

February 10, 2010



Optex Systems Announces Fiscal 2010 First Quarter Operating Results

RICHARDSON, Texas, Feb. 10, 2010 (GLOBE NEWSWIRE) -- Optex Systems Holdings, Inc. (OTCBB:OPXS), a leading manufacturer of optical sighting systems and assemblies primarily for Department of Defense applications reported operating results for its first fiscal quarter ended December 27, 2009 in its Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on February 10, 2010.

Revenue for the first quarter of fiscal 2010 was \$5.9 million as compared to revenue during the same period one year ago of \$7.3 million, representing a decrease of 19.2%. The decrease is primarily attributable to atypical revenue volume in the first quarter of fiscal 2009 as a result of increased periscope production to compensate for production delays that occurred during the last quarter of fiscal 2008. Cost of goods sold for the quarter was \$5.2 million, representing a gross margin of 11.9% versus a gross margin of 13.7% for the previous year. Shifts in gross margin from quarter to quarter are not unusual and are primarily attributable to the different product gross margins associated with the specific product mix recognized as revenues during each respective period.

Net income was \$80,581 during the quarter as compared to a net loss of (\$28,155) during the prior year period.

During the quarter, the company received \$7.7 million in new orders, consisting primarily of additional periscope business from several customers. The total backlog increased \$1.7 million during the same period, net of current quarter shipments. The company expects product margins on periscopes to increase each quarter as legacy programs are completed and replaced by new awards.

Danny Schoening, COO of the Company, commented, "EBITDA for our first fiscal quarter was \$0.4 million as compared to \$0.9 million in the prior year period. The decline was primarily attributable to lower sales volume, lower gross margin associated with the product mix shipped during the quarter and higher general and administrative expenses. We anticipate that our revenues will increase over the next three quarters and that our overall product mix will shift toward more profitable programs beginning in the third quarter of fiscal 2010. Our recently booked periscope orders carry higher margins. We also continue to pursue cost efficiencies in our production and general and administrative areas."

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.

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.

Contact:

ZA Consulting Inc.
Investor and Public Relations for Optex Systems
David Zazoff
212-505-5976
pressreleases@za-consulting.net