



NEWS RELEASE

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IRVINE SENSORS RELEASES 1st QUARTER RESULTS

FOR IMMEDIATE RELEASE

COSTA MESA, CALIFORNIA -- February 13, 2008 -- Irvine Sensors Corporation (NASDAQ: IRSN) today reported operating results for its first quarter of fiscal 2008, the 13 weeks ended December 30, 2007.

Total revenues were \$7,974,400 as compared to \$8,119,500 in the first quarter of fiscal 2007. The virtually unchanged consolidated total revenues reflected an approximate \$1.5 million decline in revenues of the Company's Costa Mesa operation, largely in contract research and development revenue, offset by an approximate \$1.3 million increase in product sales of the Company's Optex subsidiary.

Net loss in the current year period was \$3,713,500, an approximate 42% improvement over the \$6,394,200 net loss in the fiscal 2007 first quarter in which an approximate \$4.4 million nonrecurring loss on extinguishment of debt was incurred.

Irvine Sensors' CEO John Carson and CFO John Stuart will host a web cast conference call to discuss the first quarter results on Thursday, February 14, 2008 at 1:15 PM Pacific Time. The call will be broadcast live over the Internet and can be listened to by all interested parties via a link on Irvine Sensors' homepage at www.irvine-sensors.com, which should be accessed at least fifteen minutes prior to the start of the call to register, download, and install any necessary audio software. For those unable to monitor the live broadcast, a conference call replay will be available shortly after the conclusion of the call, and remain archived on the Irvine Sensors site through Friday, February 29, 2008.

Irvine Sensors Corporation, headquartered in Costa Mesa, California, is a vision systems company engaged in the development and sale of miniaturized infrared and electro-optical cameras, image processors and stacked chip assemblies, the manufacture and sale of optical systems and equipment for military applications through its Optex subsidiary and research and development related to high density electronics, miniaturized sensors, optical interconnection technology, high speed network security, image processing and low-power analog and mixed-signal integrated circuits for diverse systems applications.

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IRVINE SENSORS CORPORATION
CONSOLIDATED BALANCE SHEETS

(Unaudited)

	December 30, 2007	September 30, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 453,300	\$ 1,442,300
Restricted cash	38,900	39,600
Accounts receivable, net of allowance for doubtful accounts of \$15,000 and \$15,000, respectively	3,386,000	3,614,600
Unbilled revenues on uncompleted contracts	1,006,100	1,289,300
Inventory, net	8,371,600	7,011,500
Prepaid expenses and other current assets	249,000	74,100
Total current assets	13,504,900	13,471,400
Property and equipment, net	5,649,300	5,771,400
Intangible assets, net	2,568,800	2,880,400
Goodwill	11,633,500	11,633,500
Deferred costs	522,100	587,200
Deposits	122,300	86,500
Total assets	\$ 34,000,900	\$ 34,430,400
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 7,317,200	\$ 5,949,900
Accrued expenses	2,534,800	2,638,700
Success fee payable to related party	100,000	500,000
Accrued estimated loss on contracts	1,275,600	1,577,400
Advance billings on uncompleted contracts	179,500	378,100
Deferred revenue	70,500	156,500
Income taxes payable	32,600	31,400
Promissory note payable – related party	400,000	400,000
Capital lease obligations – current portion	39,300	40,300
Total current liabilities	11,949,500	11,672,300
Restructured debt, net of discounts	11,856,500	10,869,300
Subordinated term loan – related party	2,000,000	2,000,000
Deferred interest	1,757,500	1,241,200
Executive Salary Continuation Plan liability	3,766,800	3,800,500
Capital lease obligations, less current portion	30,600	45,000
Minority interest in consolidated subsidiaries	324,700	324,800
Total liabilities	31,685,600	29,953,100
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value, 80,000,000 shares authorized; 28,935,000 and 26,842,900 shares issued and outstanding, respectively	289,400	268,400
Common stock warrants; 6,144,900 and 6,144,900 warrants outstanding, respectively	-	-
Deferred stock-based compensation	(1,008,500)	(299,700)
Common stock held by Rabbi Trust	(1,214,100)	(1,115,100)
Deferred compensation liability	1,214,100	1,115,100
Paid-in capital	153,402,900	151,163,600
Accumulated deficit	(150,368,500)	(146,655,000)
Total stockholders' equity	2,315,300	4,477,300
	\$ 34,000,900	\$ 34,430,400

IRVINE SENSORS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	13 Weeks Ended	
	December 30, 2007	December 31, 2006
Revenues:		
Contract research and development revenue	\$ 2,711,700	\$ 4,004,200
Product sales	5,253,200	4,111,400
Other revenue	9,500	3,900
Total revenues	7,974,400	8,119,500
Cost and expenses:		
Cost of contract research and development revenue	2,323,300	3,358,000
Cost of product sales	4,516,100	3,296,600
General and administrative expense	2,841,300	2,496,700
Research and development expense	344,600	131,400
Total costs and expenses	10,025,300	9,282,700
Loss from operations	(2,050,900)	(1,163,200)
Interest expense	(1,659,600)	(910,200)
Loss on extinguishment of debt	-	(4,398,000)
Gain on disposal of assets	2,400	-
Interest and other income	400	400
Loss before minority interest and provision for income taxes	(3,707,700)	(6,471,000)
Minority interest in loss of subsidiaries	100	84,700
Provision for income taxes	(5,900)	(7,900)
Net loss	\$ (3,713,500)	\$ (6,394,200)
Basic and diluted net loss per common share	\$ (0.14)	\$ (0.32)
Weighted average number of common shares outstanding	27,476,600	20,123,500