



Kratos' Haverstick Division Awarded Information Technology Contract Valued At Approximately \$6.8 Million

Continues Longstanding Relationship With State of Indiana

INDIANAPOLIS, Jan 6, 2009 (GlobeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading national defense, IT and security solutions provider, today announced that its Haverstick division has been awarded a \$6.8 million contract with the State of Indiana Family and Social Services Administration (FSSA). Under this contract, Haverstick will provide Curam software to assist in a consolidation of FSSA Information Technology systems through the Integrated Case Management Solution (ICMS) project.

Along with its partner, Curam Software, the Haverstick division of Kratos will provide a solution that will allow FSSA to create a simplified structure to manage the many programs offered by FSSA to Indiana residents, ultimately resulting in better service and lower overall costs. Currently, multiple IT systems are utilized in the provision of FSSA services, particularly in the area of case management. Under this five year contract, Haverstick will be providing the Curam Software, project management, technical expertise for the installation, and maintenance, and support of Curam Software.

The Integrated Case Management System (ICMS) project's goal is to increase the quality and coordination of care for FSSA's case-managed clients. Currently, clients from different service-delivery programs are served by several disparate, outdated systems that do not share client or provider data. It is difficult to provide an overview of services received or measure client outcomes. ICMS will provide a single web-based application to integrate multiple case-management programs and, at the same time, present program-specific workflows to assist case managers in delivering goal-based services. Redundant data and processes can be eliminated. Services from multiple sources can be considered when developing services plans, thus eliminating duplicate costs.

Howard Bates, President of Kratos' Government Solutions Group, said, "We are very pleased that Haverstick is being given the opportunity to continue providing key information technology solutions to the State of Indiana. The ICMS project should greatly enhance the efficiency of the delivery of critical human services by the Indiana state government, and we are proud to be selected as a vendor. We look forward to continuing our longstanding relationship with this very important customer."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) provides mission critical engineering, IT services and war fighter solutions for the U.S. federal government and for state and local agencies. Principal services include C4ISR, weapon systems lifecycle support, military weapon range and technical services, network engineering services, advanced IT services, security and surveillance systems, and critical infrastructure design and integration. The Company is headquartered in San Diego, California, with resources located throughout the U.S. and at key strategic military locations. News and information are available at www.KratosDefense.com.

The Kratos Defense & Security Solutions, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=3519>

Notice Regarding Forward-Looking Statements

This news release contains certain forward-looking statements including, without limitation, expressed or implied statements concerning the Company's expectations regarding the amount of revenues that will ultimately be derived from the FSSA contract award. Such statements are only predictions, and the Company's actual results may differ materially. Factors that may cause the Company's results to differ include, but are not limited to: risks that work under the FSSA contract will curtail, change or terminate; risks that the closing of the recently announced Digital Fusion acquisition will be delayed or that the conditions to closing will not be satisfied; risks that the integration of SYS or Digital Fusion will prove more costly, take more time, or be more distracting than currently anticipated; risks that the transaction will cause disruption of the Company's operations and distraction of its management; risks of adverse regulatory action or litigation; failure to ultimately settle ongoing litigation; risks associated with debt leverage; risks that changes or cutbacks in spending by the U.S. Department of Defense may occur, which could cause delays or cancellations of key government contracts; failure to successfully consummate acquisitions or integrate acquired operations and competition in the marketplace which could reduce revenues and profit margins. The Company undertakes no obligation to update any forward-looking statements. These and other risk factors are more fully discussed in the Company's Annual Report on Form 10-K for the period ended December 31, 2007, the Company's Quarterly Report on Form 10-Q for the period ended September 28, 2008, and in other filings made with the Securities and Exchange Commission.

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