



Kratos Subsidiary SYS Technologies Awarded IDIQ Prime Contract With Base Period Value of \$44.4 Million

Jan 13, 2009 (GlobeNewswire via COMTEX News Network) --

Total Potential Combined Estimated Value of \$84.6 Million

Will Provide Technical Support to SPAWAR Systems Center, Pacific

SAN DIEGO, Jan. 13, 2009 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading national defense, IT and security solutions provider, today announced that their wholly owned subsidiary, SYS Technologies was one of four companies awarded a five year, Indefinite Delivery/Indefinite Quantity (IDIQ) prime contract with eight 6 month Award Term Periods with a combined, total estimated potential value of \$84.6 Million. Providing technical support to the Space and Naval Warfare Systems Center Pacific (SSC Pacific) Radio Frequency (RF) Communications Division, projects will include management, engineering, test and evaluation, integrated logistics support, facilities, implementation/integration, on site technical assistance, and security of RF and Command, Control, Communications, Computers, & Intelligence (C4I) systems.

Under the contract, SYS will support the SSC Pacific RF Communications Division in the evaluation of both existing and developing communications technology. This contract will allow SYS to aid SSC Pacific in the goal of assisting the Department of Defense (DoD) and the Navy in identifying, implementing, developing, improving and enhancing the C4I and network centric warfare concept called FORCENet. The RF Communications Division programs consist of RF communications systems covering the entire RF spectrum from very low frequency (VLF) through laser, wideband, narrowband and protected communications on afloat, ashore, airborne, submerged, and space based platforms.

Howard Bates, President of Kratos Government Solutions Group, said, "We are excited and appreciative that the SSC-Pacific has recognized our high level of capabilities and solutions by awarding this contract to us. As Kratos continues to grow, the depth and breadth of experience in all areas also continues to grow and we look forward to providing superior support in every area of this contract."

Eric DeMarco, President & CEO of Kratos, said "A key element of Kratos' strategy is to add new customers, new contracts, and new capabilities as we build the company, and our merger with SYS Technologies along with this contract win clearly demonstrate our success in these areas. This new prime contract vehicle will provide our Company access to major programs including the next generation Joint Tactical Radio System (JTARS) and the Wideband Global SATCOM System (WGS) high capacity satellite communication system."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) provides mission critical engineering, IT services and war fighter solutions for the U.S. federal government and for state and local agencies. Principal services include C4ISR, weapon systems lifecycle support, military weapon range and technical services, network engineering services, advanced IT services, security and surveillance systems, and critical infrastructure design and integration. 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>

Notice Regarding Forward-Looking Statements

This news release contains certain forward-looking statements including, without limitation, expressed or implied statements concerning the Company's expectations regarding the amount of revenues that will ultimately be derived from the SSC Pacific contract award and whether any additional work will be issued and the amount of revenues that will be derived from additional work, if it is issued. Such statements are only predictions, and the Company's actual results may differ materially. Factors that may cause the Company's results to differ include, but are not limited to: risks that work under the SSC Pacific contract will

curtail, change or terminate; risks that the new business, if or when issued, may not have the scope of work anticipated by the Company; risks that the integration of SYS or Digital Fusion will prove more costly, take more time, or be more distracting than currently anticipated; risks that the transaction will cause disruption of the Company's operations and distraction of its management; risks of adverse regulatory action or litigation; failure to ultimately settle ongoing litigation; risks associated with debt leverage; risks that changes or cutbacks in spending by the U.S. Department of Defense may occur, which could cause delays or cancellations of key government contracts; failure to successfully consummate acquisitions or integrate acquired operations and competition in the marketplace which could reduce revenues and profit margins. The Company undertakes no obligation to update any forward-looking statements. These and other risk factors are more fully discussed in the Company's Annual Report on Form 10-K for the period ended December 31, 2007, the Company's Quarterly Report on Form 10-Q for the period ended September 28, 2008, and in other filings made with the Securities and Exchange Commission.

This news release was distributed by GlobeNewswire, www.globenewswire.com

SOURCE: Kratos Defense & Security Solutions, Inc.

Kratos Defense & Security Solutions, Inc.

Press Contact:

Rob Babbush

858-812-7309 Direct

Investor Information:

877-934-4687

investor@kratosdefense.com

(C) Copyright 2008 GlobeNewswire, Inc. All rights reserved.

News Provided by COMTEX