



Kratos on Winning Team for \$105 Million Single Award Contract to Provide Army Unmanned Aerial System (UAS) Technical Support

Mission Critical UAS Work to be Performed at U.S. Army's Redstone Arsenal

SAN DIEGO, Nov. 21, 2011 (GLOBE NEWSWIRE) -- [Kratos Defense & Security Solutions, Inc.](#) (Nasdaq:KTOS), a leading National Security Solutions provider, announced that its Weapon Systems Solutions Division — Digital Fusion Solutions, Inc. (DFSI) subsidiary was a critical team member of Aerodyne, Inc., which was awarded a contract with potential value over \$105 million to provide technical and engineering support for the U.S. Army Unmanned Aircraft Systems (UAS) Project Office. Kratos and the Aerodyne Team have been performing mission critical UAS-related work for this extremely important National Security customer for the past five years.

Under the Project Manager, Army UAS Technical Services contract, Kratos-DFSI will provide significant technical expertise to support the UAS Operations Center, as well as all UAS Platforms and functional divisions, in the areas of operational readiness, flight hour/sortie historical data, maintenance action records, and all Standard Army Management Information Systems (STAMIS) data elements. In addition to UAS Operations Center support, DFSI supports PM UAS-wide automation initiatives and system sustainment activities such as the UAS Dashboard, the UAS portal/intranet (SharePoint), custom database applications, automated processes and workflows, and Lean Six Sigma business process improvement efforts. The team's five-year contract has a base value of more than \$9 million, with five additional options. If all options are exercised, the contract value will exceed \$105 million. The work will be performed primarily at the Army's Redstone Arsenal in Huntsville, AL.

"The UAS PO is committed to continuous improvement of their processes and systems," said Jeff Williams, DFSI Senior Director. "DFSI has had the unique opportunity to lead or support many of these process improvement initiatives over the past 6 years, and we are pleased that we can continue supporting the UAS PO as part of the Aerodyne team."

Richard Selvaggio, President of Kratos' Weapons Systems Solutions Division, said, "We are extremely proud to continue our support of this valuable customer. Kratos business today is heavily involved in United States unmanned aerial systems assets, including the manufacturing of ground control stations, transport and protection systems, avionics and command and control systems, electronics and the weaponization of UASs. We believe that unmanned systems will play an increasingly important role in this country's national security and that Kratos is very well positioned to support this mission."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized National Security technology business providing mission critical products, services and solutions for United States National Security priorities. 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, unmanned systems, cyber warfare, cyber security, information assurance, critical infrastructure security and weapons systems sustainment. Kratos has primarily an engineering and technical oriented work force of approximately 3,900, many of whom hold an active National Security clearance, including Secret, Top Secret and higher. The vast majority of Kratos' work is performed on a military base, in a secure facility or at a critical infrastructure location. Kratos' primary end customers are United States Federal Government agencies, including the Department of Defense, classified agencies, intelligence agencies and Homeland Security related agencies. 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

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. 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. Factors that could cause actual results to differ materially from the forward-looking statements contained herein include, but are not limited to: any operational or cultural difficulties associated with the integration of the businesses of Kratos and SecureInfo; potential adverse reactions or changes to business relationships resulting from the

acquisition; unexpected costs, charges or expenses resulting from the acquisition; litigation or adverse judgments relating to the acquisition; the failure to realize synergies and cost savings from the transaction or delay in realization thereof; and any changes in general economic and/or industry-specific conditions. 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 26, 2010, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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