
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 14, 2008

ORION ENERGY SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other
jurisdiction of
incorporation)

01-33887
(Commission File
Number)

39-1847269
(IRS Employer
Identification No.)

1204 Pilgrim Road, Plymouth, Wisconsin 53073
(Address of principal executive offices, including zip code)

(920) 892-9340
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On May 14, 2008, Orion Energy Systems, Inc. issued a press release announcing its quarterly and annual financial results for the fourth quarter and fiscal year ended March 31, 2008. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

1. Not applicable.
2. Not applicable.
3. Not applicable.
4. Exhibits. The following exhibit is being furnished herewith:
(99.1) Press Release of Orion Energy Systems, Inc., dated May 14, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ORION ENERGY SYSTEMS, INC.

Date: May 14, 2008

By: /s/ Daniel J. Waibel
Daniel J. Waibel
Chief Financial Officer and Treasurer

**ORION ENERGY SYSTEMS, INC.
FORM 8-K
EXHIBIT INDEX**

Exhibit
Number
(99.1)

Press Release of Orion Energy Systems, Inc., dated May 14, 2008.

CONTACT: ERIK G. BIRKERTS
VP Strategy & Corporate
Communications
(920) 482-1924

Victoria Paris
FD Ashton Partners
(312) 553-6715

Orion Energy Systems, Inc. Reports Record Results for Fiscal Year Ended March 31, 2008

Orion Delivers Annual Revenue Growth of 67% and Earnings per Diluted Share of \$0.19

PLYMOUTH, WI, May 14, 2008 — Orion Energy Systems, Inc. (NASDAQ: OESX), a leading provider of energy management systems to the commercial and industrial sectors, today announced financial results for the fourth quarter and fiscal year ended March 31, 2008.

Orion ended its fiscal year with record results, with revenues increasing 67% to \$80.7 million versus \$48.2 million in fiscal 2007. Net income increased by \$3.5 million to \$4.4 million compared to \$929,000 in fiscal 2007. Earnings per diluted share were \$0.19 versus \$0.05 in fiscal 2007, an increase of 280%.

“The demand for Orion’s end-use energy efficiency solutions is clearly reflected in our strong top-line growth during fiscal 2008. While we have made great strides in the last year, we have significant runway for continued improvements through solid sales execution and increased operational efficiencies,” commented Neal Verfuert, CEO of Orion Energy Systems. “Heading into fiscal 2009, we believe that our leading technology, proven return on investment, and track record of performance by our sales and implementation team position us to achieve our 50% annual revenue growth target.”

Fiscal 2008 Fourth Quarter Results

Revenue. Total revenue for the fourth quarter of fiscal 2008 increased 55% to \$22.3 million versus \$14.3 million for the fiscal 2007 fourth quarter.

Gross Profit. Gross profit for the fourth quarter of fiscal 2008 increased 72.9% to \$8.0 million compared to \$4.7 million for the fiscal 2007 fourth quarter.

Operating Expenses. Total operating expenses for the fiscal 2008 fourth quarter were \$6.5 million compared to \$4.1 million for the fiscal 2007 fourth quarter.

Income from Operations. Operating income increased 190% to \$1.6 million for the fiscal 2008 fourth quarter versus \$0.5 million for the fiscal 2007 fourth quarter.

Net Income. Net income was \$1.5 million for the fiscal 2008 fourth quarter compared to \$0.4 million for the fiscal 2007 fourth quarter. Earnings per diluted share were \$0.05 for the fiscal 2008 fourth quarter versus \$0.01 for the fiscal 2007 fourth quarter.

Fiscal 2008 Year-End Results

Revenue. Total revenue for fiscal 2008 increased 67% to \$80.7 million compared to \$48.2 million for the year ended March 31, 2007.

Gross Profit. Fiscal 2008 gross profit was \$28.2 million, an increase of 79.8% compared to \$15.7 million for the year ended March 31, 2007. Gross profit margins increased to 35.0% from 32.6% in fiscal 2007.

Operating Expenses. Total operating expenses were \$20.9 million for fiscal 2008 versus \$13.7 for the year ended March 31, 2007. Operating expenses increased 52% year over year.

Income from Operations. Income from operations for fiscal 2008 increased 269% to \$7.4 million compared to \$2.0 million for the year ended March 31, 2007.

Net Income. Net income increased 375% to \$4.4 million for fiscal 2008 compared to \$0.9 million for fiscal 2007. Earnings per diluted share for fiscal 2008 were \$0.19, which favorably compared to \$0.05 for the year ended March 31, 2007.

Cash. As of March 31, 2008, Orion had cash and cash equivalents totaling \$78.3 million, an increase of \$78.0 million since March 31, 2007, primarily due to Orion's initial public offering in December 2007.

Business Highlights

- Deployed energy management systems in 957 facilities in fiscal 2008, bringing Orion's installed base to 3,655 facilities.
- Further improved the efficiency and effectiveness of Orion's sales force through deployment of advanced technologies and innovative sales management processes.
- Increased the ratio of revenue per salesperson to \$1.7 million in fiscal 2008 from \$1.1 million in fiscal 2007, while concurrently reducing sales and marketing expense as a percentage of revenue to 10.9% in fiscal 2008 from 13.4% in fiscal 2007.
- Launched grass roots marketing campaign aimed at building out our wholesale channel network.
- Completed manufacturing plant upgrades and reconfiguration, which will support a significant increase in Orion's revenue run rate with modest additional capital expenditures.
- New customer additions in fiscal 2008 resulted in \$34 million in annual saved energy costs and an annual reduction in indirect CO₂ emissions from energy savings by 306,000 tons. Since December 2001, the Company has benefited its customers and the environment as follows:

| | Cumulative From December 1, 2001 Through March 31, 2008 |
|---|--|
| High intensity fluorescent (HIF) systems sold | 1,133,000 |
| Total units sold (including HIF) | 1,465,000 |
| Customer kilowatt demand reduction | 334,000 |
| Customer kilowatt hours saved | 4,563,331,000 |
| Customer electricity costs saved | \$351,376,000 |
| Indirect carbon dioxide emission reductions from customers' energy savings (tons) | 4,449,000 |
| Square footage retrofitted | 586,763,000 |

Conference Call

Orion will host a conference call on Wednesday, May 14, at 5:30 p.m. Eastern (4:30 p.m. Central/2:30 p.m. Pacific) to discuss details regarding its fiscal 2008 fourth quarter and year-end performance. Domestic callers may access the earnings conference call by dialing 877-681-3374 (International callers, dial 719-325-4943). Investors and other interested parties may also go to the Investor Relations section of Orion's website at <http://investor.orion.com/events.cfm> for a live webcast of the conference call. To ensure a timely connection, it is recommended that users register at least 15 minutes prior to the scheduled webcast.

Orion Energy Systems, Inc. (Nasdaq: OESX) is a leading power technology enterprise that designs, manufactures and implements energy management systems, consisting primarily of high-performance, energy efficient lighting systems and controls and related services, for commercial and industrial customers without compromising their quantity or quality of light.

Safe Harbor Statement

Certain matters discussed in this press release are “forward-looking statements” intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements may generally be identified as such because the context of such statements will include words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or words of similar import. Similarly, statements that describe future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause results to differ materially from those expected, including, but not limited to, the following: (i) Orion’s ability to compete in a highly competitive market and its ability to respond successfully to market competition; (ii) the market acceptance of Orion’s products and services; (iii) price fluctuations, shortages or interruptions of component supplies and raw materials used to manufacture Orion’s products; (iv) loss of one or more key customers or suppliers; (v) a reduction in the price of electricity; (vi) the cost to comply with, and the effects of, any current and future government regulations, laws and policies; (vii) increased competition from government subsidiaries and utility incentive programs; (viii) dependence on customers’ capital budgets for sales of products and services; (ix) Orion’s ability to effectively manage its anticipated growth; and (x) potential warranty claims. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this press release and Orion undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, which are available at <http://www.sec.gov> or at <http://www.oriones.com> in the Investor Relations section of our website.

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ORION ENERGY SYSTEMS, INC. AND SUBSIDIARIES
SELECTED FINANCIAL INFORMATION
(in thousands, except share and per share amounts)

Condensed Consolidated Statements of Operations
For the Three Months and Fiscal Years ended March 31, 2007 and 2008
(unaudited)

| | Three months ended March 31, | | Fiscal year ended March 31, | |
|--|---------------------------------|------------|--------------------------------|------------|
| | 2007 | 2008 | 2007 | 2008 |
| Revenue | \$ 14,309 | \$ 22,250 | \$ 48,183 | \$ 80,687 |
| Cost of revenue | 9,654 | 14,203 | 32,487 | 52,462 |
| Gross profit | 4,655 | 8,047 | 15,696 | 28,225 |
| Operating expenses: | | | | |
| General and administrative | 1,943 | 3,434 | 6,162 | 10,200 |
| Sales and marketing | 1,782 | 2,523 | 6,459 | 8,832 |
| Research and development | 381 | 498 | 1,078 | 1,832 |
| Total operating expenses | 4,106 | 6,455 | 13,699 | 20,864 |
| Income from operations | 549 | 1,592 | 1,997 | 7,361 |
| Other income (expense): | | | | |
| Interest expense | (270) | (118) | (1,044) | (1,390) |
| Dividend and interest income | 173 | 709 | 201 | 1,189 |
| Total other income (expense) | (97) | 591 | (843) | (201) |
| Income before income tax | 452 | 2,183 | 1,154 | 7,160 |
| Income tax expense | 88 | 727 | 225 | 2,750 |
| Net income | 364 | 1,456 | 929 | 4,410 |
| Accretion of redeemable preferred stock and preferred stock dividends | (76) | — | (201) | (225) |
| Conversion of preferred stock | (83) | — | (83) | — |
| Participation rights of preferred stock in undistributed earnings | (71) | — | (205) | (775) |
| Net income attributable to common shareholders | \$ 134 | \$ 1,456 | \$ 440 | \$ 3,410 |
| Basic net income per share attributable to common shareholders | \$ 0.01 | \$ 0.05 | \$ 0.05 | \$ 0.22 |
| Weighted-average common shares outstanding | 9,247,666 | 26,952,215 | 9,080,461 | 15,548,189 |
| Diluted net income per share attributable to common shareholders | \$ 0.01 | \$ 0.05 | \$ 0.05 | \$ 0.19 |
| Weighted-average common shares and share equivalents outstanding | 16,997,070 | 30,070,210 | 16,432,647 | 23,453,803 |
| Supplemental information: | | | | |
| FAS 123R compensation expense | | | | |
| Cost of revenue | \$ 13 | \$ 54 | \$ 24 | \$ 122 |
| General and administrative | 69 | 287 | 154 | 852 |
| Sales and marketing | 77 | 108 | 153 | 375 |
| Research and development | 19 | 13 | 32 | 42 |
| Total | \$ 178 | \$ 462 | \$ 363 | \$ 1,391 |
| Cash incentive compensation related to completion of initial public offering included in general and administrative expenses | \$ — | \$ — | \$ — | \$ 742 |

Condensed Consolidated Balance Sheets
As of March 31, 2007 and March 31, 2008 (unaudited)

| | March 31, 2007 | March 31, 2008 |
|---|----------------|----------------|
| Cash and cash equivalents | \$ 285 | \$ 78,312 |
| Current assets | 22,619 | 116,896 |
| Property and equipment, net | 7,588 | 11,539 |
| Total assets | 33,583 | 130,072 |
| Current liabilities | 8,539 | 12,606 |
| Long term debt | 10,603 | 4,473 |
| Total temporary equity and shareholders' equity | 14,308 | 113,190 |

Condensed Consolidated Statements of Cash Flows
For the fiscal years ended March 31, 2007 and 2008
(unaudited)

| | Fiscal year ended March 31, | |
|--|-----------------------------|-----------|
| | 2007 | 2008 |
| Cash used in operating activities | \$(6,234) | \$(1,362) |
| Cash used in investing activities | (969) | (7,437) |
| Cash provided by financing activities | 6,399 | 86,826 |
| Net increase (decrease) in cash and cash equivalents | (804) | 78,027 |