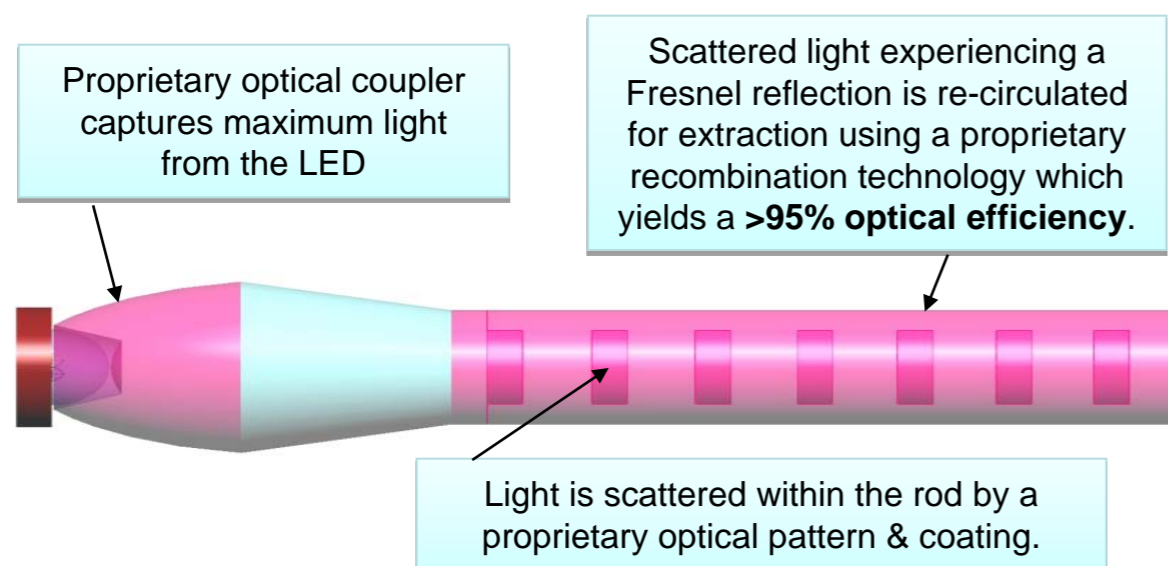




*This presentation may contain some statements that may be considered forward-looking statements. These forward-looking statements may include statements relating to financial projections or other statements relating to the company's plans, objectives, expectations or intentions. These matters involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward-looking statements. Factors that could cause actual results to materially differ from the forward-looking statements in this presentation are set forth in our most recent annual report on Form 10-K.*

*IntelliTube's unique single LED and "optical light-rod" design offers superior energy efficiency, cost and quality of light benefits.*

- IntelliTube is an LED "plug and play" replacement for a linear fluorescent lamp
- Leverages EFOI patented technology developed with >\$30 million from the Dept of Defense
- Utilizes a single LED and proprietary "optical rod" light delivery technology
- Optional wireless control capability for daylight harvesting and smart grid apps



# The New US Navy Standard

*After multiple development contracts, EFOI was awarded a \$23 million contract to supply the Navy with LED fixtures, including its proprietary IntelliTube lamps*



- US Navy is investing \$2 billion to increase energy efficiency and to transition to a “Green Fleet” by 2016

- US Naval fleet represents a \$300 million replacement market with over 230 large vessels in the fleet
  - Excludes Military Sealift Command & US Coast Guard
  - Expect other nations to follow US-lead
- EFOI has established a first-mover position – working with Navy since 2003 on transition to LEDs, helped write specs and by year end will have 40+ SKUs meeting ~95% of lighting needs

“Replacing shipboard incandescent and fluorescent lighting with LEDs similar to those found in consumer electronics is expected to reduce fuel consumption by approximately one percent annually per ship, in addition to maintenance cost avoidance.”

Kevin M. McCoy  
 Vice Admiral, U.S. Navy  
 Commander, Naval Sea Systems Command



Destroyer: 62

Frigates: 30

Carriers: 12

Submarines: 72

Cruisers: 22

Amphibious: 35

# US Navy Sales Channels

## New Ship Construction

SCN Budget



## Planned Overhauls

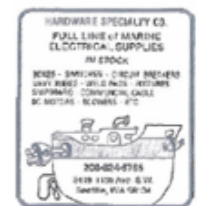
(Every ship every five years)

SCN and OPN budget



## In Service Upgrades

OPN and OMN budget



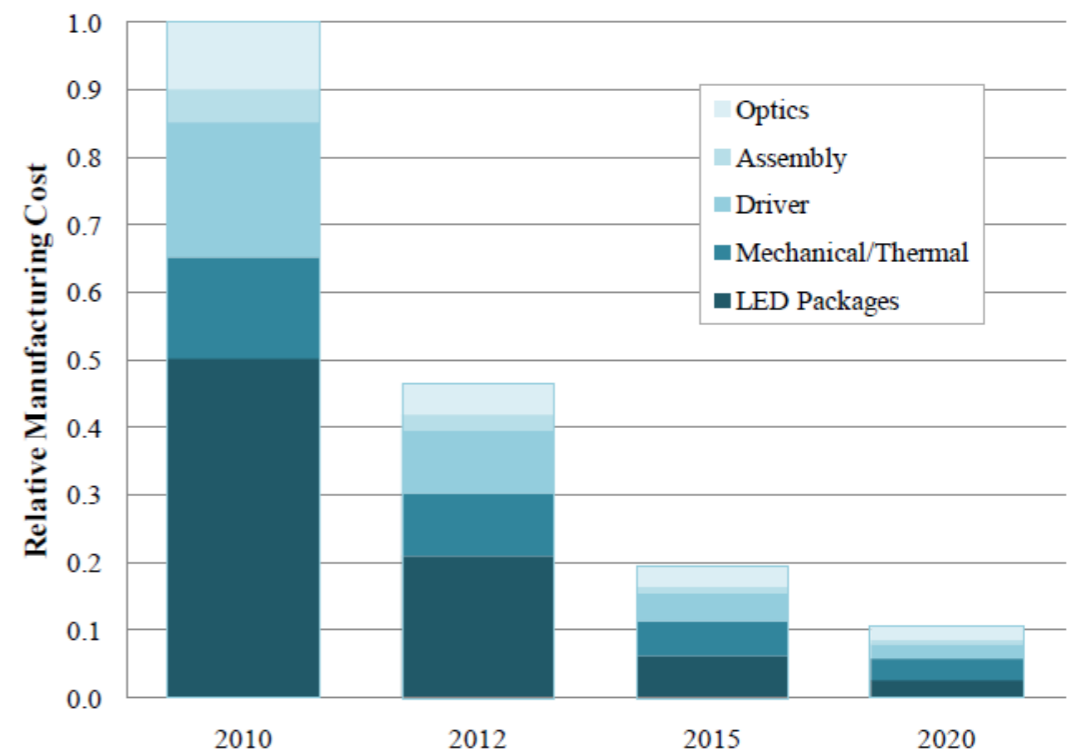
*Light emitting diodes (LEDs) produce light very efficiently, have long operating life, and contain no toxic materials.*

Source: DOE 2011 MYPP

Metric	Unit	2010	2012	2015	2020
LED Efficacy (warm white)	lm/W	96	141	202	253
LED Price (warm white)	\$/klm	18	7.5	2.2	1
LED Efficacy (cool white)	lm/W	134	176	224	258
LED Price (cool white)	\$/klm	13	6	2	1
OEM Lamp Price	\$/klm	50	23	10	5

Note:

1. Projections for cool white packages assume CCT=4746-7040K and CRI=70-80, while projections for warm white packages assume CCT=2580-3710K and CRI=80-90.
2. All efficacy projections assume measurements at 25°C with a drive current density of 35 A/cm<sup>2</sup>.



Source: DOE

- Much like historical semi-conductor trends, expected pricing declines of 30%/year<sup>1</sup> are making LEDs competitive to fluorescents in numerous applications
- LED's represent 2% of general lighting market in 2010<sup>2</sup> – expected to grow to 60% by 2020<sup>1</sup>

*Compared to the competition, IntelliTube™ has the potential to save the end user as much as \$18/year per lamp (military product launch 4Q2011)...*

	<u>Existing</u>	<u>Worst Option</u>	<u>Good Option</u>	<u>Best Option</u>
	<b>3 Tube Linear Fluorescent</b>	<b>Competitor's LED Fixture</b>	<b>Competitor Or EFOI Multi-LED Tubes</b>	<b>EFOI IntelliTube™<sup>4</sup></b>
Upgrade Approach	N/A	Retrofit Existing Fixtures With New LED <b>Fixture</b> Multiple LED's Non-Proprietary	Retrofit LED <b>Tube</b> Multiple LED's Non-Proprietary	Retrofit LED <b>IntelliTube™</b> <b>Single LED</b> <b>Proprietary to EFOI</b>
Installation Cost <sup>1</sup>	N/A	\$250 LED Fixture \$22 Installation <b>\$272 Total Installation</b>	\$120 LED Tubes \$11 Installation <b>\$131 Total Installation</b>	\$60 LED IntelliTubes™ \$11 Installation <b>\$71 Total Installation</b>
Wattage	87 Fixture Watts	44 Fixture watts	44 Fixture Watts	<40 Fixture Watts <sup>5</sup>
Annual Energy Cost <sup>2</sup>	\$34.80	\$17.60	\$18.00	\$16.80
Annual Savings <sup>3</sup>		<b>\$17.20</b>	<b>\$16.80</b>	<b>\$18.00</b>
Simple Payback		<b>15.8 years</b>	<b>7.8 years</b>	<b>&lt;4 years</b>

(1) Installation cost based on \$44 per hour labor rate  
 (2) All energy savings calculated using \$0.10 per kilowatt-hour and 4000 lighted hours  
 (3) SPB calculation excludes maintenance savings and savings from dimming controls  
 (4) Minimum future expected performance  
 (5) Excluding wireless control option, which can reduce watts by an additional 25%-50%

*To seed the US commercial building market, Energy Focus offers solution-based lighting products directly through Lighting Retrofit and Energy Services Companies the Stones River Companies, an Energy Focus Co ...*

- Premier lighting retrofit solutions company focused on public sector & fortune 500 companies (acquired 12/2009)
- Provides diversification, product verification and dedicated sales channel
- Internal product sales provide greater gross margin
- Turnkey projects
  - Lighting audits
  - Design & engineering
  - Sourcing
  - Project management
  - Turnkey installation

