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Kratos Consolidating Facilities

Move Will Improve Manufacturing Efficiencies, Streamline Operations and Increase Profit Margins

SAN DIEGO, Feb. 19, 2016 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that it is consolidating certain of its Modular System Division's (MSD) facilities in a restructuring move, which will result in the closing of Kratos' Charleston Marine Container (CMCI) manufacturing plant. The facility consolidation is being driven by the need to improve MSD manufacturing efficiencies, operational performance, profit margins and cash flow.

Commenting on the CMCI plant closure, Kratos' Chief Executive Officer, Eric DeMarco commented, "In the extended period of reduced DoD spending, Kratos' customers expect and demand that we continue to reduce costs and improve efficiency to remain financially strong and competitive. The decision for a facility consolidation, MSD restructuring and related plant closure in Charleston, while extremely difficult, allows for reduced cost and increased overall MSD manufacturing efficiency, while simultaneously preserving our manufacturing capacity for the future when certain programs Kratos has previously been working under are turned back on, and certain new opportunities come to fruition. Accordingly, Kratos' CMCI plant will be ceasing operations; however, the plant will be retained such that we can reopen the facility in Charleston when adequate new business is obtained. We anxiously look forward to the day when we can welcome our Charleston employees back to CMCI."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized 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 and Intelligence, Surveillance and Reconnaissance (C5ISR) systems, satellite communications, electronic warfare, unmanned systems, hypersonic systems, directed and high power energy systems, electromagnetic railgun, missile defense, cyber warfare, cybersecurity, information assurance, and critical infrastructure security. Kratos has primarily an engineering and technically oriented work force of approximately 3,000. 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 28, 2014, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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