

Kratos Successfully Performs Second Flight of Unmanned Tactical Aerial Platform

SAN DIEGO, Dec. 03, 2015 (GLOBE NEWSWIRE) -- <u>Kratos Defense & Security Solutions, Inc.</u> (NASDAQ:KTOS), a leading National Security Solutions provider, announced today that it has successfully performed the second flight of its Unmanned Tactical Aerial Platform (UTAP-22) on November 23, 2015, on the Navy test range at China Lake, CA. This was the second flight in the currently planned three-flight series, and consisted of collaborative airborne operations with a manned fighter aircraft, an AV-8B Harrier; command and control through the tactical data link; execution of semi-autonomous tasks; execution of autonomous flight in formation with the AV-8B; transfer of UTAP-22 control between non-line-of-sight (over the horizon) operators in the tactical network; and transfer of control (handoff) from the tactical network to an independent dedicated control link.

UTAP-22, the Kratos Tactical UAS, is a high performance jet aircraft designed specifically for tactical payload operation/delivery and survivability in challenging and hostile environments. The results from this demonstration flight validate the unprecedented ability for a low-cost, unmanned aircraft with fighter-like-performance, to operate collaboratively with a manned fighter/tactical aircraft through semi-autonomous tasking and autonomous formation/wingman modes. Due to competitive and other considerations, no additional information will be provided related to Kratos unmanned combat aerial vehicle, UTAP-22, or this recent flight at this time.

Jerry Beaman, President, Kratos' Unmanned Systems Division, who was present at the test range facility for the UTAP's second flight said, "This flight demonstrated the utility of manned/unmanned teaming operations, providing the warfighter with new capabilities as a front line force multiplier. This successful mission, our first test of manned/unmanned operations was a major step forward in our unmanned tactical aerial system strategy and road map."

Mr. Beaman continued, "I firmly believe our UTAP-22 concept of a tactical manned aircraft teamed with unmanned aircraft capable of operating at tactical speeds, in a hostile environment, will be an affordable, effective and valuable tool for the warfighter, addressing a critical need. UTAP-22 is a Kratos internally-funded initiative, and this successful flight achieves another important milestone in establishing Kratos in the tactical unmanned systems market, and additional flights, demonstrating simultaneous UTAP-22 operations are planned for the near future."

Eric DeMarco, Kratos' President and CEO, said, "Kratos UTAP-22 is the most important unmanned aerial system initiative that our Company is pursuing as related to the unmanned tactical aerial vehicle market. Mr. Beaman and his team have been successfully executing a detailed strategy and plan of action for Kratos' penetration into this new for Kratos market space, and we are now demonstrating the initial results of this currently internally funded initiative."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized Technology Company providing mission critical products, solutions and services for United States National Security. 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 and Intelligence, Surveillance and Reconnaissance (C5ISR) systems, satellite communications, electronic warfare, unmanned systems, hypersonic systems, directed and high power energy systems, electromagnetic railgun, missile defense, cyber warfare, cybersecurity, information assurance, and critical infrastructure security. Kratos has primarily an engineering and technically oriented workforce of approximately 3,000. Substantially all of Kratos' work is performed on a military base, in a secure facility or at a critical infrastructure location. Kratos' primary end customers are National Security related agencies. News and information are available at <u>www.KratosDefense.com</u>.

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 include the proposed timing and expiration date of the Company's tender offer to repurchase the Notes. 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. 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 28, 2014, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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