



Kratos Defense & Security Solutions Awarded Intelligence Agency and Other Tasking Valued At Approximately \$8.2 Million

SAN DIEGO, Dec 1, 2008 (GlobeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading national defense, information technology and homeland security solutions provider, today announced three contract awards totaling approximately \$8.2 million, including work with a certain United States intelligence agency.

Four separate task orders were awarded under the US Air Force Consolidated Acquisition of Professional Services (CAPS) contract. Kratos' wholly owned subsidiary, Madison Research Corporation, is a prime contractor under this multiple award Indefinite Delivery/Indefinite Quantity (IDIQ) contract. Under the first task order, Kratos' subsidiary will provide subject matter expertise in materials and manufacturing research for Air Force aircraft systems. The second task order provides expertise to the 303 AESW/XR (Reconnaissance Systems Wing Capability and Requirements Integration Division) and the 659 AESS (Technology Squadron). Teammates supporting this task include Booz Allen Hamilton and SAIC. The third task is to provide diverse support to the Air Force Research Laboratory Propulsion Directorate (AFRL/RZ), supported by teammate Universal Technology Corporation. Under the final task financial management support will be provided to the 703 AESG (Predator Financial Management Group) and will be supported by teammate Booz Allen Hamilton.

Additionally, an undisclosed U.S. government intelligence agency has renewed its license to continue using Kratos' Neuralstar network management software solution to manage its sophisticated cyberspace communications network infrastructure. Neuralstar is a next-generation network management platform that provides the ability to manage secure enterprise-grade heterogeneous data, voice, video, wireless and satellite systems as a single integrated environment. Neuralstar is used in some of the world's most intensive, high-security military and government environments, including DISA's Integrated Network Management System where it is used to manage the Global Information Grid.

Finally, Kratos has also received a subcontract award through the Joint Interagency Task Force (JIATF) South to provide operation and maintenance for C4ISR systems, and support surveillance for drug interdiction, search and rescue, and Homeland Security efforts.

Howard Bates, President of Kratos Government Solutions, said, "We are excited and appreciative that the United States government has recognized the value of Kratos' capabilities and solutions by awarding these contracts to us. As Kratos continues to grow and expand its depth and breadth of technical expertise, we look forward to offering a broader range of comprehensive solutions to our customer base."

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 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 awards and contracts described above and whether any additional work or task orders will be issued and the amount of revenues that will be derived from additional work or tasks, if 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 contracts and awards described above 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 integration activities related to the recent SYS acquisition 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 the litigation and/or to settle the related derivative suit; 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.

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