



Kratos' Sensors & Space Systems Group Awarded New Long Range Broad Agency Announcement (BAA) Contract for Navy and Marine Corps Science & Technology Valued at Over \$1 Million

SAN DIEGO, Aug 2, 2010 (GlobeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that the Sensors & Space Systems group of its Weapons Systems Solutions (WSS) Division has received a new contract award in excess of \$1 million, for research and development (R&D) related to flexible membrane optical mirrors from the Office of Naval Research.

The Kratos WSS Sensors & Space Systems group is focused on transitioning emerging technologies to meet war fighter requirements in the realm of imaging and spectroscopic sensors. The group has ongoing efforts in diverse areas, conducting R&D to advance capabilities in ground and airborne sensors.

According to Dr. Greg A. Finney, Group Director and Principal Investigator for the program, "This technology is extremely exciting. If it reaches the capability we expect, it will tremendously reduce the cost and complexity of optical sensors." The goal of the program is to use electrical signals to adjust the shape of large optical mirrors. This approach would allow optical designers the freedom to adjust the focus and the zoom level of an optical system with no moving mechanisms. Currently, sensor designers use a combination of moving mirrors and lenses to make these adjustments. This method has been used for decades, but results in bulky, heavy mechanisms that require a significant amount of time to adjust. "We envision our approach will result in the ability to dynamically change the zoom, allowing sensor operators to track several targets simultaneously while maintaining awareness of the overall situation," said Dr. Finney.

The Sensors & Space Systems group will conduct this research in collaboration with its partners, Advanced Optical Systems and NeXolve Corp.

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) provides mission critical products, services and solutions for United States National Security. Principal products, services and solution offerings relate to and support C5ISR, weapon systems sustainment, military weapon range operations and technical services, network engineering services, information assurance and cyber security solutions, security and surveillance systems, and critical infrastructure security system 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 revenue that will ultimately be recognized under the contract described in this release. 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 the customer will curtail or delay the work under the contract; risks of adverse regulatory action or 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; and 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 27, 2009, the Company's Quarterly Report on Form 10-Q for the period ended March 28, 2010, and in other filings made with the Securities and Exchange Commission.

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