



Kratos and MDA Team Win Department of Defense 2010 David Packard Excellence in Acquisition Award

Kratos' Rocket Support Services is Key Member of the Aegis Readiness Assessment Vehicle Ballistic Missile Defense Team

SAN DIEGO, Nov 1, 2010 (GlobeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, today was notified that the Missile Defense Agency's (MDA's) Aegis Readiness Assessment Vehicle (ARAV) Team has been selected to receive the 2010 David Packard Excellence in Acquisition Award for the design, development, integration and launch of a family of cost-effective, flexible and reliable ballistic missile targets that replicate a wide range of ballistic missile threats. In announcing the award, Ashton B. Carter, Under Secretary of Defense, stated, "This is our most prestigious acquisition team award and recognizes organizations that have demonstrated exemplary performance and innovation in acquiring and delivering products and capabilities for the Warfighter."

During the period 1 July 2009 to 30 June 2010, the Aegis Readiness Assessment Vehicle Team built, integrated, and launched eight ballistic missile targets, including a new, highly sophisticated vehicle that provided the United States with the ability to test against complicated threat representative countermeasures. As a result, the Aegis Ballistic Missile Defense (BMD) program made significant strides in its development of new and more capable weapons systems designed to counter the most advance ballistic missile threats.

The Navy's ballistic missile defense program had a need for a low cost sounding rocket to conduct live ballistic missile defense tracking events to verify Aegis computer program installation, to demonstrate ships' crews' proficiency to conduct BMD planning and operations, and to conduct strategic and theater command and control architecture exercises. In order to reduce costs, the implementation of maximum reuse of assets and procedures has been a key component of the ARAV acquisition strategy, ensuring relatively inexpensive, highly responsive vehicles that are, to a large extent, already flight proven in terms of the qualification of hardware and procedures. The resultant ARAV-A and ARAV-B targets are over 85% less costly than the targets they replaced.

In 2008, the ARAV team responded to a challenge from senior Missile Defense Agency (MDA) leadership to develop an additional member of the ARAV family, the ARAV-C, in response to an urgent need for targets that emulate the most sophisticated preponderant threats. The ARAV Team responded with a design within four months and a first flight within 18 months. The ARAV-C target was delivered ahead of even the most aggressive schedule -- and cost approximately \$13 million. Compared to the only other proposed alternative, which was expected to cost \$36 million, the ARAV-C was a spectacular example of acquisition excellence.

The MDA ARAV Team is comprised of personnel from MDA Target and Countermeasures, Aegis Ballistic Missile Defense Program Office, Naval Surface Warfare Center's Port Hueneme Division White Sands Detachment, Dahlgren Division and Indian Head Division, Johns Hopkins Applied Physics Laboratory, New Mexico State University Physical Sciences Laboratory, Invocon, Inc. SecoTec, Kratos, NewTech, Inc., ITT, and Northrop Grumman Corporation.

Kratos' Rocket Support Services (RSS) Business Unit provides the threat-simulating target nose tips for the ARAV-A, ARAV-B and ARAV-C target configurations, the Oriole rocket system which is part of the ARAV-B target, and electronic and aerodynamic hardware used on the ARAV-C booster. To date there have been a total of 16 ARAV-A launches, 13 ARAV-B launches and one ARAV-C launch, all of which have been successful.

The success of the ARAV Team is, in the words of the ARAV Project Leader, due to its "lean, responsive, and accountable organizational structure," and to its uniquely participatory style. Every member, at every level, is a recognized expert in their particular area, and each has direct access to Team leadership. Decision-making is empowered at the lowest level, and initiative to discover new, more efficient ways of doing business is encouraged and nurtured. As a result, team turnover is negligible, and a common vision of success drives the entire team.

Dave Carter, Kratos' President of the Defense Engineering Solutions Division, emphasized, "This award recognizes the conscientious efforts of the Government and industry ARAV Team partners to provide cost-effective, yet capable and reliable targets for the Ballistic Missile Defense program."

"The entire Kratos organization is extremely proud of the ongoing success of the ARAVs and Kratos' significant contribution to

this important element of United States National Security. Our RSS support team has specialized in providing low cost, highly reliable suborbital launch vehicle hardware and launch services and has an enviable record of over 40 successful launches in as many launch attempts. We remain extremely committed to the continued future success of this program, and we look forward to additional opportunities to continue our support of the Missile Defense Agency and the ARAV Program," said Eric DeMarco, Kratos' President and Chief Executive Officer.

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a United States National Security Solutions provider. Kratos provides Mission Critical Products, Solutions and Services for United States National and Homeland Security. Principal areas of expertise include C4ISR, sensor development, unmanned system solutions and support, weapon systems upgrade and sustainment; design, engineering, manufacturing and integration of military products, tactical and other shelters; military weapon range operations; critical network engineering services; information assurance and cybersecurity solutions; security and surveillance systems; and critical infrastructure security system design, integration and operation. 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>

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