



## **Kratos Team Selected to Continue Program Executive Office for Integrated Warfare Systems Support**

**Total Potential Contract Value of \$200 Million if All Options Exercised**

### **PEO IWS Contract Award Supports Multiple Navy C5ISR, FMS and Other Mission Critical Programs**

SAN DIEGO, March 21, 2011 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its Military Services Business Unit located in Arlington, Virginia, is part of the winning team selected to continue providing professional support services to the Program Executive Office for Integrated Warfare Systems (PEO IWS).

Kratos' Military Services business, which is within Kratos' Defense Engineering Solutions Division, is part of the winning PEO IWS Professional Support Services team led by prime contractor Alion Science and Technology. The potential value of the award to the team, which consists of one base year and four option years, is nearly \$200 million if all options are exercised. Under this contract award, Kratos will provide specialized support to a number of important Navy programs and initiatives, including ongoing combat systems development, operations and maintenance; implementation of open architecture principles and practices; and Foreign Military Sales.

"We continue to provide critical support to the Navy for the development and fielding of both current and future combat systems," said Dave Carter, President of Kratos' Defense Engineering Solutions Division. "We are very pleased to have this opportunity to continue our strong relationship with both PEO IWS and our prime, Alion Science."

Kratos' Defense Engineering Solutions Division provides a broad base of professional services, primarily to U.S. Navy customers, including solutions to complex C5ISR, engineering and operational requirements. Kratos' in-depth understanding of client missions, in conjunction with the strategic location of our employees at or near major National Security bases, facilities and locations, including at the Pentagon, enables Kratos to offer rapidly deployed, technology rich and cost effective solutions tailored to specific requirements and consistent with evolving mission critical objectives.

### **About Kratos Defense & Security Solutions**

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized National Security business providing mission critical products, services and solutions for United States National Security priorities. Kratos' core capabilities are sophisticated engineering, manufacturing and system integration offerings for National Security platforms and programs. Kratos' areas of expertise include Command, Control, Communications, Computing, Combat Systems, Intelligence, Surveillance and Reconnaissance (C5ISR), unmanned systems, cyber warfare, cyber security, information assurance, critical infrastructure security and weapons systems sustainment. Kratos has primarily an engineering and technical oriented work force of approximately 2900, the majority of which hold an active National Security clearance, including Secret, Top Secret and higher. The vast majority of Kratos' work is performed on a military base, in a secure facility or at a critical infrastructure location. Kratos' primary end customers are United States Federal Government agencies, including the Department of Defense, classified agencies, intelligence agencies and Homeland Security related agencies. News and information are available at [www.KratosDefense.com](http://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**

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of the management of Kratos and are subject to significant risks and uncertainty. Investors are cautioned not to place undue reliance on any such forward-looking statements. All such forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise. For a further discussion of risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of Kratos in general, see the risk disclosures in the Annual Report on Form 10-K of Kratos for the year ended December 26, 2010, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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Source: Kratos Defense & Security Solutions, Inc.

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