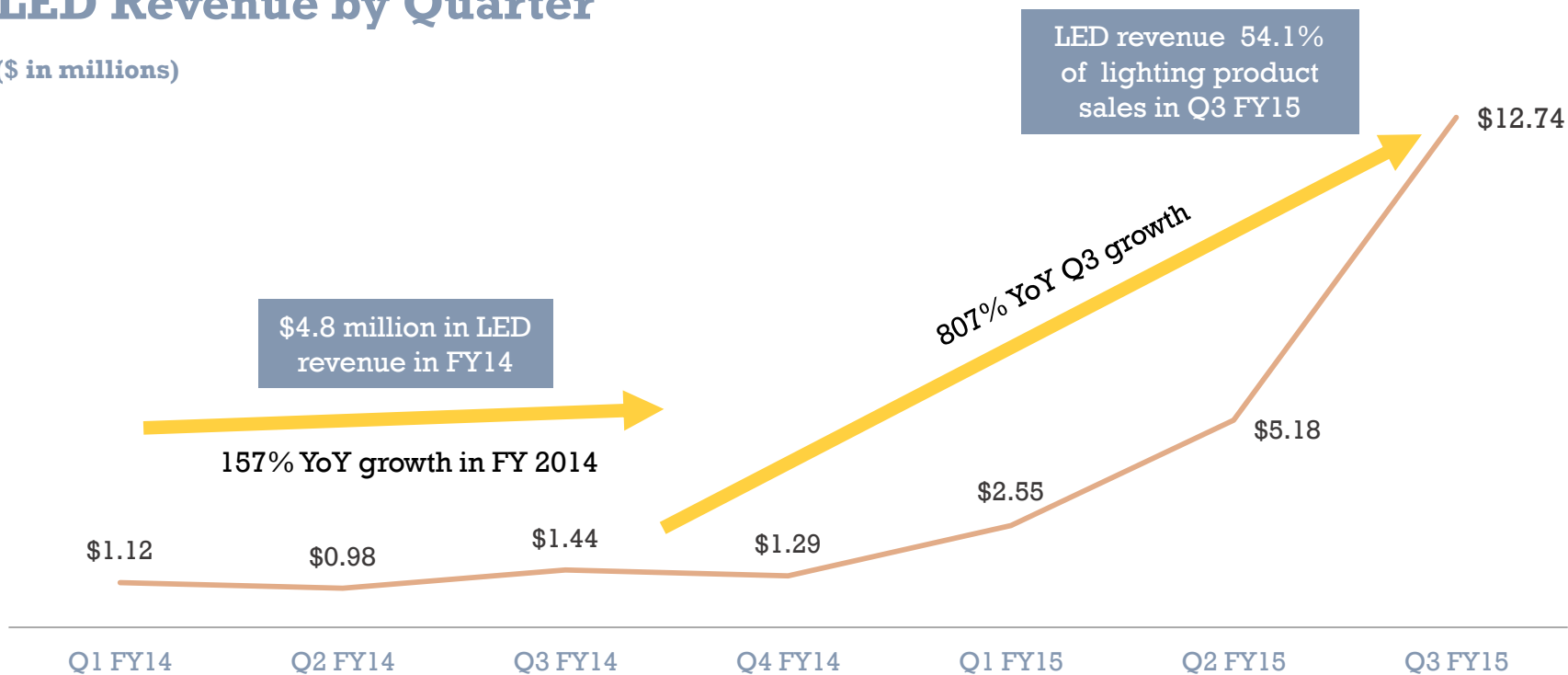
- LED sales continue to increase as a total percent of revenues
- Investments in new product development driving sales considerably in 2H of fiscal 2015 and into fiscal 2016
- Branding and marketing partnerships yielding increased pipeline
- Large wins in each target market



LED Growth Accelerating

LED Revenue by Quarter

(\$ in millions)



Historic Revenues Derived From Core Fluorescent Technologies in One Target Market: Industrial



- Revenue “Air Pocket” As Technology Shifts
- Re-tooling and Supply Chain Investments



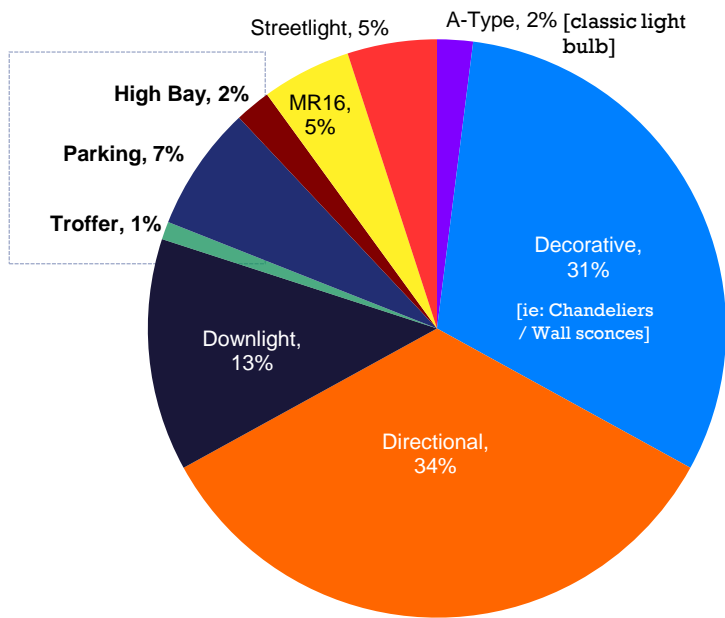
Current Orion Advantages:

- New LED Products
- Channel Depth
- Retrofit Focused
- Made in America
- Market Expansion into Commercial and Industrial

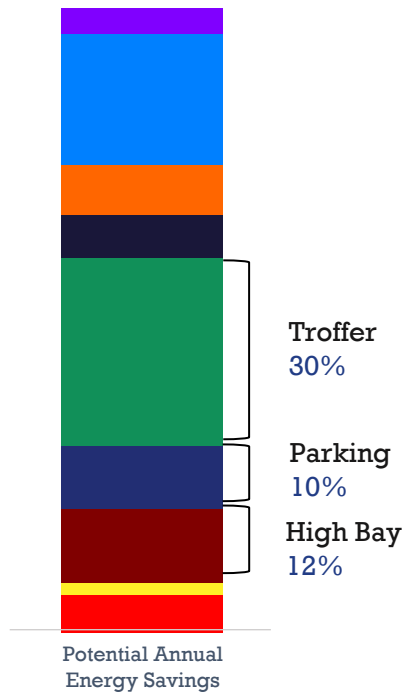
Targeting the “Right” Markets

The Largest Potential Markets are also the Least Penetrated

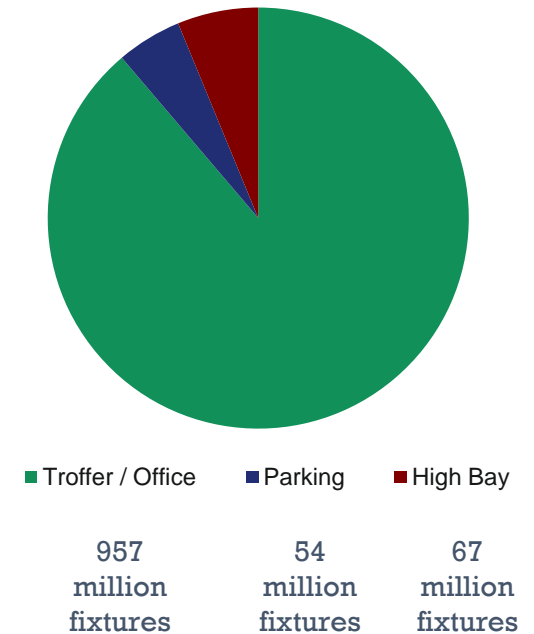
Adoption of Light-Emitting Diodes in Common Lighting Applications May 2013



Global Addressable Market
52% Troffer, Parking, High Bay



Estimated Legacy Lighting Fixture Installed Base



Source: US Department of Energy, Solid-State Lighting Research and Development, Multi-Year Program Plan, May 2014; Adoption of Light-Emitting Diodes in Common Lighting Applications, May 2013

Product Portfolio – Solutions for Each Market Segment

- Best performance in market, high ROI/IRR for customer
- Optical efficiency and thermal management for greater performance (ISON Class)
- Modularity for simple and low-cost upgrades

INDUSTRIAL



Orion ISON Class LED High Bay Series



Orion ISON Class LED High Bay Enclosed Series



Apollo LED High Bay Series



Apollo LED Vapor Tight Series

COMMERCIAL



Orion LED Door Retrofit Suite



Apollo LED Recessed Troffer

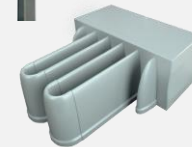


Apollo LED Retrofit Quick Strip Series

EXTERIOR



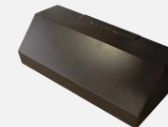
Orion ISON Class LED Area Light



Orion ISON Class LED Wall Pack



Apollo LED Area Light



Apollo LED Wall Pack

Recent Contract Wins

Retail

Several Grocery Retailers: LED orders from large retail chain with locations throughout Southeast



Industrial

Installations at Nearly Every Major Automobile Manufacturer



Office

Children's Hospital: 2,500 LDRs with potential for additional fixture orders

Hospitals are "ideal" candidates due to 24/7 operations



US Markets: Re-engaging reseller network

Expand Sales Managers

More Territory Managers
Regular Meetings with Local ESCOs
Higher Touch

Deliver Value Proposition

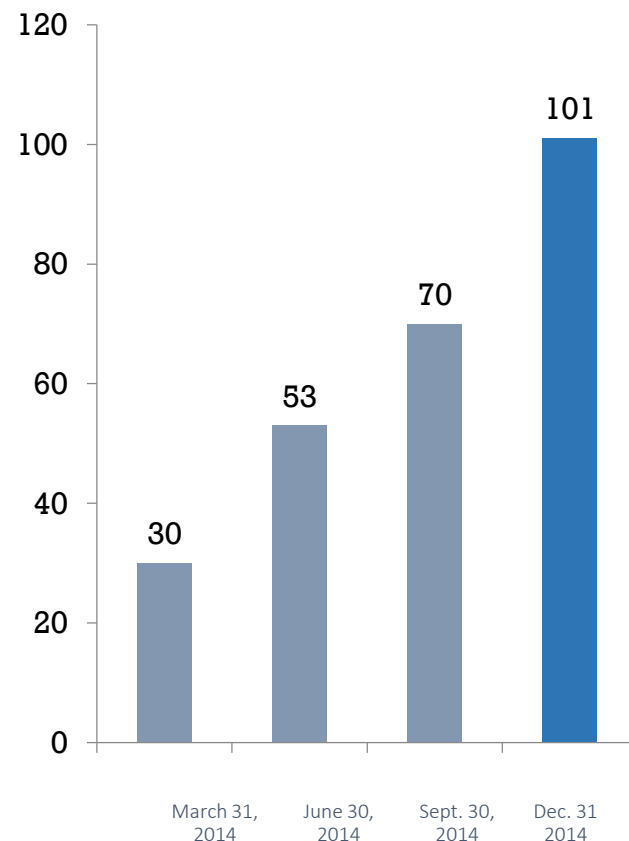
Lower install costs, shorter lead times,
exceptional customer service, financing,
and comprehensive design and
engineering support

Expand Product Offering

Provide re-selling partners
with a wider array of products



Number of Key Re-Sellers



Engineering Systems Division: A History of Success

Large Enterprise Accounts – Solid Q3 2015 Sales Growth

Approximately 3 billion square feet retrofitted on a cumulative basis at 20,000+ facilities nationwide



47 Manufacturing Facilities



398 Bottling and Sales Facilities



174 Bottling and Sales Facilities



9 Manufacturing Facilities



20 Distribution Facilities



105 Bottling and Distribution Facilities



119 Cold & Dry Storage Facilities



97 Manufacturing and Distribution Facilities



3 Manufacturing Facilities, 678 Dealerships



2,382 Retail Facilities

orion



Financial Results

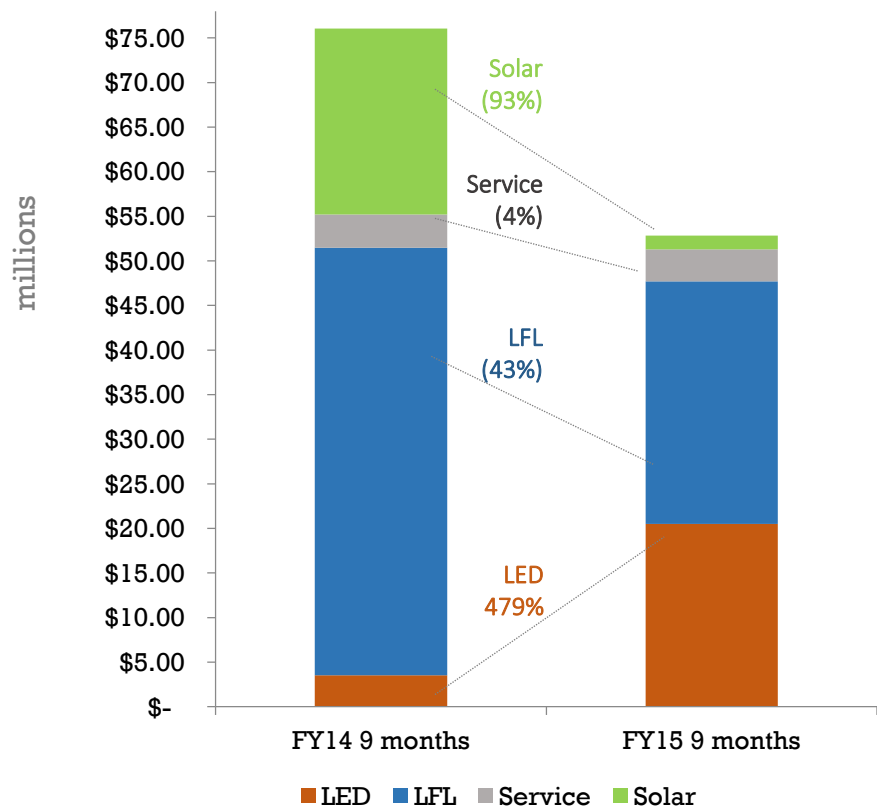
FY 2015 Third Quarter and Nine Month Financial Summary

	For the three months ended December 31		For the nine months ended December 31	
(\$ in millions)	FY15 Q3	FY14 Q3	FY15 9M	FY14 9M
Revenue	\$ 26.1	\$27.7	\$52.8	\$76.0
Gross Margin %	14.6%	29.4%	16.4%*	28.5%
Operating Expenses	\$ 8.5	\$ 7.2	\$ 23.2	\$ 21.4
Operating Income (Loss)	\$ (4.7)	\$ 0.9	\$(27.3)	\$ 0.3
Net Income (Loss)	\$ (4.7)	\$ 1.0	\$(27.4)	\$ 2.6
Earnings (Loss) per share	\$ (0.21)	\$ 0.05	\$(1.26)	\$ 0.12

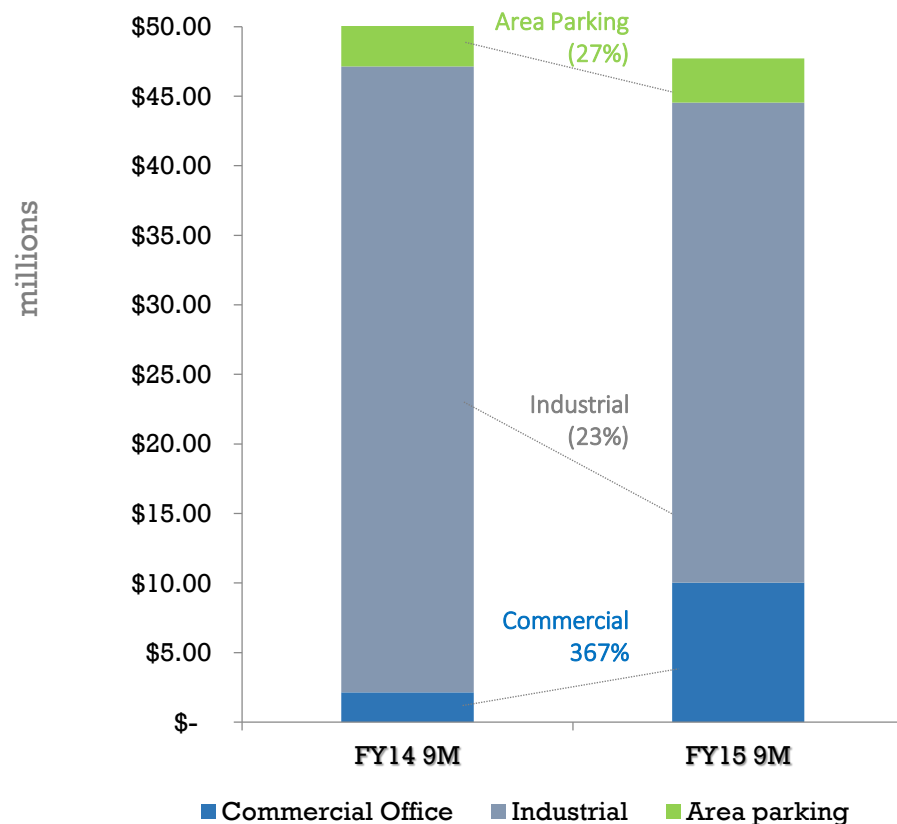
* Adjusted for the impact of \$12.1 controls impairment charge

Sales by Product Line - YTD

Revenue by product



Lighting revenue by market application



- Strong growth in total LED product line and commercial applications
- Continued transition to LED away from Linear Fluorescent (LFL)
- Strategic exit out of solar business

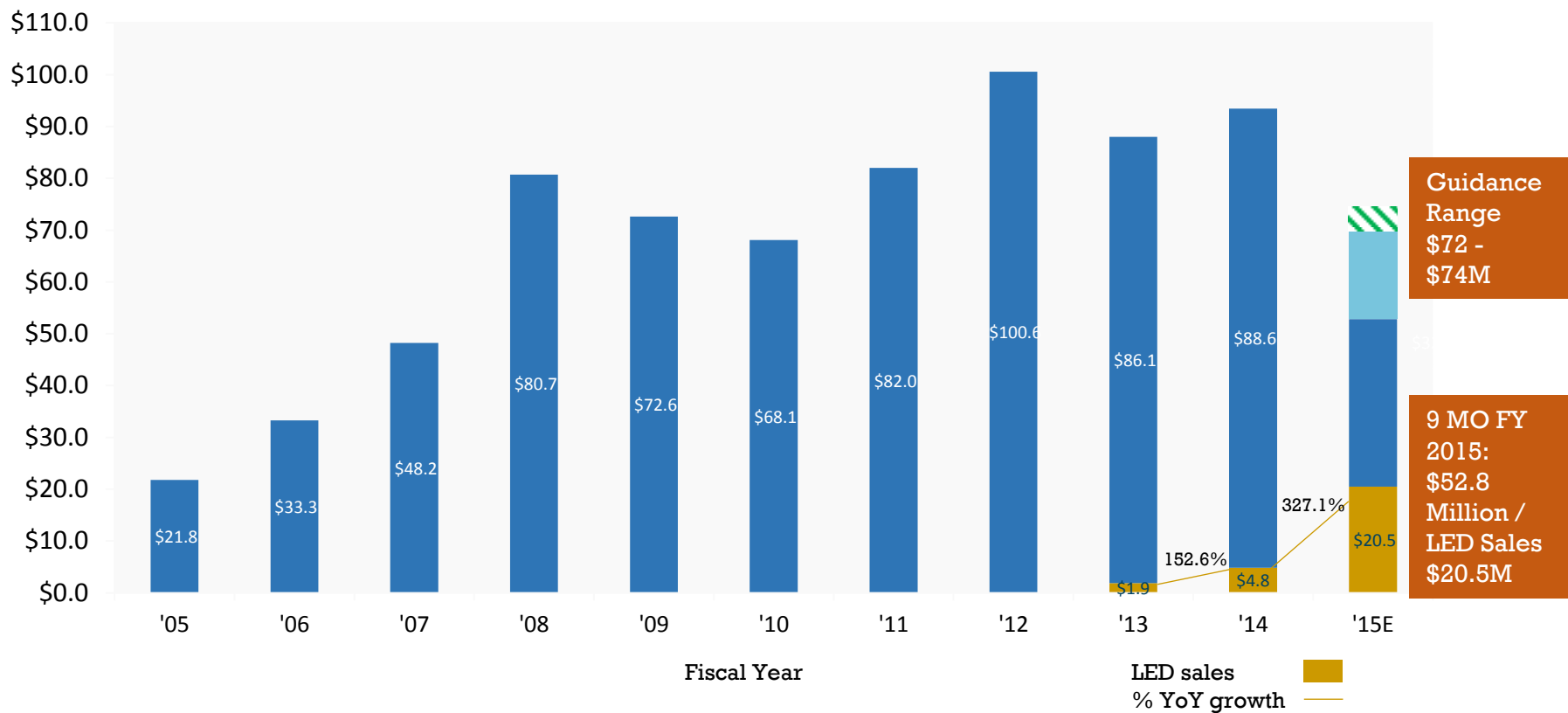
Historical Revenues: Guidance for FY 2015

FY 2015 Revenue Range of \$72 - \$74 Million

Further Sales Acceleration in FY 2016

Millions

Revenue



Balance Sheet

(\$ in millions)	As of December 31, 2014	As of March 31, 2014
Cash	\$ 4.8	\$ 17.6
Short-term investments	\$ 0.5	\$ 0.5
Total inventory	\$15.0	\$ 22.4
Total assets	\$79.6	\$ 98.9
Total debt	\$ 4.4	\$ 6.6
Total liabilities	\$28.2	\$ 21.9

February 6, 2015: Orion executed a 3-year loan and security agreement with Wells Fargo N.A..

Size: \$15.0 million line of credit on a revolving basis, borrowings under the credit facility are expandable to \$20.0 million, and subject to a borrowing base requirement based on eligible receivables and inventory.

Rate: LIBOR plus 3%, at a rate that presently equals 3.26% per annum and has a maturity date of February 2018.

Strategic Growth and Innovation Initiatives

- New Product Development
- Develop Cross-Functional LED Products of the Future
- Guided by Senior Leadership with Mandate to Drive Product Superiority



Company to Open New Innovation Hub in Chicago, IL Area

Long Term Growth Drivers

- LED Product Sales Accelerating
- Customer Wins Driven by Sales Processes Implemented in FY 2014 / 2015
- Wells Fargo Financing Provides Financial Stability to Meet Changing Company Needs
- M&A Potential