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Kratos Receives \$81 Million Unmanned Drone Systems Contract Award from U.S. Government Agency

SAN DIEGO, Feb. 20, 2018 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its Unmanned Systems Division (USD) recently received a single award IDIQ contract with a maximum potential value of \$81,000,000 from a U.S. Government Agency related to unmanned drone systems and associated command, control, and communications. This contract award has a period of performance of approximately five years. USD is an industry leader in the rapid design, development, and fielding of affordable high performance jet powered unmanned aerial drone systems for tactical, combat, and target applications. Work under this contract will be performed at secure Kratos facilities and at government locations. Due to competitive, customer related and other considerations, no additional information will be provided at this time.

Steve Fendley, President of Unmanned Systems Division, said, "This recent contract award is another important milestone in the continued execution of our unmanned systems strategy to develop and apply our intellectual property technologies, as well as Government funded/owned IP, to support existing and evolving unmanned systems and their application in support of the warfighter."

Eric DeMarco, President and CEO of Kratos, said, "Kratos Unmanned Systems Division has received a number of important contract awards over the past several weeks, including a \$93 million award from the U.S. Army, a \$23 million new production contract award and now this \$81 million award. We believe that each of these awards are representative of the continued successful execution of the strategy we began a few years ago to be the industry leader in the rapid development, demonstration and fielding of technology leading systems and products at an affordable cost in our core business areas of satellite communications, unmanned systems, microwave electronics, missile defense and training systems."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (NASDAQ:KTOS) develops transformative, affordable technology for the Department of Defense and commercial customers. Kratos is changing the way breakthrough technology for these industries are brought to market through proactive research and a streamlined development process. Kratos specializes in unmanned systems, satellite communications, cyber security/warfare, microwave electronics, missile defense, training and combat systems. For more information go to www.kratosdefense.com.

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. Although Kratos believes that the expectations reflected in these forward-looking statements are reasonable, these statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. 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 25, 2016, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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