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Optex Systems Announces Acquisition of Applied Optics Center, Division of L-3 Communications Warrior Systems Sector

RICHARDSON, TX -- (Marketwired) -- 11/04/14 -- Optex Systems Holdings, Inc.(OTCQB: OPXS), a leading manufacturer of optical sighting systems and assemblies primarily for Department of Defense applications, reported the completion of the acquisition of Applied Optics Center (AOC) Division of Warrior Systems Sector with the Electronics Systems Business Segment of L-3 Communications Corporation.

"Optex Systems is pleased to join forces with the AOC Team and the products and skills that they bring to the new organization. Optex Systems and AOC have been associated on a supply basis for over 20 years and to now have shared synergy in optical coatings and sighting systems is extremely exciting," stated Danny Schoening, Optex CEO. "Serving many of the same customers, the synergies of the two companies provide additional competitive opportunities not served as separate entities," he continued.

"AOC is an excellent fit with Optex with our similar customer base in the defense business. The speed and agility that Optex Systems brings to our combined organization will help us serve our existing customers more efficiently and align our efforts for growth. This will also allow a seamless transition from L-3 Communications as an internal customer to L-3 Communications as an external customer," stated Billy Bates, Optex - AOC General Manager.

Merrick Okamoto, Optex's Chairman also commented, "Our corporate focus continues to be on merger and acquisition opportunities to take advantage of our underutilized capacity and low cost manufacturing during this cycle of lower defense spending. We are excited this acquisition will provide new growth opportunities and a new Commercial Optical Coating vertical which will reduce our dependence on defense related contracts."

ABOUT OPTEX SYSTEMS

Optex, which was founded in 1987, is a Richardson, Texas based ISO 9001:2008 certified concern, which manufactures optical sighting systems and assemblies, primarily for Department of Defense (DOD) applications. Its products are installed on various types of U.S. military land vehicles, such as the Abrams and Bradley fighting vehicles, Light Armored and Armored Security Vehicles, and have been selected for installation on the Stryker family of vehicles. Optex also manufactures and delivers numerous periscope configurations, rifle and surveillance sights and night vision optical assemblies. Optex delivers its products both directly to the military services and to prime contractors. For additional information, please visit the Company's website at www.optexsys.com.

ABOUT APPLIED OPTICS CENTER (AOC)

Applied Optics Center, the largest manufacturer of laser protection filters and related products for the U.S. Army, is a world-class designer and manufacturer of precision optical assemblies that utilize extensive thin-film coating expertise. Using unique and proprietary processes, products include Thin Film Coatings, Precision Optical Component Fabrication, High-volume Optical Assembly and Subsystems, Integrated Design and Manufacturing, Large-Format Capability, World-class Optical Metrology, Rapid Component and Subsystem Prototyping.

Safe Harbor Statement

This press release and other written reports and oral statements made from time to time by the Company may contain so-called "forward-looking statements," all of which are subject to risks and uncertainties. You can identify these forward-looking statements by their use of words such as "expects," "plans," "will," "estimates," "forecasts," "projects" and other words of similar meaning. You can identify them by the fact that they do not relate strictly to historical or current facts. These statements are likely to address the Company's growth strategy, financial results and product and development programs. You must carefully consider any such statement and should understand that many factors could cause actual results to differ from the Company's forward-looking statements. These factors include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward-looking statement can be guaranteed and actual future results may vary materially.

The Company does not assume the obligation to update any forward-looking statement. You should carefully evaluate such statements in light of factors described in the Company's filings with the SEC, especially on Forms 10-K, 10-Q and 8-K. In various filings the Company has identified important factors that could cause actual results to differ from expected or historic results. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete list of all potential risks or uncertainties.

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