



May 15, 2012

Energy Focus Inc. reports First Quarter 2012 Results

SOLON, Ohio, May 15, 2012 — Energy Focus, Inc. (OTC BB: [EFOI.OB](#)) today announced financial results for the first quarter ended March 31, 2012.

Financial results for the first quarter of 2012 include the following:

- Net sales of \$5.3 million compared to \$5.5 million for the first quarter of 2011.
- Operating expenses decreased 36% compared to the first quarter of 2011.
- The net loss of \$1.9 million improved \$0.9 million compared to the first quarter's 2011 net loss of \$2.8 million.
- The Company finished the quarter with a balance sheet showing cash in the amount of \$1.7 million, a \$0.4 million decrease from the fourth quarter of 2011.

Net sales decreased during the first quarter of 2012 as compared to the prior year's first quarter as a result of \$1 million in lower sales from our Solutions business. This was partially offset by a \$0.8 million increase in our U.S. Government business as a result of our \$23 million U.S. Navy contract.

Joe Kaveski, Chief Executive Officer, commented, "Our first quarter sales fell within our guidance of \$5-\$6 million. While our overall sales were lower in the first quarter due to the weak performance of our Solutions business, we were encouraged to see a \$0.8 million increase in U. S. Navy revenues associated with our IntelliTube™ sales. We also expect to see significant sales during the remainder of 2012 from the \$23 million Navy contract. Further, we anticipate an improvement in our Solutions business beginning in the second quarter and a further strengthening in the second half of 2012 due to an expanded proposal pipeline."

"Our U.S. Products business is also expected to grow in the second quarter of 2012 due to increased sales of our LED products. This increase is led by the fulfillment of the \$1.8 million LED product order we recently secured which we began shipping in the second quarter," said Mr. Kaveski.

The Company expects sales for the second quarter to range between \$7 million and \$8 million and forecasts to be EBITDA positive in the second half of 2012.

Energy Focus, Inc. will host a conference call on Tuesday, May 15, 2012 at 4:30 p.m. EST (1:30 p.m. PST) to review the first quarter of 2012 financial results, followed by a Q & A session. The call can be accessed by dialing (888) 245-0962 (US and Canada) or 1-913-981-5559 (International/Local). The conference ID number is 2466679. Participants are asked to call the assigned number approximately 10 minutes before the conference call begins.

A recording of the conference call will be available through the investor relations section of the Company's web site at <http://www.energyfocusinc.com/investors/events/category/investors> starting May 15, 2012 and will remain available for 3 months.

Forward Looking Statements

Forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. For more information about potential factors that could affect the financial results of Energy Focus, please refer to the Company's SEC reports, including its Annual Reports on Form 10-K and its quarterly reports on Form 10-Q. These forward-looking statements speak only as of the date hereof. Energy Focus disclaims any intention or obligation to update or revise any forward-looking statements.

About Energy Focus, Inc.

Energy Focus, Inc. is a leading provider of energy efficient LED lighting products and turnkey energy efficient lighting solutions, holding 75 lighting patents. Our solutions provide energy savings, aesthetics, safety and maintenance cost benefits over conventional lighting. Our long-standing relationship with the U.S. Government includes numerous research and development projects for the DOE and DARPA, creating energy efficient LED lighting systems for the U.S. Navy fleet. Customers include supermarket chains, the U.S. Government, state and local governmental agencies, retail stores, museums, theme parks and

casinos, hotels, swimming pool builders and many others. Company headquarters are located in Solon, OH, with additional offices in Nashville, TN, Pleasanton, CA, and the United Kingdom. For more information, see our web site at www.energyfocusinc.com.

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