



## **Kratos Defense & Security Solutions Announces Adjournment of HBE Stockholder Meeting to December 15, 2010 and Expected Closing for HBE Acquisition on the Same Day**

SAN DIEGO, Dec. 9, 2010 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that it entered into a memorandum of understanding on December 8, 2010 that provides for the settlement of a putative shareholder class action suit, captioned *Atoll Advisors v. Henry*, Docket No.: C-378-10, filed by an individual stockholder in the Superior Court of New Jersey, Law Division, Bergen County against Henry Bros. Electronics, Inc. (Nasdaq:HBE) and Kratos. Although Kratos believes that the lawsuit is without merit, it entered into the memorandum of understanding to avoid the risk of materially delaying the proposed acquisition of HBE and to minimize the expense of defending the action. The settlement and dismissal with prejudice, if completed and approved by the court, will resolve all of the claims that were or could have been brought in the action, including all claims relating to the merger (other than claims for appraisal under Section 262 of Delaware law). The memorandum of understanding provides for the settlement and dismissal with prejudice of the action, subject to customary conditions, including completion of appropriate settlement documentation, consummation of Kratos' proposed acquisition of HBE by merger and all necessary court approvals.

In connection with the settlement and in order to make certain disclosures in a supplement to HBE's Definitive Proxy Statement dated November 9, 2010, the HBE stockholder meeting scheduled for December 9, 2010 to approve the pending merger was adjourned until December 15, 2010, at 10:00 a.m. Eastern Time, at the same location. As previously announced, holders of more than 60% of the HBE common stock entitled to vote at the HBE stockholder meeting have agreed to vote in favor of the acquisition of HBE by Kratos. We anticipate that the proposed merger will be approved at the HBE stockholder meeting on December 15, 2010 and that the transaction will be completed on the same day.

### **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 C5ISR, 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](http://www.KratosDefense.com).

The Kratos Defense & Security Solutions, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=3519>

### **Additional Information**

**In connection with the acquisition, HBE has filed a definitive proxy statement and other relevant documents concerning the transaction with the SEC. STOCKHOLDERS OF HBE ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders can obtain free copies of the proxy statement and other documents when they become available by contacting Investor Relations, Kratos Defense & Security Solutions, 4820 Eastgate Mall, San Diego, CA 92121. In addition, documents filed with the SEC by HBE will be available free of charge at the SEC's website at <http://www.sec.gov>.**

**Kratos and its executive officers and directors may be deemed to be participants in the solicitation of proxies from the stockholders of HBE in favor of the acquisition. Information about the executive officers and directors of Kratos and their ownership of Kratos common stock is set forth in the proxy statement for Kratos' 2010 Annual Meeting of Stockholders, which was filed with the SEC on April 1, 2010.**

### **Notice Regarding Forward-Looking Statements**

This news release contains certain forward-looking statements that involve risks and uncertainties, including, without limitation, statements relating to Kratos' intention to acquire HBE. 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 Company's business in general, see the risk disclosures in the Company's SEC filings, including its most recent Annual Report on Form

10-K for the year ended December 27, 2009 and its Quarterly Reports on Form 10-Q filed from time to time with the SEC. All forward-looking statements included in this news release are based on information available at the time of the release. We are under no obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

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