



Kratos Defense Acquires Cyber Security Solutions Leader SecureInfo for \$17.5 Million Cash

SecureInfo RMS[®] Product to be Integrated Into Kratos' NeuralStar[®] Family of Situational Awareness, Cyber Security and Network Operations Management Products, Expanding the Compliance Profile Within NeuralStar's[®] 360° Common Operational Picture of Mission-Critical Operations

SecureInfo Offers Advanced Products, Services and Training to Mitigate Security Risks, Including Critical Areas of Cloud Security and Continuous Monitoring

SAN DIEGO, Nov. 15, 2011 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced that it has acquired SecureInfo Corporation, a leading provider of products and solutions for securing cyberspace, for \$17.5 million cash, with the potential for up to an additional \$2 million in consideration to be paid if specifically agreed to future financial objectives are achieved. For the calendar year 2011, SecureInfo is expected to generate adjusted EBITDA of approximately \$2.5 million.

Based in Northern Virginia, just outside the nation's capital, SecureInfo is a pure-play cyber security company specializing in assisting defense, intelligence, civilian government and commercial customers to identify, understand, document, manage, mitigate and protect against cyber security risks while reducing information security costs and achieving compliance with applicable regulations, standards and guidance. The company offers Strategic Advisory, Operational Cyber Security and Cyber Security Risk Management services and is a recognized leader in the rapidly evolving fields of Cloud Security, Continuous Monitoring and Cyber Security Training. Customers include the Department of Defense, the Department of Homeland Security and large commercial customers, including market leading cloud computing service providers.

In addition to its portfolio of advanced cyber security solutions and services, SecureInfo has developed and markets SecureInfo RMS[®], a proprietary commercial off the shelf (COTS) software product that simplifies and automates the Security Authorization process. By enabling organizations to create a standardized Security Authorization program, SecureInfo RMS dramatically reduces the time and cost demands associated with compliance; supports management reporting; and facilitates sharing of critical information between agencies and departments. SecureInfo RMS will be integrated into Kratos' NeuralStar[®] family of Situational Awareness, Cyber Security and Network Operations Management products, expanding the compliance profile within NeuralStar's 360° common operational picture of mission-critical operations.

"The addition of SecureInfo further boosts our cyber security business which exceeds \$100 million in annual revenue across our products and product-related service activities," stated Phil Carrai, President of Kratos Technology and Training Solutions. "Our synergies could not fit better with SecureInfo as it enhances both the Technology and Training sides of our business. SecureInfo's sole focus is cyber security, and the company's deep knowledge of front-line cyber security issues will help us advance the NeuralStar products, as well as our cyber warfare solutions and the security capabilities built into the satellite communications products from our recently acquired Integral Systems group. Additionally, as recognized experts in Continuous Monitoring and Securing the Cloud, SecureInfo will be a key component in helping Kratos deliver advanced solutions for these key growth areas."

"We are extremely excited to be combining forces with Kratos," said Christopher Fountain, President & CEO of SecureInfo. "Our deep cyber security domain expertise is highly complementary to the Kratos Technology and Training Solutions business and other businesses within Kratos. In addition, the combined companies enjoy strong customer relationships across the U.S. Army, the U.S. Air Force, the Department of Homeland Security, the Department of Education and many other agencies. Most importantly, Kratos shares our passion for securing cyberspace in support of each customer's mission and will allow us to more rapidly expand the number of customers we serve."

B. Riley & Co. LLC acted as Kratos' exclusive financial advisor for Kratos' acquisition of SecureInfo. Bryant Riley, B. Riley & Co.'s Founder and Chairman, provides strategic advice to Kratos and assists Kratos in the execution of its strategic business plan.

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized National Security technology 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), satellite communication systems, 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 3,900, many of whom 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.

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 Kratos undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results to differ materially from the forward-looking statements contained herein include, but are not limited to: any operational or cultural difficulties associated with the integration of the businesses of Kratos and SecureInfo; potential adverse reactions or changes to business relationships resulting from the acquisition; unexpected costs, charges or expenses resulting from the acquisition; litigation or adverse judgments relating to the acquisition; the failure to realize synergies and cost savings from the transaction or delay in realization thereof; and any changes in general economic and/or industry-specific conditions. 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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