



Kratos Defense & Security Solutions Team Awarded Aerial Targets Operations and Maintenance Contract Valued At Approximately \$59 Million

Contract Supports Ongoing Work for the Naval Air Warfare Center Weapons Division At Major Missile Range Facilities; Kratos Estimated Share of Contract Award Value At Least \$25 Million

SAN DIEGO, May 12, 2008 (PrimeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading national defense and security solutions provider, today announced the award of a \$59 million contract from The Naval Air Warfare Center, Weapons Division (NAWCWD) to support ongoing targets operations and maintenance (O&M) at certain major missile range facilities. Kratos and its team member, Systems Applications & Technologies, Inc. (SA-TECH) of Largo, Maryland, will continue to provide aerial and surface targets operation and maintenance at NAWCWD Point Mugu, China Lake and at numerous deployed locations such as White Sands Missile Range and the Pacific Missile Range Facility in Kauai. SA-TECH will provide program management and lead the surface targets O&M support, and Kratos will provide the end-to-end aerial targets O&M support, including mission planning and flight support, mission assessment and analysis, and mission recovery. The contract has a five year period of performance and work is scheduled to begin in mid-May. Kratos' share of the contract award is currently estimated to be at least \$25 million over the five year contract period.

"This is a significant and strategic win for Kratos," said Robin Mickle, president of the Advanced Technical Solutions Division of Kratos. "Aerial targets O&M is a core capability of our Company. We have received numerous accolades for our aerial targets O&M support from NAWCWD Pt. Mugu and the Navy over the past eight years. This important re-compete win allows us to continue that support, and further strengthens Kratos' position as the leading provider of subscale aerial targets O&M support services to the U.S. military."

Kratos has provided aerial targets operations and maintenance support to the NAWCWD since 1999 and, under this contract award, the Company will continue to support NAWCWD in target system maintenance, operational support and test and evaluation services for a wide variety of customers including the Naval Air and Sea Systems Commands, Naval Surface Warfare Center, the Ballistic Missile Defense Agency, Foreign Military Sales customers and operating units of the U.S. Pacific Fleet and other Department of Defense components. Aerial targets O&M work requirements performed by Kratos under the new contract and its predecessors are vital to the development of new weapon systems and to ensure training proficiency is maintained on current systems.

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. Principle services include C5ISR, 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 throughout the U.S. and in 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.primenewswire.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 the Company has estimated that it will receive under the NAWCWD Aerial Targets contract, including the duration of the contract, and these forward-looking statements involve risks and uncertainties. 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 concerning the actual amount of operations and maintenance or other services that the Company will perform under the contract; risks concerning the duration of the contract; risks involving delays in or questions over payments to the Company; 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; risks regarding failure to successfully consummate acquisitions or integrate acquired operations, which could reduce revenues and profit margins; risks associated with debt leverage, including the potential for the lender to declare an event of default based upon any of the events described in this release; and risks related to adverse regulatory action or litigation; risks associated with debt leverage. 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, and in other filings made with the Securities and Exchange Commission.

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