

ENERGY FOCUS COMMENTS ON UFC CHANGE AT THE DEPARTMENT OF DEFENSE

DOD NOW ALLOWS TUBULAR LED RETROFITS WITHOUT REQUIRING PROJECT-BY-PROJECT WAIVERS AT ALL LAND FACILITIES

SOLON, Ohio, February 24, 2016 (GLOBE NEWSWIRE) – Energy Focus, Inc. (NASDAQ:EFOI), a leader in LED lighting technology, today announced the Department of Defense (“DOD”) Unified Facilities Criteria (“UFC”) has been changed to allow tubular LED (“TLED”) installation categorically without the requirement to submit a waiver request for each retrofit project. DOD facilities include military bases, administrative offices and housing structures for the Army, the Navy and the Air Force.

The DOD, through a change in the UFC, now permits all its land-based facilities to more cost-effectively and quickly upgrade to LED lighting by simply replacing existing fluorescent tubes with TLEDs. Prior to the change, a prohibition on tubular LEDs as a replacement for linear fluorescent lamps required a project-by-project waiver request to overcome. The UFC provides planning, design, construction, sustainment, restoration, and modernization criteria, and applies to the Military Departments, the Defense Agencies, and the DOD Field Activities. It covers multiple aspects of electrical, mechanical, structural, and architectural features of construction, as well as policy and procedures, and specifies design practice and material selection with extensive details for lighting applications.

“We very much applaud and welcome this exemplary policy milestone that now enables all branches of the DOD, the nation’s single largest energy user, to accelerate TLED lighting adoption for its existing 550,000 plus buildings in a much swifter fashion,” said James Tu, Executive Chairman and Chief Executive Officer of Energy Focus, Inc.

In the revision issued on February 1, 2016, the UFC expanded the allowable formats for solid-state lighting, or LED lighting, to be installed on DOD facilities. Included in the revision are new provisions for all DOD Departments, Agencies and Commands to utilize “Luminaire Conversion Kits” that upgrade existing fluorescent fixtures to LED. Specifically, the UFC now allows both lamp-for-lamp replacements, known as Direct-Fit, which are compatible with existing ballasts, as well as conversion of existing fixtures by removing or replacing the ballast, lamp, reflector, wiring, and diffusers as necessary known as Direct-Wire. Energy Focus supplies both Direct-Fit and Direct-Wire solutions, which comply with the new UFC revision.

“Compared with full fixture replacement, retrofitting existing fixtures with TLEDs is far more economical and environmental friendly due to the lower material cost, lower installation cost, simpler conversion and greater flexibility for future upgrade,” added Eric Hilliard, President and Chief Operating Officer of Energy Focus, Inc. “Energy Focus is a pioneer in the development and mass adoption of TLEDs in the public sector, and has been working with leading Energy Service Companies (“ESCOs”) for energy upgrade projects with TLEDs for public facilities over the past three years. The UFC change is an exciting, historic breakthrough that now allows ESCOs to more easily and broadly introduce TLED lighting retrofits through performance contracts with guaranteed savings to DOD facilities with extremely compelling payback periods of a few short years or less for most projects. The maintenance cost for lighting could also be largely eliminated, spaces brighter and cleaner, and our service women and men happier and more productive.”

“We estimate that conservatively, on an annual basis, by retrofitting existing fluorescent lamps to Energy Focus TLED lamps, the DOD could save 2.8 million MWh of power, or over \$300 million in energy cost, while removing 1.9 million tons of CO2 emissions—equivalent to removing 400,000 cars from the roads—without complicated, costly, time consuming, environmentally wasteful and easily outdated fixture replacements. Simply no other energy technology or measure alone could achieve such a drastic reduction of energy usage and carbon footprint with such project expediency and attractive return on investment,” commented Mr. Tu.

“Energy Focus, with our leading and proven TLED product portfolio in both military and commercial applications, as well as our “Buy American” product offering, is an ideal LED lighting partner to assist the DOD in accomplishing its aggressive energy efficiency goals that aim to improve energy security and reduce greenhouse gas emissions. Through our ESCO channel partners, we will continue to vigorously advocate the immense economic and environmental benefits of our TLED solutions and pursue lighting retrofit opportunities within the DOD ecosystem where the TLED market dynamic is now vastly advanced,” concluded Mr. Tu.

About Energy Focus, Inc.

Energy Focus, Inc. is a leading provider of energy efficient LED lighting products and a developer of energy efficient lighting technology. Our LED Lighting products provide energy savings, aesthetics, safety and maintenance cost benefits over conventional lighting. Our long-standing relationship with the U.S. Government continues to enable us to provide energy efficient LED lighting products to the U.S. Navy and the Military Sealift Command fleets. Customers include national, state and local U.S. government agencies as well as Fortune 500 companies and many other commercial and industrial clients. World headquarters are located in Solon, Ohio with additional offices in Washington, D.C., New York City and Taiwan. For more information, see our web site at www.energyfocusinc.com.

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