



**Fiscal 2015 Second Quarter
Conference Call Presentation
November 4, 2014**

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.

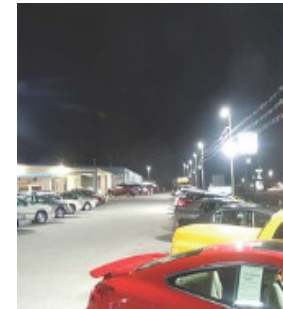
Orion Energy Systems, Inc. (NYSE MKT: OESX) (at 6/30/2014 unless otherwise noted)

Corporate Headquarters	Manitowoc, WI
Industry	Energy
Business	LED & LFL/HIF lighting and energy management solutions
Market Cap	\$125.4 million (at 10/31/2014)
Stock Price	\$5.75 (at 10/31/2014)
Shares Outstanding	21.8 million
Acronyms/Terms	Light-Emitting Diode (LED) Linear Fluorescent Lights (LFL) High-Intensity Fluorescents (HIF)

Operating Review / Achievements

- ✦ Margins impacted by accelerated LED selling process and component costs
- ✦ Largest lighting backlog in the Company's history
 - Driven predominantly by LED sales in the office and industrial markets
- ✦ LED sales continue to increase as a total percent of revenues
 - Expected increase due to new product launch
- ✦ Investments in new product development and branding expected to begin driving sales considerably in the second half of our fiscal year and into fiscal 2016

- ✦ National account wins



Recent Contract Wins / Growth in Backlog

Retail

Grocery Retailers: LED initial orders from two large retail chains with locations across PA, OH, WV, MD, NJ

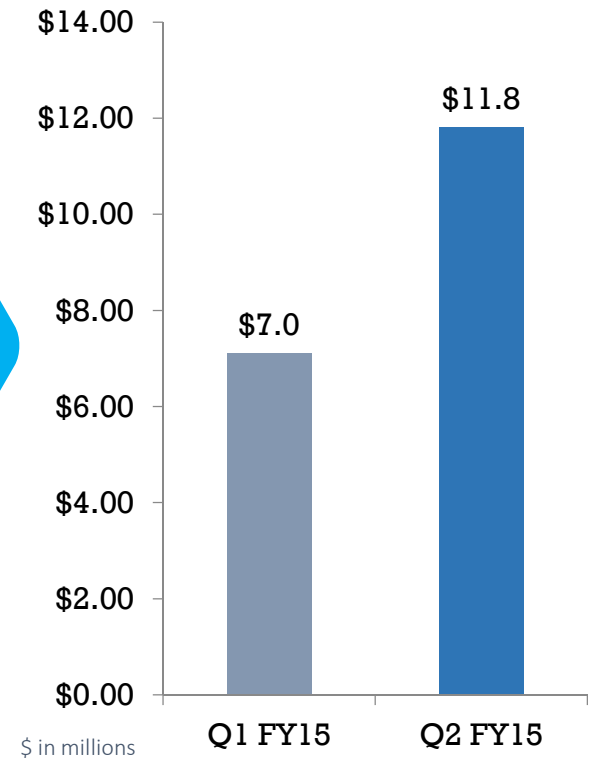
Industrial

New automotive manufacturing account: Facility in Michigan - 1,373 fixtures

Office

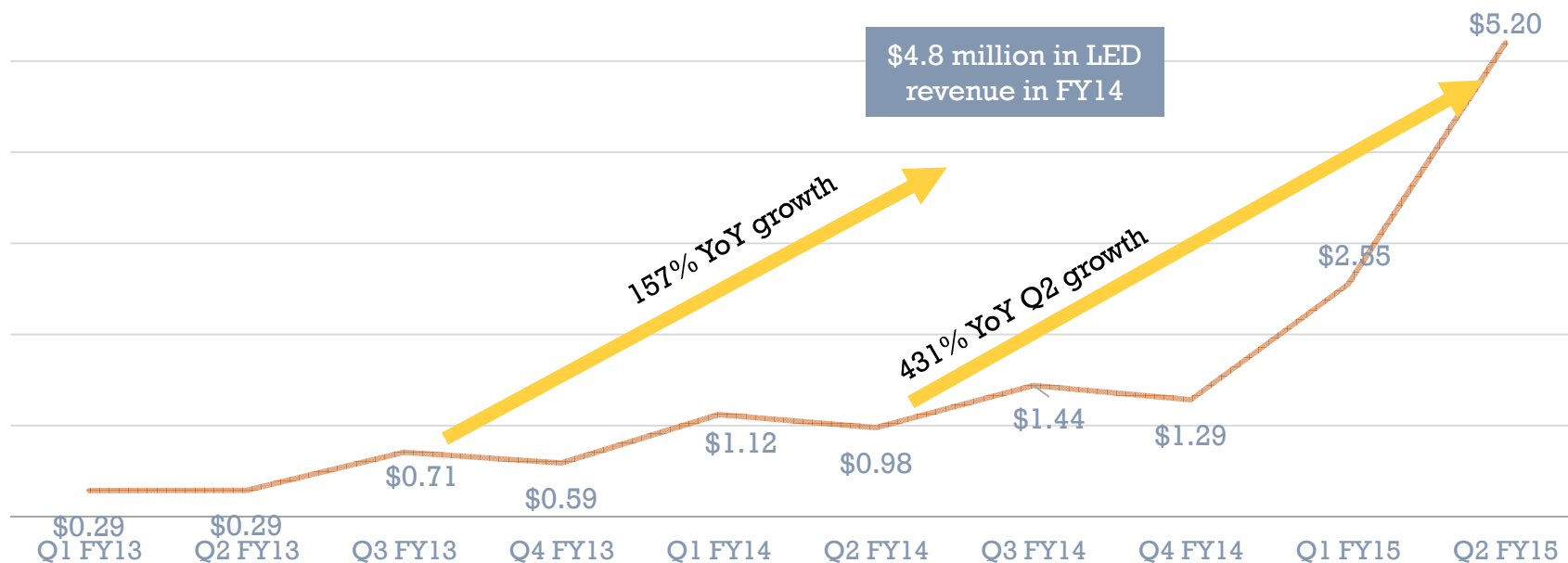
Major U.S. Federal agency: retrofit five different government facilities with LED fixtures

Lighting Backlog



LED Growth

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

Orion's ISON Best In Class LED Suite

INNOVATIVE DESIGN COUPLED
WITH SUPERIOR PERFORMANCE

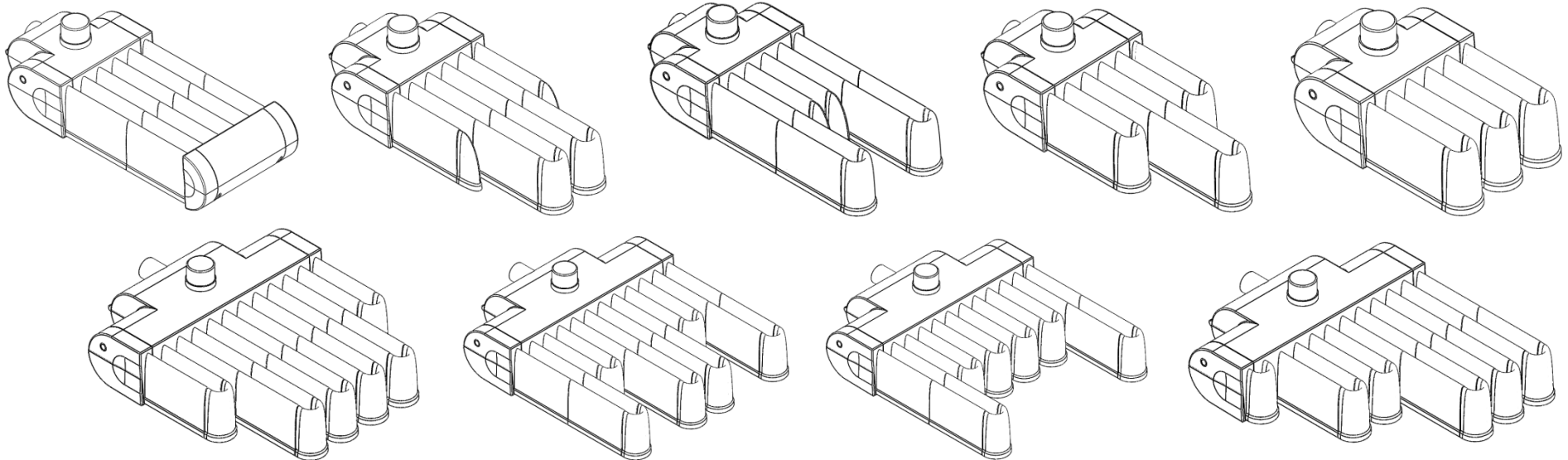
Superior
Engineering



Modular
Components



Unlimited
Combinations



Other Orion LED Retrofit Technologies

A COMPLETE PORTFOLIO OF BETTER SOLUTIONS

- 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



ISON LED
High Bay Series



ISON LED
High Bay
Enclosed
Series



Apollo LED
High Bay Series



LED Vapor
Tight Series

COMMERCIAL



ISON LED
Door Retrofit Suite



Apollo LED
Recessed Troffer

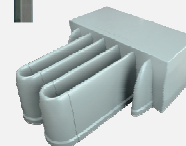


LED Retrofit
Quick Strip Series

EXTERIOR



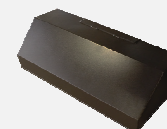
ISON LED
Area Light



ISON LED
Wall Pack



Apollo LED
Area Light



Apollo LED
Wall Pack

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Financial Results

Second Quarter Summary

For the three months ended September 30

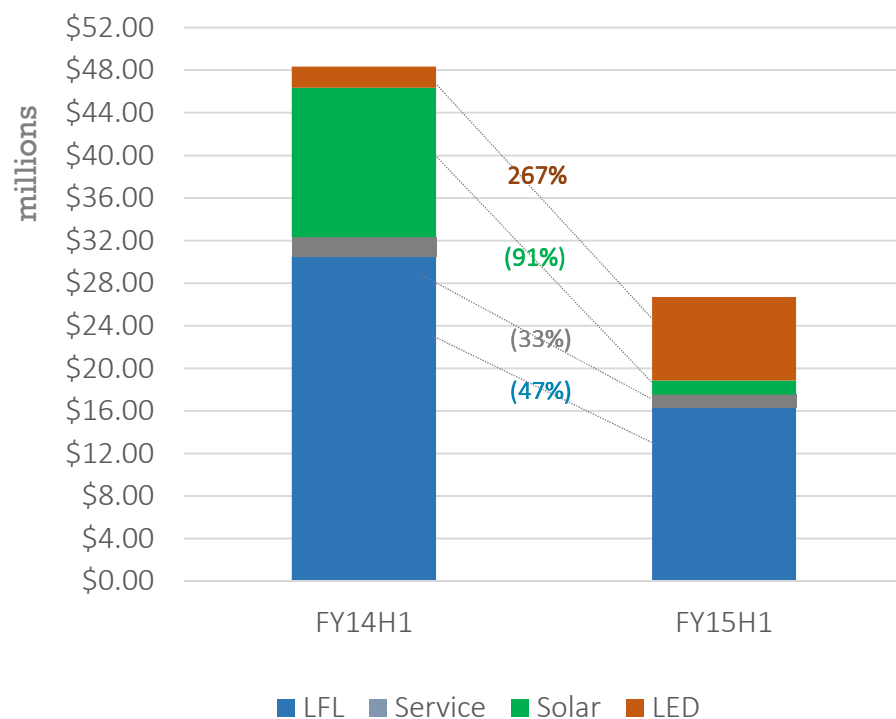
(\$ in millions)		
	FY15Q2*	FY14Q2
Revenue	\$ 13.4	\$ 27.5
Gross Margin %	11.8% *	28.5%
Operating Expenses	\$ 7.8	\$ 7.6
Operating Income (Loss)	\$ (18.3) **	\$ 0.2
Net Income (Loss)	\$ (18.3) **	\$ 2.4
Earnings (Loss) per share	\$ (0.84) **	\$ 0.11

* Gross margin % adjusted for the impact of long-term controls impairment charge of \$12.1 million

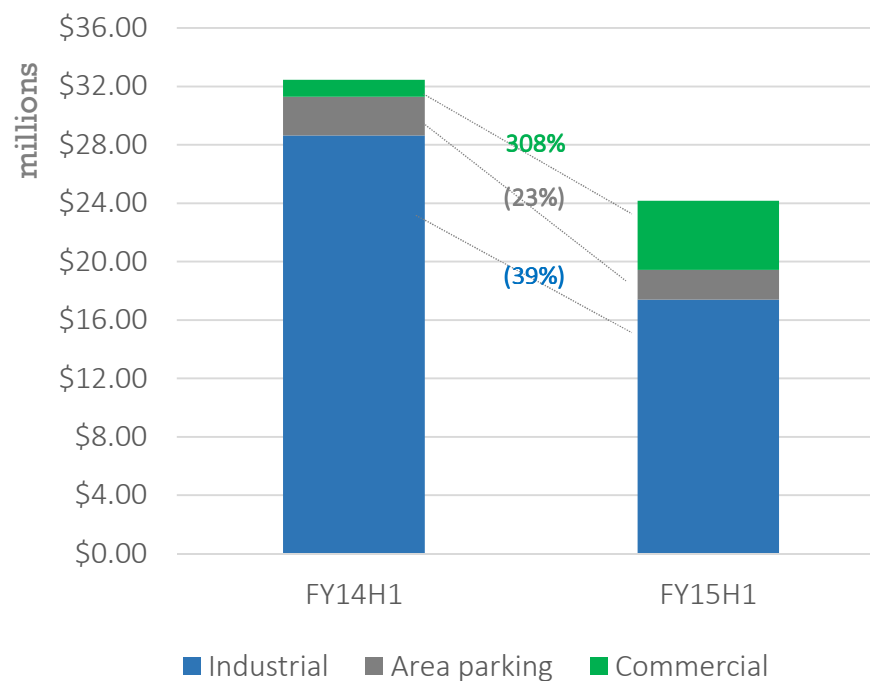
** Operating Income, Net Income, and EPS loss per share impacted by \$(0.56) impairment charge

Sales by Product Line

Revenue by product



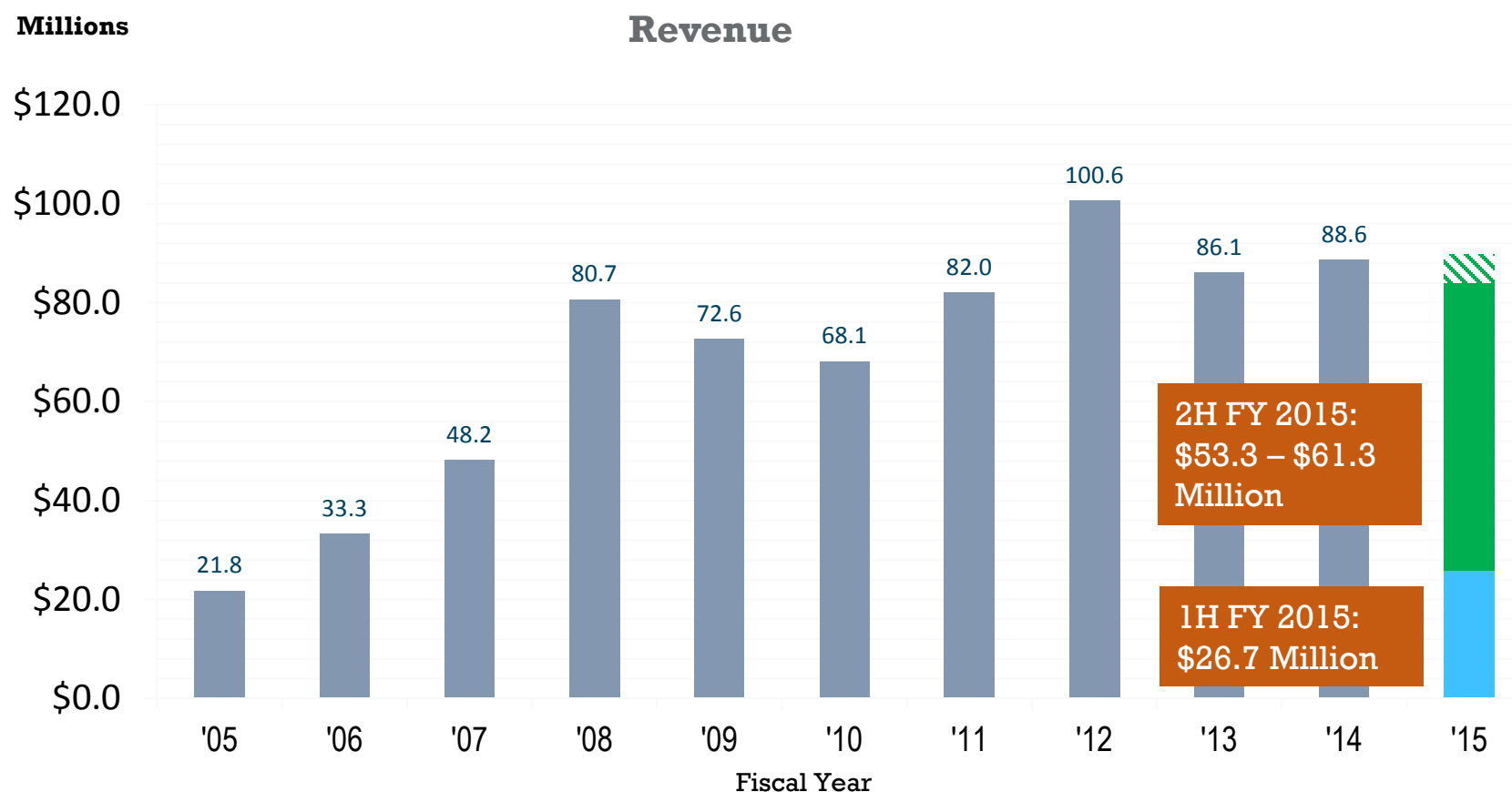
Lighting revenue by market application



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

Historical Revenues: Guidance for FY 2015

Company Confident in Guidance Range of \$80 - \$88 Million
Further Sales Acceleration in FY 2016

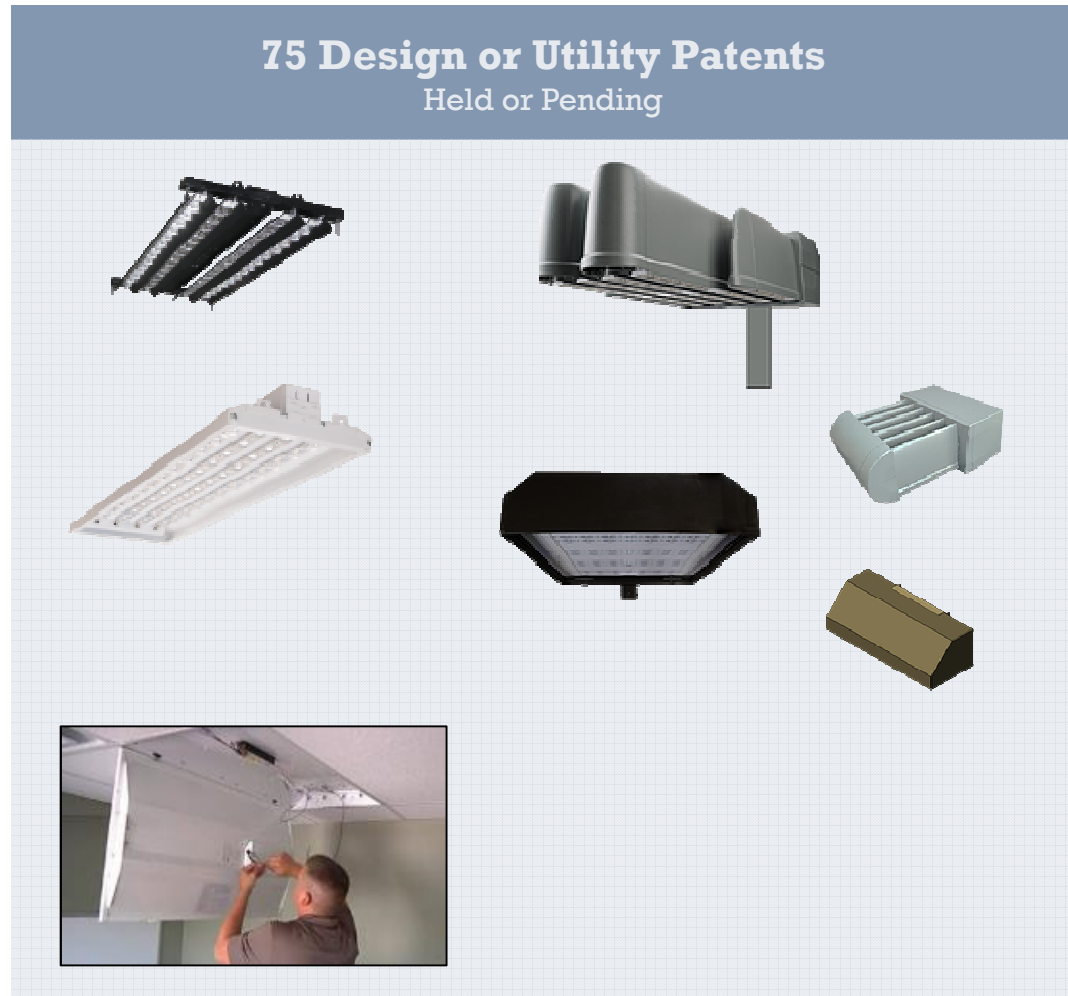


Balance Sheet

(\$ in millions)	As of September 30, 2014	As of March 31, 2014
Cash	\$ 11.1	\$ 17.6
Short-term investments	\$ 0.5	\$ 0.5
Total inventory	\$12.1	\$ 22.4
Total assets	\$75.5	\$ 98.9
Total debt	\$ 5.0	\$ 6.6
Total liabilities	\$20.0	\$ 21.9

Orion Products: Setting the Standard in LED

- ✦ Efficiency
- ✦ Performance
- ✦ Modularity
- ✦ Product Life



US Markets: Re-engaging reseller network

Expand Sales Managers

More Territory Managers
Regular Meetings with Local ESCOs
Higher Touch

Deliver Value Proposition

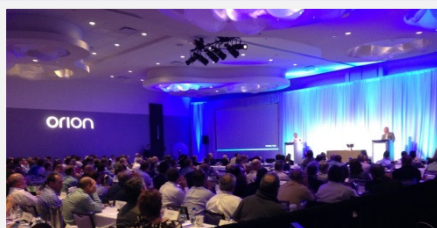
Lower install costs, shorter lead times, exceptional customer service, financing, and comprehensive design and engineering support

Expand Product Offering

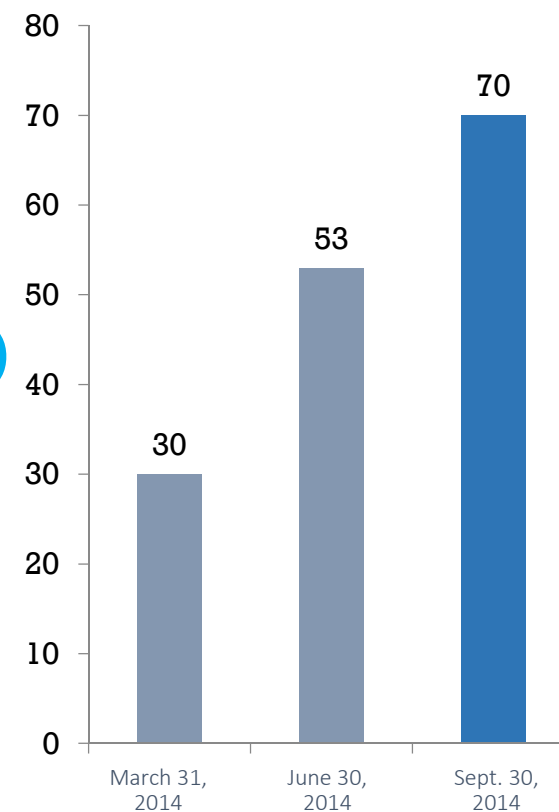
Provide re-selling partners with a wider array of products

October 13th / 14th ~ Chicago, IL

Record Attendance with over 250 members and re-sellers



Number of Key Re-Sellers



Engineering Systems Division: A History of Success

Large Enterprise Accounts

Approximately 3 billion square feet retrofitted 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

New “Energy” at Orion

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