



May 27, 2015

Orion Energy Systems Publishes FY 2016 Financial Guidance Ahead of Attendance at Investor Conferences

MANITOWOC, Wis.--(BUSINESS WIRE)-- **Orion Energy Systems, Inc. (NYSE MKT:OESX)** - a leading designer and manufacturer of high-performance, energy-efficient retrofit lighting platforms, is confirming fiscal year 2016 guidance to the investment community ahead of the Company's upcoming attendance at investor conferences. The Company's FY 2016 guidance is announced in tandem with the recent publication of the Company's FY 2015 annual results and is consistent with the FY 2016 outlook and commentary provided by management at that time.

FY 2016 Guidance

"The outlook for Orion in FY 2016 and beyond is bright as the Company is experiencing accelerating growth in its LED pipeline and LED sales," commented John Scribante, Chief Executive Officer. "We are providing the investment community with a set of high-level targets for FY 2016 indicating a return to EBITDA profitability and positive cash flow this fiscal year and that position the company well for continued financial improvement in FY 2017 and beyond."

- The Company expects to achieve significant year-over-year revenue growth in FY 2016 (vs. FY 2015)
- The Company expects to achieve significant year-over-year gross margin improvement in FY 2016 (vs. FY 2015)
- The Company expects to achieve EBITDA profitability for full-year FY 2016
- The Company expects to achieve positive cash flow from operations for full-year FY 2016
- The Company expects to achieve significant improvement in GAAP EPS including positive GAAP EPS in the second-half of FY 2016

Attendance at Investor Conferences

The Company's management will be presenting at two investor conferences this week:

- Wednesday, May 27, 2015: Craig-Hallum Capital Group's 12th Annual Institutional Investor Conference at The Depot Renaissance Minneapolis Hotel in Minneapolis, MN.
- Thursday, May 28, 2015: The Benchmark Company One-on-One Investor Conference at The Pfister Hotel in Milwaukee, WI.

About Orion Energy Systems

Orion is leading the transformation of commercial and industrial buildings with state-of-the-art energy efficient lighting systems and retrofit lighting solutions. Orion manufactures and markets a cutting edge portfolio of products encompassing LED Solid-State Lighting and high intensity fluorescent lighting. Many of Orion's 100+ granted patents and pending patent applications relate to lighting systems that provide exceptional optical and thermal performance, which drive financial, environmental, and work-space benefits for a wide variety of customers in the retrofit markets.

Safe Harbor Statement

Certain matters discussed in this press release, including under our "FY 2016" section are "forward-looking statements" intended to qualify for the safe harbor 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 the Company's financial guidance or 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) our development of, and participation in, new product and technology offerings or applications, including customer acceptance of our new light emitting diode product lines; (ii) deterioration of market conditions, including our dependence on customers' capital budgets for sales of products and services; (iii) our ability to compete and execute our strategy in a highly competitive market

and our ability to respond successfully to market competition; (iv) our ability to successfully implement our strategy of focusing on lighting solutions using new LED technologies in lieu of traditional HIF lighting upon which our business has historically relied; (v) our ability to realize expected cost savings from our transition to focusing on new LED technologies; (vi) our ability to effectively manage the acquisition of Harris Manufacturing, Inc. and Harris LED, LLC, collectively Harris, and our ability to successfully complete and fund potential future acquisitions; (vii) our ability to effectively manage the growth of our business, including expansion of our business internationally through our Orion distribution services division; (viii) adverse developments with respect to litigation and other legal matters that we are subject to; (ix) our failure to comply with the covenants in our revolving credit agreement; (x) increasing duration of customer sales cycles; (xi) fluctuating quarterly results of operations from as we focus on new LED technologies; (xii) the market acceptance of our products and services; (xiii) our ability to recruit and hire sales talent to increase our in-market sales; (xiv) price fluctuations, shortages or interruptions of component supplies and raw materials used to manufacture our products; (xv) loss of one or more key customers or suppliers, including key contacts at such customers; (xvi) our ability to effectively manage our product inventory to provide our products to customers on a timely basis; (xvii) our ability to effectively manage the credit risk associated with our debt funded Orion Throughput Agreement contracts; (xviii) a reduction in the price of electricity; (xix) the cost to comply with, and the effects of, any current and future government regulations, laws and policies; (xx) increased competition from government subsidies and utility incentive programs; (xxi) the availability of additional debt financing and/or equity capital; (xxii) potential warranty claims; and (xxiii) the other risks described in our filings with the SEC. 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 the Company 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.oesx.com> in the Investor Relations section of the Company's Web site.

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