



## Kratos Named a Finalist for M&A Advisor Turnaround Award

SAN DIEGO, Feb 2, 2009 (GlobeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading national defense, IT and security solutions provider, today announced that the Company has been named a finalist for the M&A Advisor Turnaround of the Year award. The M&A Advisor received a large volume of nominations for its upcoming 3rd annual turnaround gala being held on March 16th at The Colony Hotel in Palm Beach, FL, and Kratos has been named as one of the select few distinguished finalists in the \$100 million - \$500 million Turnaround of The Year award category. The Turnaround Awards honor excellence in deal-making in the distressed investing, restructuring and turnaround marketplace.

During 2007 and 2008, Kratos (previously Wireless Facilities, Inc.) transformed itself from a commercial wireless communication engineering services firm into one of the fastest growing national and homeland security services and solutions providers to the United States Government. During its turnaround Kratos successfully divested 100% of a rapidly commoditizing and deteriorating wireless business.

As part of the transformation and turnaround of the Company, Kratos executed a series of three acquisitions during the 12 month period ended December 26, 2008, in part utilizing the proceeds from the divestitures, creating a national security focused business with over 2,000 employees and expected 2009 revenues of approximately \$400 million. The Company, which recorded net losses of over \$40 million in 2007, has shown consistent EBITDA profitability throughout 2008, with sequential EBITDA profitability increases every quarter through its most recently reported September 30, 2008 period end.

Eric DeMarco, Kratos President and CEO, said, "The entire Kratos team is honored to be a finalist for the M&A Advisors Turnaround Award. This turnaround effort required extraordinary efforts on the part of a great number of our employees, and I could not be more proud of our team, who have seen us successfully divest businesses which were in an industry which was rapidly deteriorating, and are now part of Kratos, a premier National Security Solutions provider." DeMarco concluded, "I sincerely thank all Kratos employees, the Kratos Board of Directors, and all Kratos stakeholders for their commitment to turning the Company around."

"It is an honor to recognize Kratos' achievements and accomplishments. Despite the difficult economic environment, they have been able to restructure and rebuild, setting an industry standard for their influential deals in the middle market industry," said Roger Aguinaldo, CEO and Publisher of the M&A Advisor.

### 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 sustainment, military weapon range operations and technical services, network engineering services, information assurance and cybersecurity solutions, 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](http://www.KratosDefense.com).

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

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