UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1 TO
FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 3, 2014

OPTEX SYSTEMS HOLDINGS, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware	000-54114	**90-0609531**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1420 Presidential Drive, Richardson, TX	75081-2439
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (972) 644-0722

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 DFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.01. Completion of Acquisition of Assets

This Amendment No. 1 to Form 8-K amends and supplements the Current Report on Form 8-K filed by Optex Systems Holdings, Inc. (with its subsidiary, the "Company") on November 7, 2014 with the SEC to provide additional financial information under Item 9.01 of Form 8-K as required to be filed on an amendment to Form 8-K within 71 days of the original filing date of the Form 8-K. The financial statements attached hereto as Exhibits 99.1 and 99.2 represent the requisite financial statements under Item 9.01 of Form 8-K to be presented as a result of the Company's acquisition of the assets comprising the Applied Optics Product Line ("AOC") of L-3 Communications, Inc. ("L-3"), which the Company acquired from L-3 in an asset acquisition transaction which was consummated on November 3, 2014. The financial statements being presented are the Financial Statements of Business Acquired under Item 9.01(a) are Special Purpose Statements of Net Assets Acquired and Special Purpose Statements of Revenues and Direct Expenses, which are in abbreviated format and are presented in lieu of the financial information otherwise required by Rule 8-04 of Regulation S-X, as a result of a letter from the SEC, dated January 5, 2015, stating no objection to provision of the above described abbreviated financial information, as more specifically outlined in this letter. Note 2 to the financial statements attached hereto as Exhibit 99.1 provides further information regarding the reasons for which abbreviated financial statements are presented and how the financial statements are not indicative of the results of the AOC business on a prospective basis.

ITEM 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired.*

The Special Purpose Statements of Net Assets Acquired for the Applied Optics Products Line as of September 30, 2014 (unaudited), December 31, 2013 and 2012, and the Special Purpose Statements of Revenues and Direct Expenses for the nine month periods ended September 30, 2014 (unaudited) and 2013 (unaudited) and for the years ended December 31, 2013 and 2012 are attached to this Amendment No. 1 to Form 8-K as Exhibit 99.1 and incorporated herein by reference.

(b) *Pro Forma Financial Information.*

The Pro Forma Condensed Balance Sheet (unaudited) as of September 28, 2014 is attached to this Amendment No. 1 to Form 8-K as Exhibit 99.2 and incorporated herein by reference.

The Pro Forma Condensed Statements of Operations (unaudited) for the twelve months ended September 28, 2014 are attached to this Amendment No. 1 to Form 8-K as Exhibit 99.2 and incorporated herein by reference.

(c) *Exhibits*

Exhibit No.	**Description**
23.1	Consent of PMB Helin Donovan, LLP, Independent Auditors.
99.1	Special Purpose Statements of Net Assets Acquired for the Applied Optics Products Line as of September 30, 2014 (unaudited), December 31, 2013 and 2012, and Special Purpose Statements of Revenues and Direct Expenses for the nine month periods ended September 30, 2014 (unaudited) and 2013(unaudited) and for the years ended December 31, 2013 and 2012.
99.2	Pro Forma Condensed Balance Sheet (unaudited) as of September 28, 2014 Pro Forma Condensed Statements of Operations (unaudited) for the twelve months ended September 28, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Optex Systems Holdings, Inc.
(Registrant)

By:	/s/ Danny Schoening
	Danny Schoening
Title:	CEO

Date: January 19, 2015

Exhibit Index

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99.2	Pro Forma Condensed Balance Sheet (unaudited) as of September 28, 2014 Pro Forma Condensed Statements of Operations (unaudited) for the twelve months ended September 28, 2014.

Exhibit 23.1

PMB Helin Donovan
CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Optex Systems Holdings, Inc.
Richardson, Texas

We hereby consent to the incorporation by reference in this Amendment No. 1 to the Form 8-K filed by Optex Systems Holdings, Inc. of our report dated January 16, 2015 relating to our audits of the special purpose financial statements of Applied Optics Product Line for the years ended December 31, 2013 and 2012.

PMB HELIN DONOVAN, LLP

PMB Helin Donovan, LLP

Dallas, Texas
January 16, 2015

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Applied Optics Product Line

(A Product Line of L-3 Communications Corporation)
Index to Special Purpose Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and
Stockholders of Optex Systems Holdings, Inc.

We have audited the accompanying special purpose financial statements of the Applied Optics Product Line ("AOC Product Line"), a product line of L-3 Communications, Inc. ("L-3"), which comprise the special purpose statements of net assets acquired as of December 31, 2013 and 2012, and the related special purpose statements of revenues and direct expenses for the years then ended.

Management's Responsibility for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in conformity with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the special purpose financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend upon our judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the AOC Product Line's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of AOC Product Line's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the net assets acquired of Applied Optics Product Line at December 31, 2013 and 2012 and their revenues and direct expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The accompanying special purpose financial statements of net assets acquired and revenues and direct expenses of the AOC Product Line as described in Note 2 are not intended to be a complete presentation of the financial position or results of operations of the AOC Product Line. Our opinion is not modified with respect to this matter.

/s/ PMB Helin Donovan LLP
Dallas, Texas
January 16, 2015

Applied Optics Product Line
(A Product Line of L-3 Communications Corporation)
Special Purpose Statements of Net Assets Acquired September 30, 2014 (unaudited), December 31, 2013 and 2012 *(U.S. Dollars in thousands)*

	September 30, 2014 (unaudited)	December 31, 2013	December 31, 2012
Assets Acquired			
Inventory, net	$ 932	$ 2,980	$ 1,370
Prepaid expenses	6	17	15
Property, plant and equipment, net	1,892	2,313	2,836
Total Assets Acquired	$ 2,830	$ 5,310	$ 4,221
Liabilities Assumed			
Accounts payable and accrued expenses	$ 131	$ 400	$ 186
Accrued Warranties	3	4	5
Customer Advances	27	-	-
Total Liabilities Assumed	161	404	191
Net Assets Acquired	$ 2,669	$ 4,906	$ 4,030

Applied Optics Product Line
(A Product Line of L-3 Communications Corporation)
Special Purpose Statements of Revenues and Direct Expenses
For the nine month periods ended September 30, 2014 (unaudited) and 2013 (unaudited) and for the years ended December 31, 2013 and 2012 *(U.S. Dollars in thousands)*

	Nine months ended September 30, 2014 (unaudited)	September 30, 2013 (unaudited)	December 31, 2013	December 31, 2012
Net Revenues	$ 2,070	$ 4,029	$ 6,404	$ 5,240
Expenses:				
Cost of sales	4,025	3,452	7,757	6,634
Research and development	59	239	264	458
Selling, general and administrative	1,432	925	1,219	1,069
Total Expenses	5,516	4,616	9,240	8,161
Revenues Less Expenses	$ (3,446)	$ (587)	$ (2,836)	$ (2,921)

1. Background

Applied Optics Product Line ("AOC") is a product line of L-3 Communications, Inc. ("L-3"). AOC is engaged in the production, marketing and sales of precision optical assemblies utilizing thin film coating capabilities for optical systems and components primarily used for military purposes.

On November 3, 2014, L-3 entered into a Purchase Agreement with Optex Systems, Inc. ("Optex"), a wholly owned subsidiary of Optex Systems Holdings, Inc. pursuant to which Optex purchased from L-3 the assets comprising L-3's Applied Optics Products Line. The purchased assets consist of personal property, inventory, books and records, contracts, prepaid expenses and deposits, intellectual property, and governmental contracts and licenses utilized in AOC comprised of AOC.

2. Basis of Presentation

Optex believes that according to the guidance of Article 11 of Regulation S-X, the Acquired Assets meet the definition of a "business," and exceeds the conditions of significance set forth in Rule 1-02(w) of Regulation S-X at a greater than 50% level, which requires inclusion in the Form 8-K audited financial statements of the acquired entity for two years pursuant to the requirements of Rule 8-04 of Regulation S-X as well as unaudited financial statements for the applicable interim periods.

The accompanying Special Purpose Financial Statements (the "Financial Statements") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as described below. The Financial Statements were prepared based upon the Asset Purchase Agreement with Optex. These special purpose financial statements are not intended to be a complete presentation of financial position, results of operations, or cash flows of AOC in conformity with U.S. GAAP.

AOC has not historically been accounted for as a separate entity, subsidiary, or division of L-3. In addition, stand-alone financial statements related to AOC have never been prepared previously. Therefore it is impractical to prepare full stand-alone or carve-out financial statements for AOC in accordance with the Securities and Exchange Commission's Regulation S-X. Thus, Statements of Net Assets Acquired and Statements of Revenues and Direct Expenses have been prepared. The Financial Statements have been derived from the accounting records of L-3 using historical results of operations and financial position and only present the net assets acquired and the associated revenues and direct expenses, including certain allocated expenses, of AOC. AOC relies to varying degrees, on L-3 and its other subsidiaries for certain procurement, warehousing, information technology, insurance, human resources, accounting, regulatory, treasury and legal support, and these expenses have been allocated in the Statement of Revenues and Direct Expenses as appropriate (see Note 4).

All significant intercompany accounts and transactions within AOC have been eliminated.

The accompanying special purpose financial statements are not necessarily indicative of the results of operations that would have occurred if the AOC had been an independent company or of the financial condition or results of operations of AOC going forward due to changes in AOC as a result of combination with Optex's business and the omission of various operating expense not included in these financial statements.

AOC's financing needs were supported by L-3 and cash generated by AOC was transferred to L-3. As AOC has historically been managed as part of the operations of L-3 and has not operated as a stand-alone entity, it is impractical to prepare historical cash flow information regarding AOC's operating, investing, and financing cash flows. As such, Statements of Cash Flows are not presented.

The financial information as of September 30, 2014 and for the nine month periods ended September 30, 2014 and 2013 are unaudited. However, in the opinion of management, such information includes all adjustments (consisting solely of normal recurring adjustments) necessary for the fair presentation of such financial information.

3. Summary of Significant Accounting Policies

Use of Estimates

The preparation of these Financial Statements in conformity with the accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported and disclosed in the special purpose financial statements. The accounting estimates that require management's most significant, difficult and subjective judgments include the recognition of inventory obsolescence reserves and the assessment of recoverability of long-lived assets. Actual results could differ from those estimates. Also, as discussed in Note 4, the Financial Statements include allocations and estimates that are not necessarily indicative of the amounts that would have resulted if AOC had been operated as a stand-alone entity.

Inventories

Inventories are stated at cost (first-in, first-out or average cost), but not in excess of realizable value. A provision for excess or inactive inventory is recorded based upon an analysis that considers current inventory levels, historical usage patterns and future sales expectations.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation is computed by applying principally the straight-line method to the estimated useful lives of the related assets. Useful lives range substantially from 10 to 40 years for buildings and improvements and three to 10 years for machinery, equipment, furniture and fixtures. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the improvements. When property or equipment is retired or otherwise disposed of, the net book value of the asset is removed from the Company's balance sheet and the net gain or loss is included in the determination of operating income. Property, plant and equipment acquired as part of a business acquisition is valued at fair value.

Depreciation of property, plant and equipment is recognized as an expense in the Special Purpose Statement of Revenues and Direct Expenses under Cost of Sales.

Revenue Recognition

Sales are recognized when there is persuasive evidence of an arrangement, delivery has occurred or services have been performed, the selling price to the buyer is fixed or determinable and collectability is reasonably assured.

Research and Development Expense

Research and development costs are accounted for in accordance with research and development accounting standards and are expensed as incurred.

Product Warranties

Product warranty costs are accrued when revenue is recognized for the covered products. Product warranty expense is recognized based on the terms of the product warranty and the related estimated costs. Accrued warranty costs are reduced as product warranty costs are incurred.

The table below presents the changes in AOC's accrued product warranty costs.

Accrued Warranty Costs:	**Nine months ended September 30, 2014 (unaudited)**	**December 31, 2013**	**December 31, 2012**
Balance beginning of period	$ 4	$ 5	$ 8
Accruals for product warranties issued during the period	-	-	1
Changes to accruals for product warranties existing at the beginning of the period	(1)	(1)	(4)
Settlements made during the period	-	-	-
Balance	**$ 3**	**$ 4**	**$ 5**

4. Allocations

AOC relies to varying degrees on L-3 and its other subsidiaries for certain procurement, warehousing, information technology, insurance, human resources, accounting, regulatory, treasury and legal support. Therefore, certain costs and expenses presented in the Special Purpose Statements of Revenues and Direct Expenses have been allocated to AOC by certain of its affiliates based on management's estimates of the cost of services provided to AOC. AOC's revenues were directly identifiable and no allocations were necessary. Direct expenses were recorded directly to AOC cost centers based on specific project or usage identification. Management believes that the allocations are reasonable.

The Statements of Revenues and Direct Expenses reflect a consistent application of methodology for each reporting period presented. Allocations of L-3 corporate overhead not directly related to the operations of AOC have been excluded from these financial statements.

Due to the reliance of AOC on L-3 and certain of its affiliates for the above described activities the historical operating results of AOC may not be indicative of future results.

The operations of AOC are included in the consolidated federal income tax return of L-3 in the U.S., to the extent appropriate, or are included in the state and local returns of certain other affiliates of L-3. A provision for income taxes has not been presented in these financial statements as AOC has not operated as a standalone unit and no allocation of L-3's income tax provision/benefit has historically been made to AOC.

There was no direct interest expense incurred by or allocated to AOC; therefore, no interest expense has been reflected in the special purpose Statements of Revenues and Expenses.

AOC utilizes a centralized approach to cash management and financing of operations. AOC's cash was available for use and was regularly transferred to AOC at its discretion. Any cash required to fund the operations of AOC were obtained through L-3's centralized treasury function.

5. Inventories

Inventories are as follows:

	Nine months ended September 30, 2014 (unaudited)	December 31, 2013	December 31, 2012
Raw materials	$ 565	$ 1,642	$ 526
Work-in-process	716	1,191	809
Finished goods	445	934	509
Less: inventory reserve	(794)	(787)	(474)
Inventories, net	**$ 932**	**$ 2,980**	**$ 1,370**

6. Property Plant & Equipment

Property, Plant & Equipment is as follows:

	Nine months ended September 30, 2014 (unaudited)	December 31, 2013	December 31, 2012
Leasehold improvements	$ 960	$ 960	$ 947
Equipment	4,108	4,100	4,034
Less: accumulated depreciation	(3,176)	(2,747)	(2,145)
Property, Plant & Equipment, net	**$ 1,892**	**$ 2,313**	**$ 2,836**

Depreciation expense was $602 and $637 for the years ended December 31, 2013 and 2012, respectively. Depreciation expense was $429 (unaudited) and $451 (unaudited) for the nine month periods ended September 30, 2014 and 2013, respectively.

7. Related Party Transactions

AOC had sales to related parties totaling $47 and $-0- for the years ended December 31, 2013 and 2012, respectively and $58 (unaudited) and $47 (unaudited) for the nine month periods ended September 30, 2014 and 2013, respectively.

8. Commitments and Contingencies

Operating Leases:

AOC leases its facilities under non-cancelable lease expiring September 30, 2016. The minimum future annual operating lease commitments for leases with non-cancelable terms are as follows:

Three months ended December 31, 2014	$	96
Year ended December 31, 2015		384
Year ended December 31, 2016		288
Total	$	768

Rent expense was $361 and $367 for the years ended December 31, 2013 and 2012, respectively. Rent expense was $281 (unaudited) and $271 (unaudited) for the nine month periods ended September 30, 2014 and 2013, respectively.

9. Concentrations

Net sales to two third party customers represented 89% and four third party customers represented 93% of net sales during the years ended December 31, 2013 and 2012, respectively, and two third party customers represented 43% (unaudited) and two third party customers represented 94% (unaudited) of net sales during the nine month periods ended September 30, 2014 and 2013, respectively. No other customers represented more than 10% of net sales.

10. Subsequent Events

AOC evaluated subsequent events through January 16, 2015 the date on which the financial statements were issued. AOC concluded there were no subsequent events to disclose.

Exhibit 99.2 UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

Introductory Note

Description of the transaction

On November 3, 2014, Optex Systems, Inc. ("Optex"), the wholly owned subsidiary of Optex Systems Holdings, Inc., entered into a Purchase Agreement with L-3 Communications, Inc. ("L-3") pursuant to which Optex purchased from L-3 the assets comprising L-3's Applied Optics Products Line ("AOC"), which is engaged in the production, marketing and sales of precision optical assemblies utilizing thin film coating capabilities for optical systems and components primarily used for military purposes. The purchased assets of AOC consist of personal property, inventory, books and records, contracts, prepaid expenses and deposits, intellectual property, and governmental contracts and licenses utilized in the business comprised of the Purchased Assets.

The purchase price for the acquisition was $1,013,053, which was paid in full at closing, plus the assumption of certain liabilities associated with the Purchased Assets in the approximate amount of $271,000. The source of funds for the acquisition consisted of an advance of $800,000 from accredited investors in a consummated private placement of convertible notes issued by Optex in a transaction exempt from registration under Section 4(2) of the Securities Act, with the balance of the funds derived directly from Optex working capital.

Basis of presentation

Optex accounted for the acquisition of AOC as a business combination as prescribed in Accounting Standards Codification 805, "Business Combinations".

The accompanying unaudited condensed balance sheet as of September 28, 2014 has been presented as if the acquisition of the AOC had occurred on September 28, 2014.

The accompanying unaudited pro forma condensed statements of operations for the twelve months ending September 28, 2014 are presented as if the acquisition of AOC had occurred on September 30, 2013. The twelve months ending September 30, 2014 for AOC were derived from combining the year ended December 31, 2013 plus the nine months ended September 30, 2014 less the nine months ended September 30, 2013.

These unaudited pro forma condensed statements should be read in connection with (1) Optex Systems Holdings Inc.'s historical financial statements and notes thereto filed with the U.S Securities and Exchange Commission for the year ended September 28, 2014 (2) the Special Purpose Statements of Net Assets Acquired for AOC as of September 30, 2014 (unaudited), December 31, 2013 and 2012 and Special Purpose Statements of Revenues and Direct Expenses for the nine month periods ended September 30, 2014 (unaudited) and 2013 (unaudited) and for the years ended December 31, 2013 and 2012 as included in exhibit 99.1 to this Current Report on Form 8-K. In management's opinion, all adjustments necessary to reflect the significant effects of these transactions have been made. These statements are based on assumptions and estimates considered appropriate by our management; however, they are unaudited and are not necessarily, and should not be assumed to be, an indication of our financial position or results of operations that would have been achieved had the acquisitions been completed as of the dates indicated or that may be achieved in the future. The unaudited pro forma condensed statements of operations do not include the effects of any non-recurring costs or one-time transaction-related costs. The historical financial information has been adjusted in the accompanying unaudited pro forma condensed financial statements to give effect to pro forma events that are (1) directly attributable to the transactions, (2) factually supportable and (3) with respect to the unaudited pro forma condensed statements of operations, are expected to have a continuing impact on the results.

Optex Systems Holdings, Inc.
Pro Forma Condensed Balance Sheet
(amounts in thousands) (unaudited)

	Optex September 28, 2014	AOC September 30, 2014	Pro Forma Adjustments		Pro Forma Combined
ASSETS					
Current Assets					
Cash	$ 1,685	$ -	$ (213)	**A**	$ 1,472
Accounts Receivable	731	-			731
Net Inventory	5,910	932	8	**B**	6,850
Prepaid Expenses	41	6	41	**G**	88
Total Current Assets	**8,367**	**938**	**(164)**		**9,141**
Property and Equipment					
Property Plant and Equipment	1,744	5,068	173	**F**	6,985
Accumulated Depreciation	(1,540)	(3,176)			(4,716)
Total Property and Equipment	**204**	**1,892**	**173**		**2,269**
Other Assets					
Prepaid Royalties - Long Term	150	-			150
Security Deposits	26				26
Intangibles	-	-	342	**C**	342
Total Other Assets	**176**	**-**	**342**		**518**
Total Assets	**$ 8,747**	**$ 2,830**	**$ 351**		**$ 11,928**
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities					
Accounts Payable	$ 312	$ 131	$ 110	**G**	$ 553
Accrued Expenses	458	-			458
Accrued Warranties	25	3			28
Customer Advance Deposits - Short Term	1,072	27			1,099
Credit Facility	-	-			-
Total Current Liabilities	**1,867**	**161**	**110**		**2,138**
Other Liabilities					
Convertible Notes			800	**A**	800
Customer Advance Deposits - Long Term	982	-			982
Total Other Liabilities	**982**	**-**	**800**		**1,782**
Total Liabilities	**2,849**	**161**	**910**		**3,920**
Stockholders' Equity					
Optex Systems Holdings, Inc. Preferred Stock	-	-	-		-
Optex Systems Holdings, Inc. Common Stock	171	-			171
Additional Paid-in-capital	18,013	-			18,013
Retained Earnings (Deficit)	(12,286)	2,669	2,110	**D**	
			(2,669)	**E**	(10,176)
Total Stockholders' Equity	**5,898**	**2,669**	**(559)**		**8,008**

Total Liabilities and Stockholders' Equity	**$ 8,747**	**$ 2,830**	**$ 351**	**$ 11,928**

The Pro-Forma financial statements include certain adjustments in order to present the balance sheet as if the transaction occurred on September 28, 2014.

(A) Represents the total consideration paid for the acquisition which included $213 in working capital cash from Optex Systems Holdings, Inc. and $800 in cash from investment in Optex Systems Holdings, Inc. from accredited investors in a consummated private placement of convertible notes issued by Optex due November 7, 2016.
(B) Represents the estimated fair value of the inventory acquired which is estimated to be higher than the book value based on the preliminary results of ongoing appraisals. The appraisals are expected to be finalized in February 2015.
(C) Represents the fair value of customer backlog acquired of $342 based on the preliminary results of ongoing appraisals. The appraisals are expected to be finalized in February 2015.
(D) Represents the estimated amount of negative goodwill (bargain purchase) which resulted when the estimated fair value of the assets acquired exceeded the consideration given based on the preliminary results of ongoing appraisals. The appraisals are expected to be finalized in February 2015.
(E) Represents the elimination of AOC's historical stockholders' equity.
(F) Represents the amount that the estimated fair value of the fixed assets acquired was less than book value resulting in a step up in value based on the preliminary results of ongoing appraisals. The appraisals are expected to be finalized finalized in February 2015.
(G) Represents the adjustments to reflect the fair value of the assets acquired and liabilities assumed. Refer to Note 1 below which quantifies the initial purchase price allocation.

Optex Systems Holdings, Inc.
Pro Forma Condensed Statements of Operations
(amounts in thousands) (unaudited)

	Twelve months ended			
	Optex September 28, 2014	AOC September 30, 2014	Pro Forma Adjustments	Pro Forma Combined
Revenues	**$ 10,208**	**$ 4,445**	**$ -**	**$ 14,653**
Total Cost of Sales	8,810	8,330	291 **H**	
			58 **I**	17,489
Gross Margin	**$ 1,398**	**$ (3,885)**	**$ (349)**	**$ (2,836)**
General and Administrative	2,375	1,810	51 **H**	4,236
Operating Loss	**$ (977)**	**$ (5,695)**	**$ (400)**	**$ (7,072)**
Other Expenses				
Interest Expense - Net	8	-	-	8
Total Other	**$ 8**	**$ -**	**$ -**	**$ 8**
Loss Before Taxes	**$ (985)**	**$ (5,695)**	**$ (400)**	**$ (7,080)**
Deferred Income Taxes (Benefit)	1,077			1,077
Net Loss After Taxes	**$ (2,062)**	**$ (5,695)**	**$ (400)**	**$ (8,157)**
Net Loss Applicable to Common Shareholders	**$ (2,062)**	**$ (5,695)**	**$ (400)**	**$ (8,157)**
Basic income (loss) per share	**$ (0.0125)**			**$ (0.0495)**
Weighted Average Common Shares Outstanding	**164,940,636**			**164,940,636**

The Pro-Forma financial statements include certain adjustments in order to present the results of operations as if the transaction occurred on September 30, 2013.

(H) Represents the amortization for 12 months of the customer backlog intangible, assuming 12 month useful life and straightline amortization.
(I) Represents the additional depreciation for 12 months which resulted from the step up in the value of the fixed assets over the respective useful lives of the assets of 2 to 5 years.

NOTES TO PRO FORMA CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
(AMOUNTS IN THOUSANDS)

Note 1 – Acquisition of the Applied Optics Products Line

The unaudited pro forma condensed financial information reflects a total purchase consideration of approximately $1,013 of which $800 was from accredited investors in a private placement of convertible notes issued by Optex Systems Holdings, Inc. The notes bear interest at a rate of 12% per annum and mature two years after the date of the issuance. Optex Systems Holdings, Inc. may pay interest due either in cash or, at its option, through stock. The notes are convertible at the option of the investors at any time into shares of Optex Systems Holdings, Inc.'s common stock, par value $0.001 per share (the "Common Stock") at a conversion price equal to $.0025 per share. All or part of the then remaining principal amount of the notes may be prepaid at any time at a price equal to 125% of the sum of the then remaining principal amount of the notes to be prepaid plus all accrued and unpaid interest thereon.

Optex recognized tangible and intangible assets and liabilities acquired based upon their respective estimated fair values as of the acquisition date. The table below shows the preliminary fair values assigned to the assets acquired and liabilities assumed. Based on this analysis, the transaction resulted in a bargain purchase gain. We may make additional adjustments to the fair values, and these valuations could change significantly from those used to determine certain adjustments in the pro forma condensed financial statements. The appraisals are expected to be finalized in February 2015.

Inventory	$	940
Other current assets		47
Accounts payable and accrued expenses		(241)
Customer Deposits		(27)
Accrued Warranties		(3)
Property and equipment		2,065
Intangible assets		342
Goodwill (bargain purchase)		(2,110)
Total consideration	$	1,013

The identifiable intangible assets primarily consist of customer backlog and will be amortized between costs of sales and general and administrative expenses according to their estimated useful lives which is less than one year.