

Kratos Awarded Helicopter Air Crew Training Contract Options Valued at Approximately \$13 Million

SAN DIEGO, Dec. 23, 2014 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that one of its subsidiaries has been awarded a modification to exercise an option valued at approximately \$13 million on a previously awarded contract for helicopter operations aircrew and crew chief simulators.

Under the contract award, Kratos will fabricate, install and test Naval aircrew training systems and aircrew virtual environment simulators. The Kratos simulators provide a blend of virtual and physical environments for training aircrew members in crew coordination, aerial gunnery, hoist, search and rescue and vertical replenishment operations. Work will be performed in secure Kratos facilities in Orlando, Florida, and Binghamton, New York, and is expected to be completed in February 2018. Kratos' Technology & Training Division, which will be performing the work under this contract, is a leading provider of airborne and ground vehicle systems, operational and maintenance simulators and training systems for the United States and its allies.

"These simulators provide advanced training features such as mixed reality using see-through helmet mounted displays that enable users to see the physical training components within a virtual environment, inside and around the cabin," said Jose Diaz, Senior Vice President for Kratos Training Solutions. "It is extremely gratifying to see the results of our commitment to the most innovative products in aircrew training technology being embraced by our customer and extended through the exercise of this option."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized National Security 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 Systems, Intelligence, Surveillance and Reconnaissance (C5ISR), satellite communication systems, electronic warfare, unmanned systems, missile defense, cyber warfare, cybersecurity, information assurance, and critical infrastructure security. Kratos has primarily an engineering and technically oriented work force of approximately 3,600. 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 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, including risks related to product failure, general economic conditions and cutbacks in spending. 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 29, 2013, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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